

Executive Summary 2012/2013

This is a document showing example how BCS Strata Management manipulated Strata Schemes Management Act (SSMA) 1996. To obstruct the course of justice, they secretly engaged Solicitor Mr. Adrian Mueller without owners corporation approval at illegal Executive Committee meeting, hid costs from owners for nine months, made premeditated fraudulent insurance claims in amount of \$25,000.00, and then submitted false information Statutory Declaration to Consumer Trader and Tenancy Tribunal (CTTT).

A concerned owner uncovered serious financial and other mismanagement issues and wanted them to be resolved. Instead of resolutions, BCS Strata Management and the Executive Committee resolved to not attend three mediation attempts at the Department of Fair Trading.

Eventually, they secretly engaged Solicitor Adrian Mueller to avoid scrutiny.

The costs to owners corporation for legal expenses, without providing any evidence to counter owner's extremely serious claims of mismanagement, were above \$62,218.00:

Cred. Code	Doc. Ref.	Doc. Date	Doc. Total (GST inclusive)	Chq. Date
4446	69179	28/10/2014	\$742.50	30/10/2014
84446	67976	29/07/2014	\$484.00	31/07/2014
84446	65777	6/03/2014	\$242.00	25/03/2014
84446	65461	14/02/2014	\$20,624.75	05/03/2014
84446	65483	18/02/2014	\$6,980.28	04/03/2014
84446	64289	8/11/2013	\$484.00	19/11/2013
84446	61904	24/06/2013	\$1,452.00	04/07/2013
84446	61223	10/05/2013	\$11,568.72	20/05/2013
84446	60252	6/03/2013	\$1,452.00	22/03/2013
84446	58762	15/11/2012	\$13,986.12	27/11/2012
84446	57380	10/08/2012	\$1,504.40	22/08/2012
84446	56130	28/05/2012	\$198.00	31/05/2012
84446	55003	13/03/2012	\$2,500.00	27/03/2012
		Total	\$62,218.77	

Timeline of Events

1. From the time the EC officially requested the Strata Manager to seek quote for legal advice on 22nd of February 2012, till the Cost Agreement was produced by the Solicitor Mr. Adrian Mueller on 16th of July 2012, passed almost five months! The minutes of the EC meeting held on 22nd of February 2012 confirm that:

The Managing agent is instructed to seek a costs proposal from a strata lawyer to prepare a response to the latest application to CTTT seeking orders relating in the main to matters already dealt with. It was also noted that the committee encourages all owners to write to CTTT making it clear whether or not there is any objection or support. All the costs of this work will be identified separately to ensure all owners appreciate the additional expense being created by this vexatious and libelous correspondence. The committee is satisfied that there is no malfeasance of any kind and that audited accounts and approved minutes provide a correct record of all material issues. The Owners Corporation will seek a costs order against Mr [redacted] if this is permitted by CTTT.

It is worth to note that no owner supported legal action. Instead, owners wanted mediation, but that request was ignored by BCS Strata Management and the EC.

Within those five months, the Solicitor charged around \$2,500.00 without an official approval at any EC or general meeting to engage their services. The costs proposal, the estimate, or the disclosure did not exist and had not been submitted by the Strata Manager and the members of the Executive Committee at any time.

Date	Amount
3/27/2012	\$2,272.73
5/31/2012	\$180.00

This was in breach of the Solicitor's legal requirement to do so as per Legal Profession Act 2004:

309 Disclosure of costs to clients

(1) A law practice must disclose to a client in accordance with this Division:

(a) the basis on which legal costs will be calculated, including whether a fixed costs provision applies to any of the legal costs, and

(b) the client's right to:

(i) negotiate a costs agreement with the law practice, and

(ii) receive a bill from the law practice, and

(iii) request an itemised bill after receipt of a lump sum bill, and

(iv) be notified under section 316 of any substantial change to the matters disclosed under this section, and

(c) an estimate of the total legal costs if reasonably practicable or, if that is not reasonably practicable, a range of estimates of the total legal costs and an explanation of the major variables that will affect the calculation of those costs...

An alternative quote from other legal service providers was not requested and the Strata Manager and the members of the Executive Committee have not submitted any evidence of it. The decision to engage legal services was not made at any EC meeting between February and July 2012 and by that time around \$2,500.00 was already spent on legal expenses.

We are dealing with direct retainer concept, and the operative provisions imposing disclosure obligations under Legal Profession Act 2004 Part 3.2 Division 3 are Sections 309, 310, 313, 314, 317 and 318A. For example:

311 How and when must disclosure be made to a client?

(1) Disclosure under section 309 must be made in writing before, or as soon as practicable after, the law practice is retained in the matter.

And

312 Exceptions to requirement for disclosure

(1) Disclosure under section 309 or 310 (1) is not required to be made in any of the following circumstances:

(a) if the total legal costs in the matter, excluding disbursements, are not likely to exceed \$750 (exclusive of GST) or the amount prescribed by the regulations (whichever is higher),...

Apart from lack of responsible conduct by the Strata Manager and the members of the Executive Committee, the Solicitor breached stringent requirements imposed on their own practice.

2. In his email to the Branch Manager of Raine & Horne Strata Sydney BCS on 2nd of July 2012, the Solicitor Mr. Adrian Mueller made an indication about proper process to engage him:

Mr [redacted] lodged his appeal with the Consumer, Trader and Tenancy Tribunal on 15 June 2012 and the appeal is listed before the Tribunal on 8 August 2012 for a directions hearing.

At the directions hearing the Tribunal usually imposes a timetable on the parties to require them to prepare their evidence and submissions and sets the matter down for a final hearing which is likely to be towards the end of the year.

I have briefly perused Mr [redacted]'s appeal application. I assume you have a copy. Mr [redacted] has appended a considerable volume of material to his appeal application. For this reason, I estimate that I would charge \$6,600 - \$12,100 to represent the owners corporation in the appeal. This estimate assumes that Mr [redacted] will produce more documents to support his appeal during the course of his appeal.

If the owners corporation wants me to represent it in the appeal you should let me know so that I am able to provide you with a costs agreement which sets out the terms of my retainer and will contain more information about my fees and charges.

I note that many strata insurance policies contain cover for legal defence expenses up to \$50,000. You should therefore consult with your insurer about whether or not my legal costs would be covered by the insurer if the owners corporation decides to retain me in the appeal.

The first item of interest is the wide range of values in the estimate: between \$6,600 and \$12,100.

The second item of interest is a subtle suggestion to rely on insurance policy to cover legal expenses. This option was actually used by Raine & Horne Strata Sydney BCS through premediated fraudulent claims in amount of around \$25,000.00.

3. The EC and the Strata Manager did not seek quotes from alternative sources (other legal firms). The EC and the Strata Manager failed to seek or evaluate quotes from other legal service providers although they occasionally seek multiple quotes for even much smaller expenses.

On the date when the EC had a "meeting" to approve Solicitor's engagement on 9th of July 2012, the Cost Agreement was not available and no member of the EC had any details of:

cost schedule
terms and conditions

It begs lot of questions why would anyone award a significant engagement to any party without reviewing full contract beforehand.

As members of the Executive Committee, they should have been aware of their fiduciary duties of good faith and loyalty, and duties of skill and care. Refer to Else-Mitchell J. in "Re: Steel & Others and the Conveyancing (Strata Titles) Act 1961" (this Act is still been quoted and even used in various cases, for example Arrow Asset Management Case 2007):

"...the Strata Manager and the members of the Executive Committees have failed to appreciate the nature of the duties cast on them as members of the council of a body corporate... such persons are at least in a position analogous to company directors, they may even have a higher fiduciary duty..."

A Solicitor's general obligations of disclosure under ss 309 and 310(1) are well known to any solicitor in private practice. They are extensive and onerous. Over 20 separate items of mandatory disclosure may be identified. Failure to disclose any of them has potentially serious and costly consequences.

In addition to the basis of charging by the Solicitor and, when briefed, a Barrister, the Solicitor must disclose 'an estimate of the total legal costs if reasonably practicable or, if that is not reasonably practicable, a range of estimates of the total legal costs and an explanation of the major variables that will affect the calculation of those costs'. This item arises under s 309(1)(c), and secondarily under s 310(1):

309 Disclosure of costs to clients

1) A law practice must disclose to a client in accordance with this Division:

...

(c) an estimate of the total legal costs if reasonably practicable or, if that is not reasonably practicable, a range of estimates of the total legal costs and an explanation of the major variables that will affect the calculation of those costs

The Strata Manager and the members of the Executive Committee failed to initiate the retainer to investigate their rights or prospects of success in a potential claim or in resisting a suit or demand.

The Solicitor tried to justify his email on 2nd of July 2012 as a valid estimate but due to the Section 309 it is clear that it cannot be adopted as valid defense.

4. The EC meeting was initiated by Bruce Copland's email sent to the members of the EC (except one elderly EC member), Strata Manager, and the Branch Manager on Friday, 6th of July 2012:

Sent: Friday, 6 July 2012 12:48 PM
To: Gary Webb; 'jeffrey@...'; 'jhessink@...'; 'JWARD@...'; 'mcdonald151@...'; 'zelle@...'; 'pogo@...'
Cc: Paul Bancob
Subject: Re: SP52948

Can we please convene an urgent meeting at anyone's apartment that is available on Monday 9 July at 7.30 PM for no more than 30 minutes for committee members only so I can respond with one voice to our strata manager

This is the only "evidence" of the agenda for this meeting. Several serious non-compliance issues:

☛ This unscheduled EC meeting was not convened in accordance with the SSMA 1996 Schedule 3 Part 2 Section 7 Clause 1 and 2:

7 Executive committee meetings may be required to be convened

(1) The secretary of an owners corporation or, in the secretary's absence, any member of the executive committee must convene a meeting of the executive committee if requested to do so by not less than one-third of the members of the executive committee, within the period of time, if any, specified in the request.

(2) If a member of the executive committee other than the secretary is requested to convene a meeting of the executive committee under this clause, the member may give, on behalf of the executive committee, the notice required to be given under clause 6.

The official Secretary of the EC was not invited to the meeting and was therefore absent: it was the Strata Manager himself, as appointed after the resignation of elderly EC member and reported in the minutes of the EC meeting held on 22nd of February 2012.

The single EC member alone organized this emergency meeting (other members of the EC blindly followed his orders and instructions).

The Strata Manager and the members of the Executive Committee did not provide any evidence to the contrary that the alleged EC meeting was convened without 1/3 of the members requesting it.

☛ This notice did not contain the exact specification where the meeting was to be held and detailed agenda. This was non-compliance with the SSMA 1996 Schedule 3 Part 2 Section 6 Clause 3:

6 Notice of executive committee meetings

(3) The notice must specify when and where the meeting is to be held and contain a detailed agenda for the meeting.

"anyone's apartment" was certainly not a properly defined venue. The detailed agenda for the meeting did not exist too.

☛ This agenda was not sent to any owner on the strata roll who were not on the committee in the prescribed timeframe (at least 72 hours (clear-day notice – working days) before the meeting). Even one member of the EC did not get it, which was confirmed in "minutes" on 9th of July 2012. This was non-compliance with the SSMA 1996 Schedule 3 Part 2 Section 6 Clause 1 and 4:

6 Notice of executive committee meetings

(1) An executive committee of a large strata scheme must give notice of its intention to hold a meeting at least 72 hours before the time fixed for the meeting:
(a) by giving written notice (which may be done by electronic

**means) to each owner and executive committee member, and
(b) if the owners corporation is required by the by-laws to maintain
a notice board, by displaying the notice on the notice board.**

...

**(4) A notice may be given to a person by electronic means only if the person
has given the owners corporation an e-mail address for the service of
notices under this Act and the notice is sent to that address**

The 72-hour advanced notice is based on clear-day definition: working days. Since the invitation for the meeting was sent on Friday, 6th of July 2012 at 12:48 (early afternoon), and the alleged meeting was held on the following Monday, 9th of July 2013 at 19:30, it would have been impossible to deliver the agenda to all owners and comply with the 72-hour notice.

The Strata Manager and the members of the Executive Committee did not provide any evidence to the contrary that the agenda of the alleged EC meeting which the single EC member initiated alone on 6th of July 2012 failed to be distributed to owners in the complex at least 72 hours before the meeting (in fact, it has never been provided to owners or listed in the official Minutes Book).

This complex has the notice boards, and it is even a clause in the Schedule of Services in Strata Management Contract 2671 as signed between this strata complex and Raine & Horne Strata Sydney BCS on 16th of June 1999 (page 7, item C). In this complex, the notice boards are very selectively used – only when it suites the Strata Manager and the EC members.

☞ Since the agenda was not sent to owners on the strata roll, it denied the right and natural justice to owners due to non-compliance with SSMA 1996 Schedule 3 Part 2 Section 11 Clause 2:

11 Decisions of executive committee

(2) A decision of an executive committee has no force or effect if, before that decision is made, notice in writing is given to the secretary of the executive committee by one or more owners, the sum of whose unit entitlements exceeds one-third of the aggregate unit entitlement, that the making of the decision is opposed by those owners.

Clause 6(3) of Part 2 of Schedule 3 of the Strata Schemes Management Act 1996 requires a notice of executive committee meeting to "contain a detailed agenda for the meeting", however unlike general meetings there is no express prohibition on passing resolutions that were not notified, and no (specific) power for a strata schemes adjudicator to invalidate such a resolution.

However if the issues voted on ranged outside of the "detailed agenda" there should be some capacity for adjudicators orders under the general power in section 138 of the Act. This needs to be considered in the context that the Act does not expressly require a strict connection between the agenda and the resolutions passed (in contrast to the requirement for general meetings).

There, however, must be some connection, however, or the requirement for an agenda to be provided would be superfluous. Moreover if business did not need to correlate in some way to the agenda, there would be no meaningful way for the veto in clause 11(3) of Schedule 3 to be exercised (which clause allows unit owners having more than one-third of the unit entitlements to prevent the executive committee from making a particular decision). That veto must be exercised before the meeting, so necessarily it could not be exercised in respect of business raised at the meeting without notice (and hence potentially making the power to veto meaningless, which is unlikely to have been intended by Parliament).

☞ The Strata Manager and the members of the Executive Committee did not provide any evidence to the contrary that the alleged EC meeting held on 9th of July 2012 did not contain motion to confirm the minutes of the previous EC meeting. This was non-compliance with the SSMA 1996 Part 3 Section 22 Clause a and b:

22 What are the functions of the secretary of an owners corporation?

The functions of a secretary of an owners corporation include the following:

(a) to prepare and distribute minutes of meetings of the owners corporation and submit a motion for confirmation of the minutes of any meeting of the owners corporation at the next such meeting,

(b) to give on behalf of the owners corporation and of the executive committee the notices required to be given under this Act.

☞ The Strata Manager and the members of the Executive Committee did not provide any evidence to the contrary that the alleged EC meeting held on 9th of July 2012 was not attended by the Secretary of the EC (Strata Manager) and that he was not even invited to attend.

This was non-compliance with the SSMA 1996 Part 3 Section 22 Clause f and g:

***22 What are the functions of the secretary of an owners corporation?
The functions of a secretary of an owners corporation include the following:***

...

***(f) to convene meetings of the executive committee and (apart from its first annual general meeting) of the owners corporation,
(g) to attend to matters of an administrative or secretarial nature in connection with the exercise, by the owners corporation or the executive committee, of its functions.***

☞ The alleged minutes of the EC meeting held on 9th of July 2012 were not distributed to owners on the strata roll within 7 days after the meeting or at any time afterwards in following three years! This was non-compliance with the SSMA 1996 Schedule 3 Part 2 Section 16.

16 Display of minutes

(1) Within 7 days after a meeting of the executive committee of a large strata scheme, the executive committee must:

***(a) give each owner and executive committee member a copy of the minutes of the meeting, and
(b) if the owners corporation is required by the by-laws to maintain a notice board, cause a copy of the minutes of the meeting to be displayed on the notice board.***

The Strata Manager and the members of the Executive Committee did not provide any evidence to the contrary that the minutes of the alleged EC meeting held on 9th of July 2012 were NOT distributed to owners in the complex within 7 days after the meeting, or at any time so far.

📄 The Minutes of this meeting have never not been recorded in the official Minutes Book.

<input type="checkbox"/>	4737863	N52948	[REDACTED] PARK NSW	MACQUARIE	Minute Book	PCM Minute 04/01/2013	4/01/2013
<input type="checkbox"/>	4711985	N52948	[REDACTED] PARK NSW	MACQUARIE	Minute Book	PCM Notice	21/12/2012
<input type="checkbox"/>	4641496	N52948	[REDACTED] PARK NSW	MACQUARIE	Minute Book	AGM 17/10/12	10/12/2012
<input type="checkbox"/>	4641502	N52948	[REDACTED] PARK NSW	MACQUARIE	Minute Book	ECM 05/12/12	10/12/2012
<input type="checkbox"/>	4590540	N52948	[REDACTED] PARK NSW	MACQUARIE	Minute Book	Bld Mgr report for ECM	30/11/2012
<input type="checkbox"/>	4580084	N52948	[REDACTED] PARK NSW	MACQUARIE	Minute Book	ECM Notice	28/11/2012
<input type="checkbox"/>	4305611	N52948	[REDACTED] PARK NSW	MACQUARIE	Minute Book	AGM NOTICE & AGENDA on 17th October 2012	2/10/2012
<input type="checkbox"/>	3782295	N52948	[REDACTED] PARK NSW	MACQUARIE	Minute Book	CM MINUTES	19/06/2012

This is non-compliance with the SSMA 1996 Section 102:

102 Minutes of meetings

An owners corporation must keep minutes of its meetings that include particulars of motions passed at those meetings

The email that the single EC member sent to members of the EC and the Strata Manager on 9th of July 2012 was not composed in manner that was followed in almost all other meetings over the last 16 years (no motion to confirm the last EC meeting held on 13th of June 2012, no matters arising from the last meeting were listed for discussion, and unauthorized motions approved which were not even included in the alleged "agenda" on 6th of July 2012).

📄 The alleged minutes of this EC meeting were not written on stationery that contains Strata Agency's official letterhead.

☛ The minutes of the alleged EC meeting held on 9th of July 2012 were sent to the members of the EC (except one elderly person), the Strata Manager, and the Branch Manager by EC member. No other owner ever received its copy.

Sent: Monday, 9 July 2012 10:18 PM

To: 'GaryW(.....); 'Paul.Banoob(.....)
Cc: 'jeffrey(.....); 'jhessink(.....); 'JWARD(.....);
'mcdonald151(.....); 'zellev(.....); 'pogo(.....)
Subject: RE: SP52948

Paul/Gary

Please find minutes of our meeting held 7.30pm to 8.30pm tonight

Emergency Committee Meeting of SP52948

Held on: 9th July 2012

Location: Apt 181 Macquarie Gardens

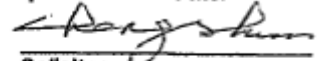
Present: John, Sandy, Joanne, Stan, Mo

Apologies: Maureen McDonald, Jeffrey Wang

Minutes:

1. The committee note that Betty Saulits may not have received email notice and we should mail her copies of minutes
2. 6 of 9 members being present a quorum was present.
3. Correspondence from CTTT regarding a directions hearing having been received last Friday urgent decisions regarding response and appearance were discussed.
4. It was unanimously resolved to appoint Adrian Mueller to represent the Owners Corporation at the directions hearing and to enter into an appropriate costs agreement noting that this may incur costs up to \$12,000.
5. It was unanimously resolved to instruct Napier & Blakely to conduct both the building condition survey and the asbestos inspection.
6. The committee is to ask the managing agent to issue the necessary orders to N&B and sign the appropriate costs agreements after review with the solicitor.
7. The building condition report (as soon as available) and AGM minutes (1999) approving water & gas rebates are to be provided to solicitor for production at CTTT.
8. Consideration of the correspondence to owners as part of the AGM and special resolutions concerning legal fees was deferred until after the outcome of the directions hearing.

This is the annexure marked "B" referred to in the statutory declaration of Peter Bone declared at Epping on 19 April 2013 before me:


Solicitor

SHUIV CHENG

There being no other business the meeting closed at 8.30 pm

The resolutions were not listed in the “agenda” on 6th of July 2012 (detailed agenda for the meeting was missing). This is non-compliance with the SSMA 1996 Schedule 3 Part 2 Section 6 Clause (3).

Several other issues with the resolutions “reached” at this alleged EC meeting:

- The approval to engage Napier & Blakely to conduct the building condition survey and the asbestos inspection was done without quotes from other providers although the initial discussion to obtain a comprehensive report on the condition of the building complex was reported in the EC meeting as early as 22nd of February 2012. Since that time, no owner received any updates about the progress about the quotes for the job.
- The motion to approve the engagement of Napier & Blakeley was not listed in the alleged agenda for the EC meeting issued on 6th of July 2012.
- Napier & Blakely completed their report very quickly and the Applicant obtained it in April 2013. Napier & Blakely issued the invoice in amount of \$12,144.00 on 30th of July 2012.
- The report by Napier & Blakely was supposed to be submitted to the CTTT at the Hearing in 2012. The CTTT never received it! There is a reason for it: the structural report contain some evidence that would have proven the points of lack of maintenance that the Applicant was trying to convey. The Strata Manager and the members of the Executive Committee obstructed and hindered an Adjudicator, or a delegate of an Adjudicator in the exercise of the powers conferred in the SSMA 1996 Section 167.

This is non-compliance with the SSMA 1996 Section 167 Clause 5:

167 Investigations by Adjudicator

(5) A person must not obstruct or hinder an Adjudicator, or a delegate of an Adjudicator, in the exercise of powers conferred by this section.

- **The Strata Manager and the members of the Executive Committee were fully aware of the building report well before the Directions Hearing on 8th of August 2012 and the Hearing on 17th of October 2012 and yet, they failed to produce this document, which they even listed as a resolution in the minutes of the alleged EC meeting held on 9th of July 2012. The Strata Manager and the members of the Executive Committee deliberately withheld this document from the CTTT and the Applicant and by issuing false statements about impeccable conditions of the building complex to the Tribunal they acted against the CTTT Act Section 71 (reference case: R vs Samuel Faraj Cohen, 2011).**
- **There was also a resolution on 9th of July 2012 that was supposed to present the full details and the special resolution to approve legal fees at the AGM 2012. That never happened. The agenda and the minutes of the AGM 2012 confirm, without any doubt, that no legal fees or any special resolution were discussed or approved.**
- **The EC and the Strata Manager are continuously undermining the CTTT’s orders and acting in non-compliance. To list a few:**

CTTT Directions Hearing in File SCS 12/... on 8th of August 2012

CTTT non-compliance warning to the Solicitor in File SCS 12/... on 17th of September 2012

CTTT non-compliance warning to the Solicitor in File SCS 12/... on 9th of October 2012

Non-compliance with extension to submit evidence upon Solicitor’s own request on 19th of September 2012

CTTT Rehearing Orders in File SCS 12/... issued on 17th of December 2012

Failed Mediation in DFT File SM12/... in January and February 2013

CTTT Hearing in File SCS 12/... on 15th of April 2013

CTTT Hearing in File SCS 12/... on 10th of May 2013

CTTT notice on submissions in File SCS 12/50... issued on 24th of April 2013

5. The EC was aware of the legal obligation to request the engagement of the legal services at a general meeting. In his correspondence to another on 2nd of August 2012, the EC member was clearly aware of the requirement to appoint lawyers only through a general meeting. The same EC member wrote the following to another owner in 2010:

[BMC] Incredibly Body corporates are not allowed to appoint lawyers without a general meeting! Despite this we have obtained independent legal advice at the cost of Optus and both John and I are well aware of the typical lease issues. Please note that the expression "on terms not less favourable" means that we can negotiate after approval to lease. The ability to negotiate is greatly restricted by the uncertainty of whether a lease will be approved at all hence the unattractive position of signaling the lowball position to the lessee. All of the issues you have raised have already been discussed but nobody will spend time or money to resolve these if there is no certainty that a lease will be available. Complain to the NSW government about the ludicrous position that puts us in as joint owners!

Once the legal costs exceeded or were estimated to exceed \$12,500.00 (it was as early as 16th of July 2012 when the Standard Cost Agreement was issued by the Solicitor) , the Strata Manager and the Executive Committee, under the current legislation, had a duty to seek approval at a general meeting, which occurs in October of each year. That has never happened in our complex (non-compliance with the Act Section 15).

Section 15 of the Strata Act defines the exemptions from approval for certain legal actions:

15 Exemptions from need for approval for certain legal action:

(1) The seeking of legal advice, the provision of legal services or the taking of legal action is exempt from the operation of section 80D of the Act if the reasonably estimated cost of seeking the legal advice, having the legal services provided or taking the legal action would not exceed:

(a) an amount equal to the sum of \$1,000 for each lot in the strata scheme concerned

(excluding utility lots), or

(b) \$12,500, whichever is the lesser.

(2) In a case where the cost, or estimated cost, of seeking legal advice, having legal services provided or taking legal action has been:

(a) disclosed by the Australian legal practitioner concerned in accordance with the Legal Profession Act 2004, or

(b) set out in a proposed costs agreement under that Act,

the reasonably estimated cost of seeking the legal advice, having the legal services provided or taking the legal action is taken, for the purpose of this clause, to be the cost or estimated cost so disclosed or set out.

(3) The seeking of legal advice, the provision of legal services or the taking of legal action is exempt from the operation of section 80D of the Act if its purpose is to recover unpaid contributions and interest under section 80 of the Act.

Because the Solicitor already charged around \$2,500.00 before the approval on 9th of July 2012, and the fact that his own incomplete "estimate added up to \$12,100.00 to it (it was not a proper estimate in accordance with the Legal Profession Act 2004 Section 309 (c), the Strata Manager and the Executive Committee had no legal basis to "approve" it and not convened the general meeting in accordance with the above listed SSMA 1996 section.

No owner has even approved or even viewed the legal costs at any general meeting, and the legal issues were never discussed in an open manner (including the AGM 2012 where they were supposed to be revealed in full detail).

Selection of cases showing importance of the agenda for the EC meetings

La Delle v Owners Corporation SP 53737 (Strata & Community Schemes) [2005] NSWCTTT 280 (28 April 2005)

I note that clause 6 of Schedule 3 to the Act requires that an executive committee give notice of its intention to hold a meeting at least 72 hours before the time fixed for the meeting and that this notice specifies "where and when the meeting is to be held and contained the detailed agenda for the meeting." This requirement gives Owners who are not on the executive committee the opportunity to exercise their right to attend such meetings. The requirement is, therefore, of importance and should be complied with.

Coote v Owners Corporation SP 55434 (Strata and Community Schemes) [2010] NSWCTTT 260 (11 June 2010)

It is of course a requirement pursuant to the provisions of the Strata Schemes Management Act 1996, Schedule 3, Part 2, for at least 72 hours notice of a meeting of the executive committee to be given in writing (if there is no notice board) to all lot owners.

Selection of cases showing importance of the properly convened EC meetings

Sun, Tang v Owners Corp SP 56443 (Strata and Community Schemes) [2012] NSWCTTT 312 (2 August 2012)

51. While there may be informal "meetings" to discuss issues, the evidence shows that no binding decisions are made at these times.

52. It is the normal incident of corporate governance that members of an executive will meet outside meetings convened under the relevant rules to discuss issues, examine information and make enquiries in order to facilitate efficient formal meetings. This is neither inappropriate nor unusual.

Nulama Village Pty Ltd v The Owners Corporation Strata Plan 61788 (Strata & Community Schemes) [2009] NSWCTTT 341 (19 June 2009)

Clearly office bearers of the Owners Corporation, in particular Mr Rannard as Chairperson, can only act in accordance with decisions made at properly held meetings... The managing agent and the Owners Corporation should not act on such instructions the only way to make decisions is at properly convened meetings or by the managing agent pursuant to its delegations

6. False Presentation of signed Standard Costs Agreement

The Strata Manager and the members of the Executive Committee did not provide any evidence to the contrary, that the Standard Cost Agreement was NOT distributed to the EC members, reviewed, and then approved by them in any written form for the Strata Manager to sign off the contract.

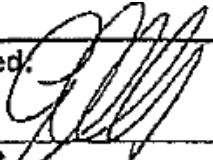

The question of whether the EC member ever read the Standard Cost Agreement was tabled by a concerned owner several times, even attempted to be forced via summons, which the CTTT rejected two times for no valid or justifiable reasons!

In addition, the alleged signoff of the Cost Agreement happened outside the Standard Cost Agreement:

The Solicitor should have had the copy of the Standard Cost Agreement that the representative of the strata plan signed but it was not what he provided in the evidence to CTTT on 29th of January 2013. If he had had it in his possession, he would have certainly submitted it to the CTTT and the Applicant, instead of the unsigned copy. No prudent Solicitor would make such a massive error in law.

Signed:	
_____	_____
Client	Date
	16 July 2012
_____	_____
Solicitor	Date

This is what the Strata Manager Mr. Peter Bone provided to CTTT in his falsified Statutory Declaration on 19th of April 2013:

Signed: 	
_____	<u>25. 7. 2012</u>
Client	Date
	16 July 2012
_____	_____
Solicitor	Date

One of the most explosive proofs that Peter Bone, and directly, Raine and Horne Strata Sydney BCS, lied is clear from minutes of EC meeting held on 22nd of August 2012 (one month AFTER the alleged signoff of the legal contract). Mr. Peter Bone was only introduced to SP52948 as of that date, and he was certainly not involved in any past activities:

MINUTES OF EXECUTIVE COMMITTEE MEETING OF STRATA SCHEME NO. 52948, 1-15 FONTENOY ROAD NORTH RYDE HELD IN THE OFFICES OF RAINE & HORNE STRATA LEVEL 1 BLOCK D, 240 BEECROFT ROAD, EPPING ON 22nd AUGUST 2012 at 7.30PM.

Standard abbreviations used in these minutes are as follows: MA = Managing Agent, EC = Executive Committee, OC = Owners Corporation, CTTT = Consumer Tenancy and Trade Tribunal, AGM = Annual General Meeting.

ITEM 1

PRESENT

J Ward, S Pogorelsky, J Wang, J Hessink, M Levitt & S Quick

APOLOGIES

M McDonald, E Saulits

IN ATTENDANCE

P Bancob & P Bone from Raine & Horne Strata-Sydney

Paul Bancob introduced Peter Bone as the manager from Raine & Horne Strata who will be responsible for day to day management due to Gary Webb being unable to continue for medical reasons. Peter may be contacted on 02 9888 2999.

There are several other problems with this Statutory Declaration by Mr. Peter Bone of Raine & Horne Strata Sydney BCS:

5. On 16 July 2012 I received by email from Adrian Mueller of JS Mueller & Co Solicitors a document headed "Standard Costs Agreement". Annexed hereto and marked "D" is a copy of Mr Mueller's email to me dated 16 July 2012 and a copy of the Standard Costs Agreement attached to that email also dated 16 July 2012.
 6. On 25 July 2012 the Standard Costs Agreement was signed by Gary Webb on behalf of the owners corporation. I know Gary Webb personally. He is employed by Raine & Horne Strata - Sydney. Mr Webb was the person at Raine & Horne Strata Sydney who throughout July 2012 was the person responsible for the day to day strata title management of the owners corporation. I have seen Mr Webb sign documents previously and I recognise the signature on the costs agreement as his signature.
 7. On 25 July 2012 I emailed to Adrian Mueller a copy of the Standard Costs Agreement signed by Gary Webb. Annexed hereto and marked "E" is a copy of my email to Mr Mueller dated 25 July 2012 and a copy of the Standard Costs Agreement signed by Gary Webb attached to my email.
- **The signed Agreement was requested four times, including two summons. Each time, the Solicitor and the Strata Manager refused to provide this document.**
 - The owner insisted on getting the evidence nevertheless because the document that Solicitor submitted to CTTT and the owner in January 2013 was not signed by Raine & Horne Strata Sydney BCS or any member of the Executive Committee although he claimed to have received it via email as early as 6th of August 2012.

- At the Hearing on 15th of April 2014, the Solicitor provided the following false statement. Certified copy of CTTT audio CD-ROM is available to prove it:

*“What I wish to do is... continue with the Hearing today on proviso that I am able to tender some evidence on this issue. Evidence which I've only discovered... having perused my file in the last five minutes. Material... There's two documents: first is a letter from me to the owners corporation dated the 2nd of July 2012 in which I did an estimate of my costs to act in owners corporation's appeal. **Second document is email from the Strata Manager to me on the 6th of August 2012 returning the signed copy of my costs agreement... and the costs agreement... signed by the strata manager on behalf of the owners corporation.... And... I apply...for leave... tender of these documents today on the basis that I've only been informed of the challenge...**”*

The dates of when the Solicitor received the signed Standard Costs Agreement significantly differ between version submitted by the Strata Manager's in his Statutory Declaration on 19th of April 2013 and an authoritative oral submission under implicit oath by the Solicitor at Hearing on 15th of April 2013.

Solicitor tried to play a game, procrastinate, talked about absolutely worthless issues, could not provide any evidence, and the case had to be adjourned one more time.

The Tribunal, nevertheless, issued orders that the Solicitor must provide evidence and copies of documents that he was engaged through proper legal process by Monday, 22nd of April 2013.

- In his Statutory Declaration Mr. Peter Bone of Raine & Horne Strata Sydney BCS alleged that this was the email sent from the Solicitor to him:

From: Adrian Mueller
Sent: Monday, 16 July 2012 6:52 PM
To: 'peterb@bcms.com.au'
Subject: Re: SP 52948
Attachments: Cost Agreement.PDF

Dear Peter,

I **attach** my costs agreement in accordance with our discussions this atfernoon.

I look forward to receiving your instructions to represent the owners corporation in the CTTT appeal.

This was actually an email NOT received by the Strata Manager, but email on the Solicitor's computer. The email does not comply with the IT standards for attachments (for example, RFC 2183, MIME in six linked RFC memoranda RFC 2045, RFC 2046, RFC 2047, RFC 4288, RFC 4289 and RFC 2049).

- In his Statutory Declaration Mr. Peter Bone of Raine & Horne Strata Sydney BCS alleged that this was the email sent from him in reply to the Solicitor:

From: Peter Bone [PeterB@bcms.com.au]
Sent: Wednesday, 25 July 2012 2:13 PM
To: Adrian Mueller
Subject: SP 52948 - Cost Agreement
Attachments: JS Mueller Cost Agreement 250712.pdf

This is the annexure marked "E" referred to in the statutory declaration of Peter Bone declared at Epping on 19 April 2013 before me:



Solicitor

SHUN CHENG

Good afternoon Adrian

Re: Strata Plan 52948 – 1-19 Fontenoy Road Macquarie Park

Please find attached the signed cost agreement for this scheme.

Please do not hesitate to contact me should you require any additional information.

The email does not comply with the IT standards for attachments (for example, RFC 2183, MIME in six linked RFC memoranda RFC 2045, RFC 2046, RFC 2047, RFC 4288, RFC 4289 and RFC 2049).

Subject line completely changed.

Address of the large strata complex incorrect! It is 1-15 Fontenoy Road, not 1-19!

- On page 19 on his Statutory Declaration, Mr. Peter Bone annexed a letter sent by Solicitor Mr. Adrian Mueller on 2nd of July 2012.

This letter was allegedly attached to the email sent by Solicitor Mr. Adrian Mueller on 5 July 2013 at 4:41 PM (on page 17 of Strata Manager's Statutory Declaration), and forwarded through Branch Manager Mr. Paul Banoob the same day at 4:57 PM to Strata Manager Mr. Gary Webb (on page 16 and 17 of Strata Manager's Statutory Declaration), who, in return, forwarded it to seven (out of nine existing) members of the Executive Committee on 6 of July 2012 at 08:32 AM.

These emails do not comply with the IT standards for attachments:

As real attachments
In-line (embedded)
Quoted (embedded)

■ In his Statutory Declaration Mr. Peter Bone of Raine & Horne Strata Sydney BCS alleged that this was the email sent from his office to all owners (to facilitate hidden paper EC meeting one week ahead of the scheduled time):

From: Debbie Downes [DebbieD@bcms.com.au]
Sent: Tuesday, 16 April 2013 1:52 PM
Subject: SP52948 - 1-15 Fontenoy Road Macquarie Park
Attachments: img-416134244-0001.pdf

Dear Committee Members,

Please find attached an agenda for the forthcoming Paper Executive Committee Meeting for your information and attention.

Kind Regards

Debbie Downes



Raine & Horne Strata-Sydney
Level 2, 51 Rawson Street Epping NSW 2121
T: (02) 9868 2999 F: (02) 8216 0331
www.bcms.com.au

This is the annexure marked "L" referred to in the statutory declaration of Peter Bone declared at Epping on 19 April 2013 before me:

A handwritten signature in black ink, appearing to read "Shun Cheng".

Solicitor

SHUN CHENG

The email headers in this message contain no proof of recipients. In addition, there is an EC member who did not use computers and had no knowledge of email and internet. It was impossible to schedule paper meeting for 19th of April 2012 when 72-hour advance notice was not given to all owners and even all EC members.

📧 The Solicitor sent the following secret email to the Strata Manager:

From: Bruce Copland
Sent: Tuesday, 16 April 2013 2:50 PM
To: EC Member John Ward
Subject: FW: SP52948 - CTTT Appeal (22012)
Importance: High

This explains why we need the additional paper meeting

From: Solicitor Adrian Mueller
Sent: Monday, April 15, 2013 6:12 PM
To: Raine & Horne Strata Manager Peter Bone and Branch Manager Paul Banoob, EC Member
Subject: Re: SP52948 - CTTT Appeal (22012)
Importance: High

Dear All,

*I **attach** letter reporting on today's CTTT hearing.*

I need you to immediately do the following:

- 1. Confirm when Raine & Horne Strata Sydney received my letter dated 2 July 2012 advising that the owner had lodged an appeal against the adjudicator's decision.*
- 2. Provide me with complete copies of the notice and minutes of the executive committee meetings held on 9 July 2012 and the next meeting held in August 2012.*
- 3. Confirm that Strata Manager signed my costs agreement on 25 July 2012 on behalf of the owners corporation.*
- 4. Convene another executive committee meeting to be held by this Friday, 19 April 2013 and to place on the agenda for and, if thought fit, pass the motions which appear towards the end of my attached letter (those motions may require amendment - you should consult with me before sending the meeting notice).*

Adrian Mueller

☐ The reaction from the EC members shows the confusion:

From: Bruce Copland
Sent: Tuesday, 16 April 2013 9:39 PM
To: EC members
Cc: Raine & Horne Strata Sydney BCS Manager
Subject: Paper Committee Meeting to be held on 26th April 2013

Dear All,

Please sign and date your voting paper as soon as possible. Despite the proposed date of the meeting we must have a clear majority as soon as possible to allow the Solicitor to rebut the allegations that he was never appointed to represent us at CTTT.

Please also not in whichever way that you wish that the decision in the minutes of the last paper meeting was defeating a motion to have someone represent us at a MEDIATION at DOFT and not a hearing at CTTT. This is a confusion caused by Peter mixing up the two issues in the notice.

I have attached a copy of my voting paper for your information and for Peter to record my vote.

From: EC Member Moses Levitt
Sent: Tuesday, 16 April 2013 11:40 PM
To: EC members
Cc: Raine & Horne Strata Sydney BCS Manager
Subject: Paper Committee Meeting to be held on 26th April 2013

I am totally confused.

Should the voting paper have the additional words, per the draft, inserted by us; Or must Peter issue a new voting paper which contains those words??

7. The Strata Manager and the members of the Executive Committee failed to provide full or relevant information about these legal costs to owners once the Standard Cost Agreement was released on 16th of July 2012 (non-compliance with the SSMA 1996 Section 230A).

230A Disclosure of matters relating to legal costs

If a disclosure under Division 3 of Part 3.2 of the Legal Profession Act 2004 is made to an owners corporation in respect of the costs of legal services to be provided to the owners corporation, the owners corporation must give a copy of the disclosure to each owner and executive committee member within 7 days of the disclosure being made.

The Strata Manager and the members of the Executive Committee exercised improper and incomplete disclosure of costs of legal services and without consultation with the owners at any EC or general meeting.

The copy of disclosure of costs was never given to owners and there is no evidence submitted by the Strata Manager and the members of the Executive Committee that even the members of the EC received it.

8. The Solicitor's invoice in amount of \$12,714.65 (\$13,986.12 with the GST) was submitted to the Secretary of the owners corporation on 15th of November 2012. This invoice, with expenses reaching above \$12,500.00 in a single invoice and exceeding the Standard Cost Agreement, was not announced to owners at any meeting too.

The Strata Manager and the members of the Executive Committee failed to notify the owners and the CTTT that the actual Solicitor's expenses were in vicinity of \$25,000.00 at the time of the Hearing.

If the Solicitor becomes aware of a substantial change in anything included in a prior disclosure, there is a duty to update the disclosure under Section 316. It is actually covered by Section 309(1)(b)(iv) (and Section 316) of the Legal Profession Act 2004.

That was also listed in the Standard Cost Agreement but not adopted by the Solicitor in later stages of the CTTT case. It is actually covered by Section 309(1)(b)(iv) (and Section 316). This clause imposes on the Solicitor an obligation to inform the client of any **substantial changes to anything** (as soon as practicable after he becomes aware of the changes) required to be disclosed to the client.

Professional fees:	\$10,000
Charges:	\$250
Expenses & Disbursements subject to GST:	\$250
SUBTOTAL:	\$10,500
GST:	\$1,050
TOTAL (GST inclusive):	\$11,550

These estimates are made on the information available to us at this time. They may, and probably will, change when more information is available to us. The major factors which will affect the estimates are:

- A change in the length of the hearing;
- The number of interlocutory applications and directions hearings;
- The number and location of witnesses;
- The volume of material served by the other side; and
- The retention of a solicitor/counsel by the other side.

The Solicitor also put the following in the contract:

Substantial changes to disclosure

You will be informed, as soon as is reasonably practicable, of any substantial changes to anything contained in this disclosure document.

More significant is the Solicitor's duty of professional care arising under the general law and the potential operation of trade practices legislation.

No owner is aware of the current legal expenses - that information is carefully guarded from them.

9. In spite of two documented records with the intention to do so, the Strata Manager and the members of the Executive Committee presented no information about legal costs or even updates about the CTTT case SCS 12/... at the AGM 2012.

10. The minutes of the EC meetings held on 5th of December 2012 and 20th of February 2013 did not contain any information about the rehearing in SCS 12/..., new case 12/... and the Solicitor's continuous involvement in the affairs of the complex.

The Strata Manager and the members of the Executive Committee did not provide any evidence to the contrary that the Solicitor's engagement was not approved at any meeting since the alleged EC gathering on 9th of July 2012.

The decision to engage the Solicitor for the rehearing in case SCS 12/32... on 7th of December 2012 was not made or approved at any official EC meeting.

Due to the fact that there was no EC meeting that had discussed extended engagement of the Solicitor before the 7th of December 2012 (the minutes of EC meeting held on 5th of December 2012 confirm it), it is undeniable that the decision to hire the Solicitor for reopened CTTT case was made by a single EC member (since AGM 2012 there is no public information about office bearers). This is in breach of:

SSMA 1996 Schedule 3 Part 2 Section 8, Chairperson to preside at meetings

(1) The chairperson presides at all meetings of the executive committee at which the chairperson is present and, if absent from any such meeting, the members of the executive committee present at that meeting must appoint one of their number to preside at that meeting during the absence of the chairperson.

(2) The chairperson does not have a casting vote in relation to any motion but may vote in his or her own right as a member of the executive committee.

11. The poor and strange management of the complex is evident in owner's email to the Strata Manager on 22nd of February 2013, whom he asked for the third time to provide details of the office bearers since the AGM 2012. The email contained the request to obtain access to names of the office bearers for FY 2013, full details of the water and gas reimbursements since 1st of September 2012, and copies of the registered Special By-Laws as approved at the AGM 2012. No response has been received, even after the repeated warning on 26th of March 2013. The lack of office bearers is in breach of:

SSMA 1996 Section 18, Executive committee to appoint chairperson, secretary and treasurer

(1) The members of an executive committee must, at the first meeting of the executive committee after they assume office as members, appoint a chairperson, secretary and treasurer of the executive committee.

(2) The chairperson, secretary and treasurer of the executive committee are also, respectively, the chairperson, secretary and treasurer of the owners corporation.

(3) One person may be appointed to more than one office under this section.

This is confirmed in several CTTT cases:

Vaughan & Cadogan v Owners SP 72 (Strata & Community Schemes) [2005] NSWCTTT 41 (24 January 2005)

Failure to convene meetings in accordance with the Act:

Owners Corporation SP 72 held an Annual General Meeting on 30 October 2003. Six persons, being six lot owners, were elected to the Executive Committee. Contrary to common practice, there was no Executive Committee Meeting after the conclusion of the Annual General Meeting. No office bearers were elected, in contravention of Section 18 of the Act. Although it is very important that the provisions of the Act be complied with in relation to the appointment of office bearers and the calling of meetings, it does not appear that failure to comply with the provisions of the Act adversely affected any person.

Owners Corp SP 20655 v Allan Dale Real Estate (Commercial) [2012] NSWCTTT 421 (18 October 2012)

The secretary is one of three compulsory office bearers that the executive committee of every Owners Corporation must appoint at the committee's first meeting each year.

Whilst the SSMA 1996 Section 29 provides avenues for the Strata Manager to exercise the functions of the Chairperson, Treasurer, and/or Secretary, the owners in strata plan did not receive any information about it at any EC meeting convened after the AGM 2012.

At no time over the last 16 years since the strata plan was registered on 17th of July 1996, these four roles were combined in one person (Treasurer, Chairperson, Secretary, Strata Manager)!

The SSMA 1996 Section 18 is clear about the requirement for the EC to appoint the Chairperson, Secretary and Treasurer at the first meeting after they assume office as members.

Therefore, the appointment “by stealth” is not valid and the owners would almost surely be shocked and very displeased to learn that four roles are exercised by a trainee Strata Manager, especially since most owners have never seen or had access to the Strata Management contract 2671 that was signed on 16th of June 1999.

To quote the Carltona principle by Justice Vickery:

It is well accepted that in certain circumstances the powers, duties or functions to be carried out on behalf of the person or body vested with them under a constituting statute may be carried out by appropriately authorised agents of that person or body without the need for delegation. ... Where the principle operates, the act which is undertaken by the agent will in law be regarded as the act of the principal, being the relevant person or body vested with the power, duty or function, and not that of the individual agent acting in a personal capacity.

The court explained that the Carltona principle will operate where the power, duty or function to be exercised is of an administrative or managerial character that would not have significant resultant repercussions beyond a limited framework. Conversely, where the statutory context points to the nature, scope and purpose of the power being of central or strategic importance, or where the exercise of the power will have significant consequences, the more likely it will be that its exercise was intended by the legislature to be undertaken by the body vested with the power and no other, unless it is validly delegated under a power of delegation...

In his latest Memorandum of Fees (Tax Invoice) dated 6th of March 2013, among many questionable expenses, the following was listed by the Solicitor:

22/02/13	Perusing email from Mr [redacted] requesting information about office bearers and water and gas rebates	\$44.00	\$4.40
22/02/13	Email to you providing advice on Mr [redacted] request for information about office bearers and water and gas rebates	\$44.00	\$4.40

12. Realizing that they had no proof of the approval to engage the Solicitor as per the alleged EC meeting held on 9th of July 2012, the Strata Manager and the members of the Executive Committee rushed to schedule a paper EC meeting on 26th of April 2013 at 10:00am, one day after the Anzac Day.

To complete the fraud, the EC and the Strata Manager, under strict guidance by the Solicitor, then engaged in time-warped EC meeting, running the meeting and sending its minutes seven days before its due day.

<http://www.nswstratasleuth.id.au/SP52948-BCS-Strata-Management-Ran-Timewarped-EC-Meeting-to-Hinder-CTTT-Investigations-19Apr2013.pdf>

13. The owner found undeniable proofs that the Strata Manager's Statutory Declaration contained numerous falsified statements and sent the following question to the Branch and Strata Manager of Raine & Horne Strata Sydney BCS:



Mon 20/05/2013 9:14 PM

VOLUNTARY FORENSIC ANALYSIS: Solicitor Standard Cost Agreement signed on 25 July 2012

To [redacted]

Cc [redacted]

You forwarded this message on 21/05/2013 9:25 PM.
We removed extra line breaks from this message.

Hello,

Are you willing, voluntarily, to submit the Standard Cost Agreement of Mr. [redacted] that your agency signed on behalf of SP [redacted] on 25 July 2012 to be forensically analyzed if I provide the official resources?

In other words, is your company willing to voluntarily allow the scientific verification if the signature on the document is 10 months old and tampered with in any form.

A reply was never received.

14. Examples of Strata Manager's abuse of delegated powers are in:

<http://www.nswstratasleuth.id.au/BCS-Strata-Management-Secretly-Assuming-Roles-of-Office-Bearers-2012-2013.pdf>

15. Details of the fraudulent, premeditated actions by Raine & Horne Strata Sydney BCS to defraud insurance company for around \$25,000.00 for legal case that did not exist:

- ▣ Instead of providing details of the public liability insurance as required by the Special By-Law, Raine & Horne Strata Sydney BCS engaged in secret legal case and insurance claims in order to prevent owners corporation from getting any knowledge of the special privileges given to the lot owner. This is extract from CHU Underwriting Agencies who extended the owners corporation QBE insurance policy through Gallagher Broking Services on 1st of August 2012:

Our Ref NH201212589

Good afternoon 

We will extend indemnity to the Insured under Policy 9. C) in this instance for Legal expenses Incurred in the legal advice sort in defence of the appeal.

We are not in a position to appoint legal representation on behalf the Insured in these circumstances.

Upon further approach under the claim, could we please have a copy of the Legal advice and costs summary.

- ▣ The same day, CHU Underwriting Agencies Insurance Broker send another email to Raine & Horne Strata Sydney BCS, warning of the high-risk with the claims:

We would not refer this matter through to our Company's Lawyers nor do we impose a rate scale.

We thought being a large risk that they would be in contact with a Strata Lawyer.

They can seek advice through the SCA (Strata Committee Australia).

Two others come to mind, Bannermans and the other, Le Page.
Both deal in Strata Law.

- This was the first claim in insurance policy for the owners corporation issued by Raine & Horne Strata Sydney BCS on 8th of August 2012, without owners corporation approval or knowledge:

BCB
C
BCB

Claim Form

To ensure prompt attention to your claim, please supply information as requested below. When completed, please return this form to BCB together with any supporting documentation relevant to the claim, i.e. Quotations / Invoices etc.

1 Type of Policy
 Body Corporate

2 The Insured
Name: The Body Corporate for Name not on file
CTS Number: 52948
Situation of The Insured Property: Common Property
1-15 FONTENOY ROAD MACQUARIE PARK NSW
Post Code: 2113

3 GST Declaration
Is the insured registered for GST? Yes
If yes, what percentage is the insured entitled to claim Input tax Credits? 100 %
Australian Business Number (ABN) 79491891602

4 The Insurer
Policy Number: 836665
Company: QBE INSURANCE GROUP LTD
Excess:
Is there any other insurance on the property? Yes No
if yes, please provide details of the Insurer/s and policy number/s:

5 What Happened *This claim will not be processed unless this section is completed*
Please explain how the damage occurred:

Legal expenses for defence of a claim against the Owners Corporation


Date of Loss: 8.08.12
if the exact date of loss is not known please provide the date the damage was first discovered.

Glass Claims for Commercial Strata policies must be submitted with a copy of the tenancy agreement showing that the Body Corporate is responsible for glass breakage, or, if the unit is owner-occupied, please advise.

Theft Claims for Common Area Contents must be submitted with proof of ownership (ie original purchase receipts, copy of asset register).

Resultant Water Damage claims (ie damage caused by the leakage of water) must be accompanied by a rectification invoice showing that the cause of the water leak has been repaired (this invoice must show the scope of works carried out).

Four claims for the CTTT case that did not even deal with the defence of the lot in question:



New South Wales
1 Northcliff Street
Milsons Point 2061
PO Box 507, Milsons Pt 1565
Phone: 1300 361 263
Fax: 1300 361 268
info_nsw@chu.com.au

Victoria / Tasmania
Level 30, 469 Collins Street
Melbourne 3000
Phone: 03 8695 4000
Fax: 03 8620 0606
Tasmania Ph: 1800 650 603
info_vic@chu.com.au

Queensland
6 Floor, 445 Upper Edward Street
Spring Hill 4000
PO Box 255, Spring Hill 4004
Phone: 07 3832 4880
Fax: 07 3832 0367
info_qld@chu.com.au

Western Australia
1050 Hay Street
West Perth 6005
PO Box 686, West Perth 6872
Phone: 08 9322 1722
Fax: 08 9481 6017
info_wa@chu.com.au

South Australia
Ground Floor
209 Greenhill Road
Eastwood 5063
Phone: 08 8394 0444
Fax: 08 8394 0445
info_sa@chu.com.au

CHU Underwriting Agencies Pty Ltd ABN 18 001 580 070 AFS Licence No: 243261 www.chu.com.au

**THE SPECIALISTS
IN STRATA &
COMMUNITY
TITLE
INSURANCE**

Advice to payee

683467

GALLAGHER BROKING SERVICES
PO BOX 6007
NORTH SYDNEY, NSW 2060

03 SEP 2012

Any claims settlements payable to insureds have been made in accordance with the GST information provided at lodgement stage.

Description of Claim: CTTT DEFENCE/LOT 3 ; Pol No.NNR836665
THE OWNERS -SP 52948 31/08/12

Claim Number	Incident Date	Excess	Total Amount of Cheque
NH201212589 - 1	12/06/2012	\$ 1,000.00	\$ 367.64

wmr



New South Wales / ACT
 1 Northcuff Street
 Milsoms Point 2061
 PO Box 507, Milsoms Point 1565
 Phone: 1300 361 263
 Fax: 1300 361 260
 info_nsw@chu.com.au

Victoria / Tasmania
 Level 20, 459 Collins Street
 Melbourne 3000
 Phone: 03 8695 4000
 Fax: 03 9620 0606
 Tasmania Ph: 1800 650 603
 info_vic@chu.com.au

Queensland
 6 floor, 445 Upper Edward Street
 Spring Hill 4000
 PO Box 256, Spring Hill 4004
 Phone: 07 3135 7900
 Fax: 07 3135 7901
 info_qld@chu.com.au

Western Australia
 1050 Hay Street
 West Perth 6005
 PO Box 686, West Perth 6872
 Phone: 08 9466 8600
 Fax: 08 9466 8601
 info_wa@chu.com.au

South Australia
 Ground Floor
 208 Greenhill Road
 Eastwood 5063
 Phone: 08 8394 0444
 Fax: 08 8394 0445
 info_sa@chu.com.au
 www.chu.com.au

THE
 SPECIALISTS
 IN STRATA &
 COMMUNITY
 TITLE
 INSURANCE

CHU Underwriting Agencies Pty Ltd ABN 10 001 580 000 AFS Licence No: 243261

Advice to payee

701965

GALLAGHER BROKING SERVICES
 PO BOX 6007
 NORTH SYDNEY, NSW 2060

11 DEC 2012

Any claims settlements payable to insureds have been made in accordance with the GST information provided at lodgement stage.

Description of Claim: CII DEFENCE LOT 3 ; Pol No.NNR836665
 THE OWNERS -SP 52948

07/12/12

Claim Number	Incident Date	Excess	Total Amount of Cheque
NH201212589 - 2	12/06/2012	\$ 0.00	\$ 12,714.65

wmr

CHQ #701965

DETACH BEFORE BANKING



New South Wales / ACT
 1 Northcliff Street
 Milsons Point 2061
 PO Box 507, Milsons Point 1565
 Phone: 1300 361 263
 Fax: 1300 361 260
 info_nsw@chu.com.au

Victoria / Tasmania
 Level 30, 450 Collins Street
 Melbourne 3000
 Phone: 03 8695 4000
 Fax: 03 9620 0606
 Tasmania Ph: 1800 650 603
 info_vic@chu.com.au

Queensland
 6 floor, 445 Upper Edward Street
 Spring Hill 4000
 PO Box 255, Spring Hill 4004
 Phone: 07 3135 7900
 Fax: 07 3135 7901
 info_qld@chu.com.au

Western Australia
 1050 Hay Street
 West Perth 6005
 PO Box 686, West Perth 6872
 Phone: 08 9466 8600
 Fax: 08 9466 8601
 info_wa@chu.com.au

South Australia
 Ground Floor
 208 Greenhill Road
 Eastwood 5063
 Phone: 08 8394 0444
 Fax: 08 8394 0445
 info_sa@chu.com.au

THE
 SPECIALISTS
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 COMMUNITY
 TITLE
 INSURANCE

CHU Underwriting Agencies Pty Ltd ABN 18 001 580 030 AFS Licence No: 243261 www.chu.com.au

Advice to payee

725330

GALLAGHER BROKING SERVICES
 PO BOX 6007
 NORTH SYDNEY, NSW 2060

29 APR 2013

Any claims settlements payable to insureds have been made in accordance with the GST information provided at lodgement stage.

Description of Claim: CTTT DEFENCE LOT 3 60252 ; Pol No.NNR836665
 THE OWNERS -SP 52948

26/04/13

Claim Number	Incident Date	Excess	Total Amount of Cheque
NH201212589 - 3	12/06/2012	\$ 0.00	\$ 1,320.00

dpe



New South Wales / ACT
 1 Northcliff Street
 Milsons Point 2061
 PO Box 507, Milsons Point 1565
 Phone: 1300 361 263
 Fax: 1300 361 260
 info_nsw@chu.com.au

Victoria / Tasmania
 Level 30, 450 Collins Street
 Melbourne 3000
 Phone: 03 8695 4000
 Fax: 03 9620 0606
 Tasmania Ph: 1800 650 603
 info_vic@chu.com.au

Queensland
 6 floor, 445 Upper Edward Street
 Spring Hill 4000
 PO Box 255, Spring Hill 4004
 Phone: 07 3135 7900
 Fax: 07 3135 7901
 info_qld@chu.com.au

Western Australia
 1050 Hay Street
 West Perth 6005
 PO Box 686, West Perth 6872
 Phone: 08 9466 8600
 Fax: 08 9466 8601
 info_wa@chu.com.au

South Australia
 Ground Floor
 208 Greenhill Road
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THE
 SPECIALISTS
 IN STRATA &
 COMMUNITY
 TITLE
 INSURANCE

CHU Underwriting Agencies Pty Ltd ABN 18 001 580 030 AFS Licence No: 243261 www.chu.com.au

Advice to payee

732417

GALLAGHER BROKING SERVICES
 PO BOX 6007
 NORTH SYDNEY, NSW 2060

06 JUN 2013

Any claims settlements payable to insureds have been made in accordance with the GST information provided at lodgement stage.

Description of Claim: DEFENCE LOT 3 61223 ; Pol No.NNR836665
 THE OWNERS -SP 52948

04/06/13

Claim Number	Incident Date	Excess	Total Amount of Cheque
NH201212589 - 4	12/06/2012	\$ 0.00	\$ 10,517.02

wme

- **CHU Insurance and QBE were notified by a concerned owner several times in 2013 but they REFUSED to provide additional details, claiming that owners should get information from the Strata Manager and the Executive Committee.**
- **At the time of CTTT Hearing on 17th of October 2012 when many issues were attempted to be resolved, BCS Strata Management, the EC, and their Solicitor provided no proof of the public liability insurance and even falsified the statement that owners of the lot could not attend because they had been overseas.**