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# ASIC investigation into Metigy as David Fairfull goes bankrupt



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The returns to creditors from Australian startup Metigy look thin, with staff entitlements now being paid via a federal government scheme, as the corporate regulator ASIC investigates suspected insolvent trading.

The now collapsed machine-led marketing platform owed an estimated \$32,366,606.84, according to the liquidators in documents filed to ASIC.

The liquidators are still to sell two properties owned by Metigy founder David Fairfull for which he used a \$7.7 million loan from the company to purchase.

Fairfull went bankrupt this month, according to the National Personal Insolvency Index. Records show this is his second run at bankruptcy. His first was 2006-2009.

A meeting of creditors this week was told that liquidators Simon Cathro and Andrew Blundell of Cathro Partners are continuing to assist corporate regulator ASIC in its investigations.

The liquidators are now using the Fair Entitlements Guarantee Scheme (FEG), a legislative safety net scheme of last resort, to pay various employee entitlements.

So far, these payments have totalled \$1.3 million. However, there are additional claims made by employees.

The sale of the two properties -- one in Sydney's upmarket Mosman and the other in Kangaroo Valley, in regional NSW -- were scheduled for December 6 and 8.

Blundell told the meeting of creditors that it appears that those two properties were bought towards the top of the market.

And that the realisable value may be less than what was paid for them.

Previous reports to creditors estimated the value of properties: 2 Sirius Avenue, Mosman NSW - \$10,500,000; 741 Wattamolla Road, Wattamolla NSW \$7,700,000.

But the combined mortgages of \$12,740,000 left possible equity of \$3,760,000.

"The Liquidators had written to the mortgagee on numerous occasions and despite numerous requests, they had not been provided any details relating to their costs incurred or the expected realisation amounts," according to minutes of the meeting.

Previous reports (https://www.adnews.com.au/news/investigation-metigy-ran-on-capital-and-had-little-in-the-way-of-sales) from Cathro and Blundell of Cathro Partners show Metigy relied almost entirely on capital injections to run its business.



David Fairfull. File photo



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