

Selecting a Liquidator

Tricks and Traps to watch for when selecting a Liquidator



dissolve

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Before you appoint anyone as a liquidator we recommend you check out their credentials with ASIC and with other independent regulatory bodies.

Check the CVs of the liquidator and the company the liquidator works for.

Our liquidator, Cliff Sanderson, owns and runs Dissolve which is a specialist company liquidation firm. Cliff has over 25 years of insolvency experience including partnership at Ernst & Young. He is a Registered Liquidator (155400), Chartered Accountant, Member of the Insolvency Practitioners Association of Australia, Member of the Turnaround Management Association and a Registered Debt Agreement Administrator. He set up Dissolve in 2008 to provide an efficient, low cost company liquidation service.

But don't take our word for it. We've given you information below on the main things you should check for any liquidator.

What is the name of the proposed Liquidator?

That is, you will be appointing an individual, not a company. By way of example, if you appoint at Dissolve, the individual who will be the Registered Liquidator is Clifford Sanderson. Always feel free to ask to speak to Cliff.

Trap – there are some “marketing advisers” that “sell” liquidations – they give advice, sometimes very poor advice, make promises, obtain the full fee from you then find a liquidator, and pay him a portion of the fee you paid. There is no way for you to have any comeback against that “marketing adviser” because you don't actually appoint them.

Check with ASIC that the proposed appointee is a Registered Liquidator.

ASIC is the government authority that has overall responsibility to register, supervise and, where necessary, discipline Registered Liquidators. A Registered Liquidator must have many years of experience, appropriate qualifications and abide by a number of laws regarding disclosure and conduct. You can check out the proposed appointee's registration on the ASIC website.

Check the proposed liquidator is a member of the Insolvency Practitioners Association of Australia (“IPA”).

The IPA is the peak professional body for insolvency practitioners. The IPA has very high requirements for membership and a wide range of ethical requirements and ongoing study which members must meet. The IPA's requirements include and exceed the requirements of ASIC.

Trick – some Registered Liquidators are not members of the IPA so do not need to comply with the higher requirements of the IPA.

Trap – some “marketing advisers” have gone to the lengths of creating and joining their own professional organisation with a name similar to the IPA. If it is not the Insolvency Practitioners Association of Australia then it is not the peak professional body.

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Appointing a liquidator at Dissolve is a simple and quick process:

1. Call or email us with company details including the company name and A.C.N. – during that call we will quote you our fixed price (sometimes there is no upfront fee);
2. We email you an Appointment Package (or fax or surface mail if need be);
3. You pay the fixed price (if applicable);
4. You sign and date the three documents in the Appointment Package and email, fax or mail them back to us.

We can get you an Appointment Pack within one hour so really the speed of appointment is dependent upon when you can get steps 3 and 4 done, but again, you can usually accomplish that within 30 minutes if need be.

It can be more complicated than outlined above. The most common variance from the above steps is when all directors cannot agree to appoint, or if all shareholders cannot be located to sign the documents. If that is likely to be the case just tell us and we can usually draft alternative resolutions to solve the problem.

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