

Secret negotiation by Pica Group Greg Freeman (parent company of BCS Strata Management) and single SP52948 committee member to avoid tender for strata management contract, without owners corporation approval on 10 October 2011

From Greg Freeman </O=PICA/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=GREGFREEMAN> ☆
Subject RE: SP 52948 Action items relating to the upcoming AGM immediately 10/10/11, 7:45 pm
To [REDACTED] ☆
Cc Jason Starr-Thomas [REDACTED] ☆, Paul Banoob <[REDACTED]>

Hi [REDACTED]

Thank you for your time today.

Confirming **Paul Banoob** is arranging and sending you:

1. The full financial statement FYE 30-8-2011 including notes. FYI, The full notes were provided by BCMS to the external auditor however their report sent back to BCMS excluded these items and only provided limited financial information??
2. A Full cash payments book report for both the administrative fund and sinking fund that will show all expenditure and charges from each fund for your financial year just ended
3. Copies of the most recent tax return including An explanation from BCMS regarding the tax expenditure (income tax paid) in the financial accounts. Apparently your scheme had 3 years term deposit / investment account
4. A complete set of registered by laws
5. report on insurances claims lodged and claim amounts

Paul advises the report on insurances claims lodged and claim amounts received may take a few days.

Proxies

As agreed all proxies need to be received by BCS (as delegated secretary) 24 hours prior to the meeting and Paul Banoob's team will vet them.

I have attached

- the preferred proxy BCMS uses for its large strata schemes.
- The levy arrears report as at 30th September 2011. This includes adjustments to 4 further lots that owed less than \$3

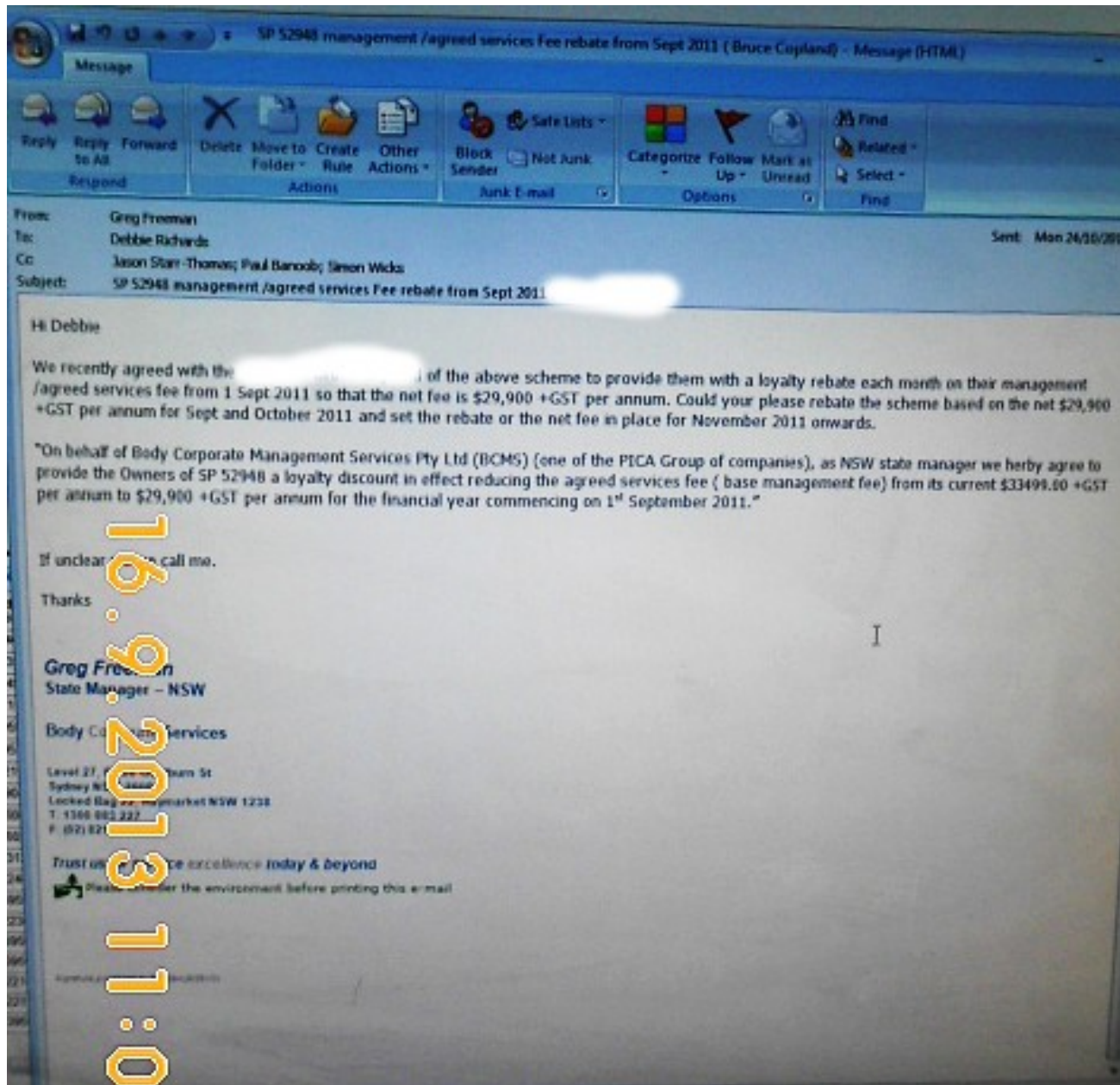
As agreed once you have checked the above financials and provided Paul with your explanatory note on the financials that you wish to accompany to Paul, he will send this proxy, the more comprehensive financials and your note and proxy to your owners as a meeting addendum.

Rebate on the contractual management(Agreed Services) fee between BCMS and The Owners of SP 52948

As your current management between Body Corporate Management Services Pty Ltd (BCMS) and The Owners of SP 52948 will stay on foot.

On behalf of Body Corporate Management Services Pty Ltd (BCMS) (one of the PICA Group of companies), as NSW state manager we hereby agree to provide the Owners of SP 52948 a loyalty discount in effect reducing the agreed services fee (base management fee) from its current \$33499.00 +GST per annum to \$29,900 +GST per annum for the financial year commencing on 1st September 2011.

Pica Group Gree Freeman sent email to BCS Strata Management to decrease base strata management fees from \$33,499.00 (plus GST) to \$29,000.00 (plus GST) per annum and apply it retrospectively from 1 September 2011, which were supposed to provide savings to owners corporation in amount of \$3,599.00 (plus GST) per annum



For the next two years (or at any time since 2011) owners corporation never received the fee reductions. SP52948 committee member confirmed loyalty discount by BCS Strata Management had never been paid back to owners on 31 January 2013, but failed to recognize that the discount figure was \$3,599.00 (plus GST) per annum. SP52948 committee members, Solicitor Adrian Mueller, and BCS Strata Management failed to disclose this information to Fair Trading NSW, CTTT and District Court throughout 2011, 2012, 2013, and 2014

From:
Sent: Thursday, 31 January 2013 12:47 AM
To: Peter Bone
Cc: Paul Baroob
Subject: RE: QUOTES AND ESTIMATES REQUESTED: SP52948 projects in 2013 and forward

Peter,

I agree with Paul that my understanding was the fees should have remained the same for two years (ie the annual increase was waived) but then applied in subsequent years. That's what I reported to owners and while its small biscuits (the amount is around \$1500) will you please ensure that this was reflected in BCS billings. simply cannot be allowed to find a crack in our integrity on any of these issues. Our agenda as a committee has to be set by real needs and genuine issues of policy. I am not

----- Original Message -----

From: Peter Bone [mailto:]
Sent: Wednesday, January 30, 2013 03:35 PM
To:
Subject: RE: QUOTES AND ESTIMATES REQUESTED: SP52948 projects in 2013 and forward

Hi

Have spoken to Paul and he is not available next week, but is available the following week.

I am available every day except Friday 8th February.

In relation to the Management Fees matter, Paul believes that the fees either remained unaltered or were slightly reduced. This can be further discussed during our meeting.

Could you please advise what action you wish taken re 's request for the Management Agreement and various quotations.

Regards

Extract from five-year balance sheet sent to owners in regards to base management fee paid to BCS Strata Management in period 2010 to 2014 inclusive confirming beyond ANY doubt that owners received no benefits

Years ending 31st August		*Latest year 20				
c:\alldata\ap52949 - masquarie gardens 1+15 fontenoy road\2014\strata plan 52948 - accounts and budgets xism\2015						
Actual income and expenditure per audited accounts*						
Administration fund	2010	2011	2012	2013	2014	
Management fee & key administration	31,950	33,456	33,499	33,499	34,049	
Agent's disbursements	6,800	6,889	6,857	7,481	6,502	