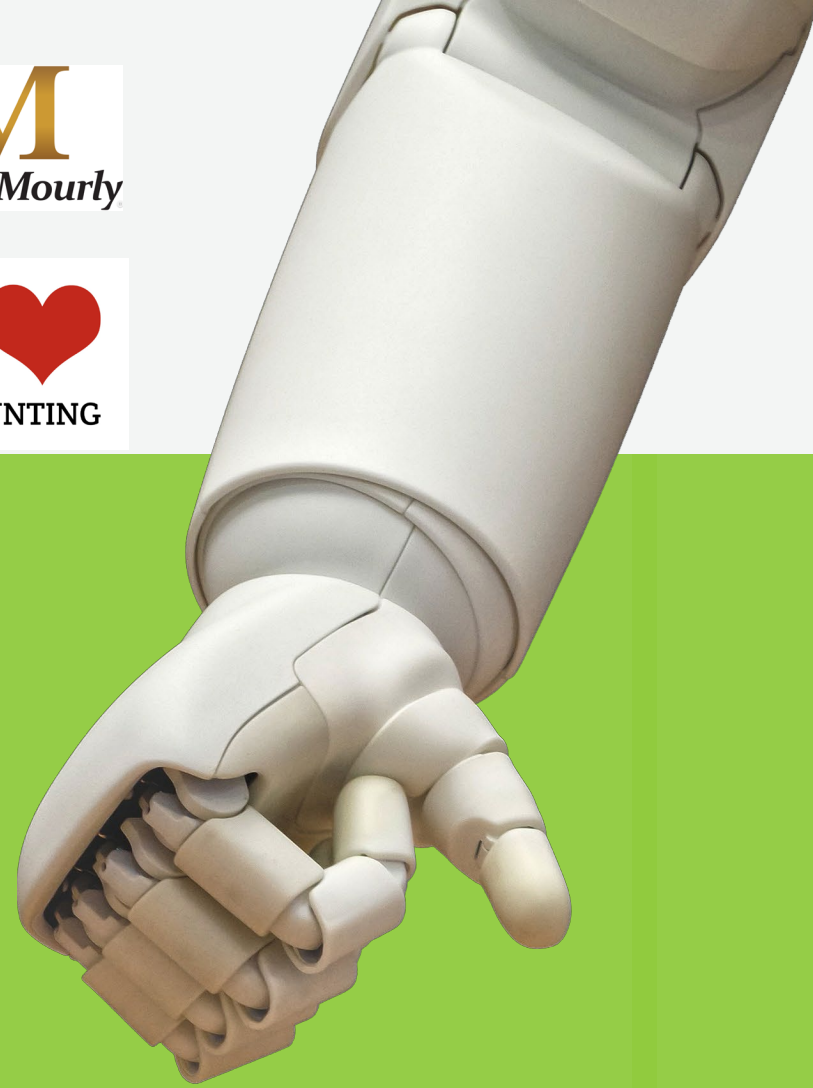




# Partner Solution Series

## Eventum Optimum (“EO”)

With Michael Jeffriess from  
LightYear Docs + I Love Accounting  
And  
Rod Peters from Eventum Optimum



February 2021

# LYD Partner Solutions Series

**PARTNER SOLUTION  
SERIES WITH  
MICHAEL JEFFRIESS**



**PARTNERS, SOLUTIONS,  
PRACTICE MANAGEMENT,  
APP STACKS AND MORE.**



**Every second Thursday / 12:30pm AEDT**

**REGISTER [LIGHTYEARDOCS.COM.AU](https://lightyeardocs.com.au)**



- LYD Partner Solution Series – launched in 2021
- Fortnightly webinars – Thursday
- A series of sessions run by LightYear Group Director and CEO of I Love Accounting – Michael Jeffriess
- Partner Solutions that complement LYD Strategies and Documents
- Plus insights into other areas such as technology applications and stacks, practice management, and many more.



Providing  
Solutions,  
Strategies and  
Support to be  
your **Best**

# LYD Partner Solutions – LYD + EO



# Award's Acknowledgment



To be announced  
18<sup>th</sup> June 2021  
@ Star Sydney

# Today's Webinar – Topics to be Discussed

- Update on environment from EO – State of the Nation
- EO Mortgage Registration Process
- Other EO Services + Processes
- More case studies

Practical discussion  
on what is required  
+ process

# Update from EO



# Mortgages



A **second mortgage** is another home loan taken out against an already-mortgaged property. They are usually smaller than a first mortgage.

**First + Second mortgages** can be used as a form of asset protection.

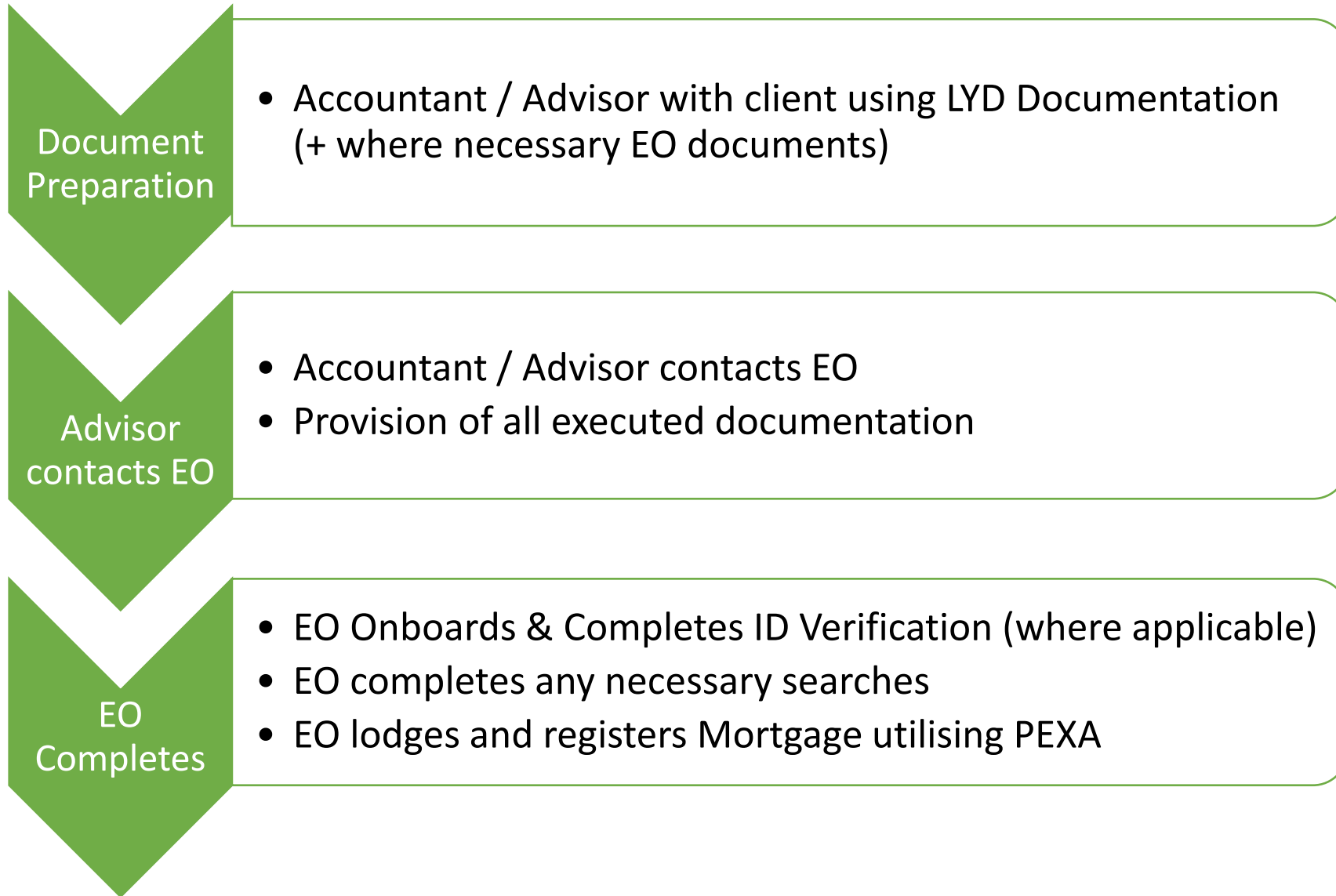
Can be used for such strategies as the LYD Protector using gift + loan backs

Keep in mind solvency issues + claw back periods!





# Solution - Mortgage Registration Process



# Mortgage Registration – EO Completes

- **WHAT** do we need to register mortgages on PEXA
  - **Documents**
    - Reason for mortgage e.g. Protector or other → we need copies of these
    - They form the terms of the Mortgage otherwise use standard terms
    - CAF = Client Authority Form → EO Supplies
    - National Mortgage Form → And YES each state version is different - EO supplies
    - Title certificate / Title Search – EO supplies
    - Company Extracts – where applicable – EO supplies
    - Contact 1<sup>st</sup> Mortgagee+ and invite to PEXA desktop. Deed of priority?
  - **Parties to the Documents**
    - Full names of each party, email address for each party, mobile phone number for each party

# Mortgage Registration – EO Completes

## CAF = Client Authority Form

- A separate CAF for each party
- If there is a company then a CAF from director on behalf of the company

**CLIENT AUTHORISATION** Version 5.

When this form is signed, the Representative is authorised to act for the Client in a Conveyancing Transaction(s).

**Privacy Collection Statement:** The information in this form is collected under statutory authority and used for the purpose of maintaining searchable registers and indexes.

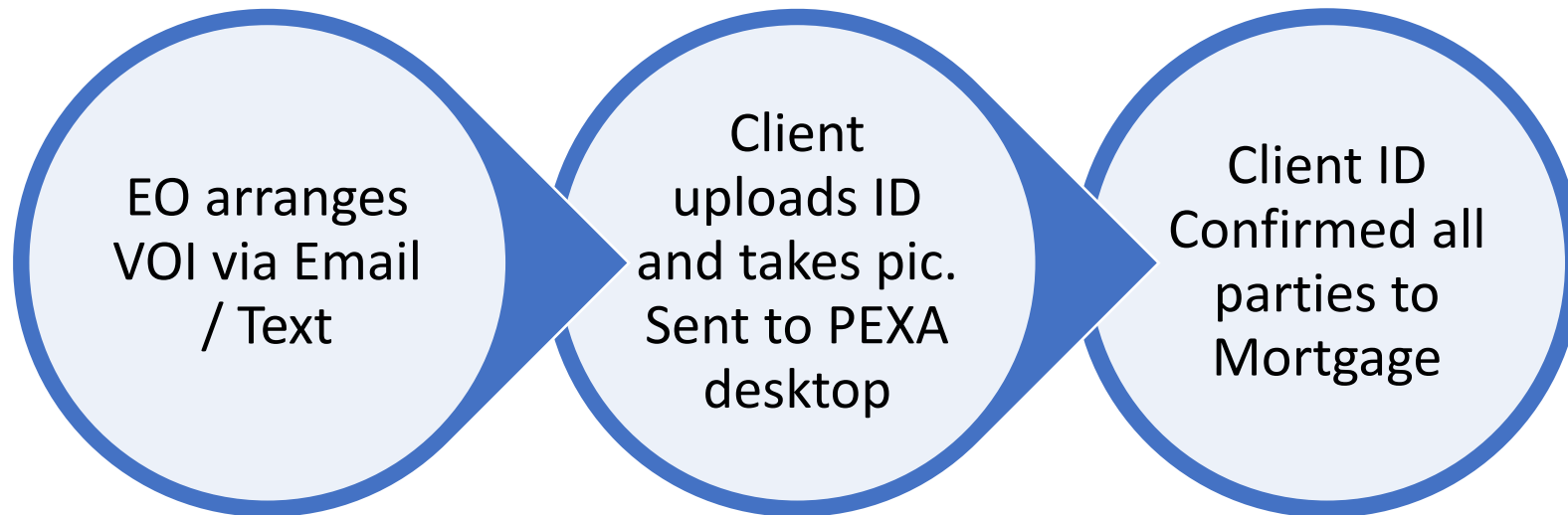
Representative Reference: \_\_\_\_\_

CLIENT DETAILS	CLIENT 1		CLIENT 2	
	NAME	_____	/ / / / / /	/ / / / / /
	ACN/ARBN	_____	/ / / / / /	/ / / / / /
ADDRESS	_____	/ / / / / /	/ / / / / /	
AUTHORITY TYPE	<input type="checkbox"/> <b>SPECIFIC AUTHORITY</b> <small>(set out conveyancing transaction details below)</small>	<input type="checkbox"/> <b>STANDING AUTHORITY</b> <small>ends on revocation or expiration date: ___/___/___ (tick relevant conveyancing transaction(s) below)</small>	<input type="checkbox"/> <b>BATCH AUTHORITY</b> <small>(attach detail transaction(s))</small>	
TRANSACTION DETAILS	CONVEYANCING TRANSACTION(S) 1		CONVEYANCING TRANSACTION(S)	
	PROPERTY ADDRESS	_____	/ / / / / /	/ / / / / /
	LAND TITLE REFERENCE(S) <small>(and/or property description)</small>	_____	/ / / / / /	/ / / / / /
	CONVEYANCING TRANSACTION(S)	<input type="checkbox"/> <b>TRANSFER</b> <input type="checkbox"/> <b>PRIORITY NOTICE</b> <input type="checkbox"/> <b>OTHER</b>	<input type="checkbox"/> <b>MORTGAGE</b> <input type="checkbox"/> <b>DISCHARGE/RELEASE MORTGAGE</b> <input type="checkbox"/> <b>WITHDRAWAL OF CAVEAT</b>	<input type="checkbox"/> <b>TRANSFER</b> <input type="checkbox"/> <b>PRIORITY NOTICE</b> <input type="checkbox"/> <b>OTHER</b>
ADDITIONAL INSTRUCTIONS	_____			

# Mortgage Registration – EO Completes

## VOI = Verification of Identification

- How? Via Email + SMS
- Need? Full names of each party, email address for each party, mobile phone number for each party



# Mortgage Registration – EO Completes

## National Mortgage Form

- Signed by each party

<b>Lodger Details</b>		<b>For Office Use Only</b>  <b>THE BACK OF THIS FORM MUST NOT BE USED</b>
Lodger Code		
Name	EVENTUM OPTIMUM PTY LTD	
Address	PO BOX 4747 ROBINA TOWN CENTRE QLD 4230	
Lodger Box		
Phone	0417770044	
Email	registrations@eventumoptimum.com.au	
Reference	EOTROM	
<b>MORTGAGE</b>		
Jurisdiction	VICTORIA	
<b>Privacy Collection Statement</b> The information in this form is collected under statutory authority and used for the purpose of maintaining publicly searchable registers and indexes.		
<b>Estate and/or interest being mortgaged</b> FEE SIMPLE		
Land Title Reference	Part Land Affected?	Land Description
<b>Mortgagor</b>		

# Mortgage Registration – EO Completes

## National Mortgage Form + Terms & Conditions

- Have to attach loan terms and conditions eg protector terms, standard State T& C's
- Copy of T&C must be signed on every page by all parties

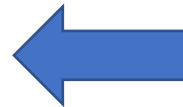
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The mortgagor mortgages the estate and/or interest in land specified in this mortgage to the mortgagee as security for the debt or liability described in the terms and conditions set out or referred to in this mortgage, and covenants with the mortgagee to comply with those terms and conditions.

### Terms and Conditions of this Mortgage

(a) Document Reference                      NIL

(b) Additional terms and conditions



Add summary of T & C's and arrange to signed on all pages

# Mortgage Registration – EO Completes

## 1<sup>st</sup> Mortgage in Play??

- Write to mortgagee and invite into PEXA desktop. 1<sup>st</sup> Mortgagee to provide permission for second mortgage
- Deed of Priority? Yes most cases
  - An agreement with the first mortgagee that regulates the **priority** amount or amount secured and payable under each **loan**. This agreement is called a '**Deed of Priority**'.

Settle on your desktop.



# Mortgage Registration – EO Completes

## Other PEXA Services via EO

- Mortgages & Discharges
- Caveats & Withdrawals of Caveats
- Other registration services available
- LRBA registration
- Settlement facilities where funds are transferred
- Document storage



# Mortgage Registration – EO Completes

## HOW?

- Via PEXA Desktop online lodgement
- Each states requirements are different
- Email EO on:

[registrations@eventumoptimum.com.au](mailto:registrations@eventumoptimum.com.au)

# Pricing – Exclusive to LYD Members



- Mortgage registration = **\$440 + Disbursements**
  - External disbursement fees - \$275 to \$400 (registration fee, title search, company extracts, etc)



Personal Property  
Securities Register

- PPSR Registration = **\$110 PPSR only**
- PPSR + Revolving Loan & Security Deed = **\$275**
- **Advice in relation to PPSR – Quote**  
(important to get it right!)

# Solutions - Property Assessments



- Transferring from individuals to structure
- Equity into a structure

Property Value	Fee (including GST)
\$1 - \$499,000	\$550
\$500,000 - \$999,000	\$660
\$1,000,000 - \$1,499,999	\$770
\$1,500,000 - \$1,999,999	\$880
\$2,000,000 - \$2,999,999	\$1,100
\$3,000,000 - \$3,999,999	\$1,650

## Other Valuations

- Business
- Plant & Equipment
- Other assets

# Stamping Solutions – via EO



- Trust & SMSF Deeds
- Other stamping services available
- State Revenue & Land Tax clearance services
- Both online daily services or where applicable over the counter via service agents

# Stamping of Trust Deeds



**Note:** below costs are for duty costs only. Fees for arranging stamping apply. Refer EO Pricing Schedule or contact EO directly. You can still get deeds stamped in other states with \$0 duty payable

State / Territory	Trust's – D/T + U/T	SMSF's	Timeframe
NSW	✓ \$500 (\$10 per counterparty)	✗	< 90 Days from Deed Date
QLD	✗	✗	N/A
VIC	✓ \$500 (\$0 per counterparty)	✗	< 30 Days from Deed Date
SA	✗	✗	N/A
WA	✗	✗	N/A
TAS	✓ \$50	✓ \$50	N/A
ACT	✗	✗	N/A
NT	✓ \$20 (\$5 per counterparty)	✓ \$20	< 60 Days from Deed Date

# Checklist!!!!!!

## EO Checklist for Attendees who are LYD Members



### CLIENT RISK AREAS CHECKLIST FOR ACCOUNTANTS & ADVISORS

Tick the box if applicable



- We have a number of LYD Members who are using this effectively now
- ACTION → Roll it out to your team as part of your EOFY reviews

# Checklist!!!!!!

For Internal Use Only

Client	
Reference	
Financial Year / Period	

## COMPANY / ENTITY DEBTS – POTENTIAL PERSONAL LIABILITY

- Late or Non-lodgement of Business Activity Statements** – may result in Director Penalty Notices (“DPN’s) being issued by the ATO.
- Non-lodgement of SGC Returns** – may result in Director Penalty Notices (“DPN’s) being issued by the ATO in relation to unpaid Superannuation entitlements.
- Division 7A Loans** – loans that are repayable to the entity.
- Register of Personal Guarantees** – consider whether a register of personal guarantees should be created and maintained. Also check do check for caveatable interests. Consider completing officeholder searches.
- Construction / Building Entities (where applicable)** – check if a Deed of Covenant has been provided. Check terms.

# Checklist!!!!!!

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## ENTITY STRUCTURE ISSUES

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- Entities with both spouses acting as Officeholders / Directors** – risk exposure for both parties and all personal assets.
- Trust/s with Individual Trustees** – risk exposure for the individuals acting as trustees.
- Trading Entity Director holding personal assets such as the family home and/or making loan repayments on personal assets** – personal asset risk exposure if the director (risk) is

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also holding personal assets. Need to also consider if the director (risk) is building up equity through loan contributions. Separate personal assets from business assets.

- Inter-entity Loans / Relate Party Loans** – risk exposure for the group assets and/or individual assets.
- Trading Entity holding Assets** – risk exposure for business assets including IP and P,P&E.



# Checklist!!!!!!

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## SECURITY VIA PPSR

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- Director Credit Loans that are unsecured** – if an entity owes money to a director and the loan has not been appropriately secured it will result in a loss of creditor priority. There are timing considerations for securing loans.
- Asset Holding Entity unsecured over trading entity** – has the asset holding entity registered a PPSR lease over the trading entity? Has it been appropriately documented? If not, there is a risk exposure on the assets of the asset holding entity.

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## BANKS & FUNDERS

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- Lending Covenants** – do they exist? Have they been complied with? Banks may deem non-compliance as a default event.
- Cross Collateralisation** – check as most banks can rely on inter entity guarantees or all monies clauses.
- Lending and banking with one bank/financiers** – potential risk exposure if something goes wrong.

# Checklist!!!!!!

## POTENTIAL INSOVENT TRADING

- Debts when due and payable** – is the entity paying its debts when they are due and payable? Are creditors being paid outside their normal terms of trade?

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- Safe Harbour** – do director/s have assets which are potentially at risk due to potential insolvency? Should a safe harbour plan be implemented to protect these personal assets?
- Collection Letters / Statutory Demands** – has the entity received letters from collection agencies for payment of debts, statutory demands for payment, judgements issued, and/or wind-up orders?
- Changes to Creditor Terms** – has the entity been placed on different terms such as COD with essential suppliers?
- Priority Payments** – does the entity pay one or any suppliers in priority to another to receive goods/services?
- Creditor/ATO Payment Plans** – has the entity entered into instalment payment plans with any of its creditors and/or the ATO?
- Current Asset Ratio / Assets v Liabilities** – are the current liabilities of the entity in excess of current assets? Are total liabilities greater than total assets?

# Checklist!!!!!!

## ACTION PLAN

If you ticked one or more boxes, then it maybe time to review the financial position and performance of the business. Additionally, asset protection services are recommended and should be considered. We can provide expert advice on these areas.



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the best result



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## Case Study

# THE FACTS



- Simon's business hit with cashflow problems due to Covid
- Very stressful situation. Impacts individual's mental state
- Often personal credit issues arise when clients business is in distress
- Restructure / turnaround or just exit? Some want to just do the latter as they have given up the fight
- Is it easy just to walk away. What needs to be considered?



## Case Study

# THE FACTS

- Need to consider Simon's personal exposure by taking this course of action
- We assisted Simon in selling his business
- Luckily Simon's accountant was proactive and had referred Simon to EO when Simon was starting the business!!!
- **Why?** EO had arranged a PPSR interest over the company in his favour when establishing the structure to cover initial setup costs and a revolving loan for additional amounts contributed
- Only other security positions related to some assets – vehicles, etc



## Case Study

# THE FACTS



- **The bad!**
- Some of the super payable was late and it had not been reported to the ATO. The tax man audited it and Simon was hit with a lockdown DPN.
- If they had been reported on time we may have been able to get a remission of the penalty for Simon by liquidating the company within 21 days of the notice



# Case Study



- EO negotiated on Simon's behalf with creditors – vehicle funders
- Cars had some equity in them. Simon was able to keep his vehicle and we were able to get it assigned across to one of his family companies
- Simon controls remaining security interest. EO on his behalf asserted its rights and Simon received a payment towards amounts owing
- On the dreaded DPN EO was able to negotiate a payment plan for Simon. Simon had a new job and could manage repayments to the ATO!
- Voluntary liquidation completed



Send Registrations & Other Requests to this  
Email

[REGISTRATIONS@EVENTUMOPTIMUM.COM.AU](mailto:REGISTRATIONS@EVENTUMOPTIMUM.COM.AU)

**YES**



# Coming up + LYD Quick Update

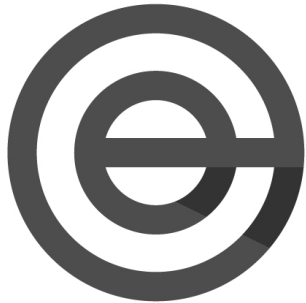
- Over the coming fortnight/s I will be bringing guests on the following areas:
  - Technology – What are some of the best apps to help you run your practice more efficiently
  - HR – New documents on LYD platform in conjunction with ILA (ex HR lawyer / expert + ILA) + HR applications
  - Succession planning options including how to position and sell your practice
  - LY Docs members – roundtable on why, how and what in their businesses

# Coming up + LYD Quick Update

- LYD 2.0 from Directors perspective of what's happening:
  - Market – increasing market penetration
  - LYD 2.0 coming!!!!!!
  - Final opportunity to get into LY Group as a shareholder
    - Raise of approximately \$500k to complete LYD 2.0
    - Almost hit raise level from existing shareholders. Strategic partner interested in balance or all
    - Happy to take EOI's. Applications and documents to be out within the next week. Presentation has been provided to existing shareholders and uptake was extremely quick.

# Eventum Optimum – Contact Details

eventum



optimum  
the best result



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