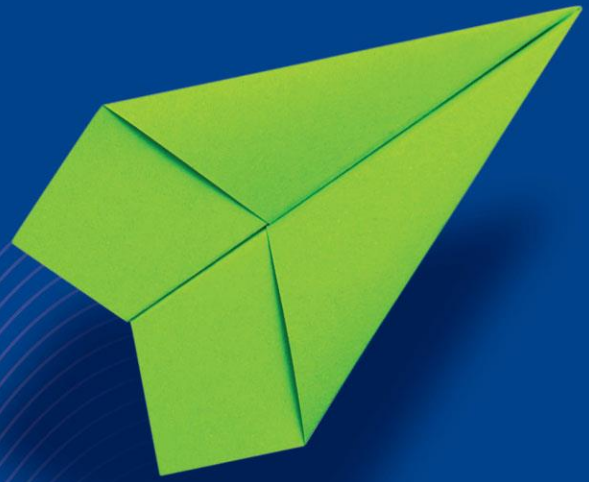




**NATIONAL
CONFERENCE
2022**



**National Conference
2022 Case Study**

Meet the family...

Jock & Lina Burns

Jock aged 67, and Lina, aged 64, have been married for 40 years. They have two daughters and a son - Debra aged 39, Danny aged 37 and Patsy aged 34. Patsy is married to Glen Fokker, aged 35.

Jock and Lina still live in their family home of 40 years in the suburb of Palm Grove on the NSW Central Coast.

Jock retired a few years ago after a distinguished 35-year career working as a Private Investigator for a multinational company. In the industry, Jock was known as the 'human lie detector' for his uncanny ability to extract the truth. Unfortunately for Jock his career ended abruptly when it was discovered he was injecting his unsuspecting victims with sodium pentothal (truth serum), a practice which has long been outlawed in the industry.

Lina still works part-time in the local florist shop.

Since retiring, Jock's health has deteriorated. Fortunately for Jock he has mastered the technique of self-defibrillation which has saved his life on more than one occasion. Lina believes Jock's poor health has been brought on by Debra's recent separation from her husband, Dr Robert Banks, and their son, Danny's, recent indiscretion with the law and prosecution for drug use.

Glen & Patsy Fokker

Glen and Patsy have been married for 5 years and have three children, a daughter aged 5 and twin boys aged 3. Glen is a registered male nurse and, prior to leaving her job to have children, Patsy was a sales representative for a medical drug company.

After a shaky beginning, Glen is now firmly entrenched in the Burns' family circle of trust. Jock's recent health scares prompted Jock to have a conversation with his son-in-law about the Burns' family tree. Glen was surprised and honoured to hear that Jock has ordained Glen as the next patriarch of the Burns' family tree, a position that Jock himself has held since the death of his father some 20 years ago. As has been the tradition in the Burns' family, Jock explained to Glen that he would be appointed as the Executor of Jock and Lina's Estate and, on Jock's demise, would become the 'God-Fokker'.

Eager to impress following his family tree conversation with Jock, Glen decides to enrol his children at Sydney's prestigious Early Human boarding school – a decision which is likely to put Glen and Patsy under substantial financial strain. Their financial position was recently made worse when a considerable investment Glen made in a start-up medical drug company suffered a significant market downgrade when it was discovered many of the company's claims could not be substantiated.

Bernie & Rose Fokker

Bernie and Rose are both aged 65 and live on Fokker Isle in South East Queensland. Glen is Bernie and Rose's only child. Bernie is a qualified lawyer but has not practiced law since taking a career break some 35 years ago to help raise Glen.

Rose runs a successful marriage counselling business and Rose and Bernie are the sole directors of 'Happiness Matters Pty Ltd' which also owns the production rights for Rose's top rating TV show – 'the Rose Fokker Show' which has aired on primetime TV every weekend for the past 10 years.

Bernie and Rose don't have much by way of superannuation savings and they live a simple life full of love and laughter. The value of their business has risen steadily over the years and they live comfortably off the dividends received from Happiness Matters Pty Ltd.

Despite a very rocky start, Bernie, Rose, Jock and Lina have forged a strong friendship and the couples visit each other regularly. Jock has always believed a team of private investigators would complement and assist Rose's marriage counselling business, and at a recent family gathering he once again makes his pitch. "There's nothing wrong with spying as long as you suspect foul play" says Jock.

Rose has had reservations in the past about Jock's idea but with her TV show showing signs of fatigue and declining ratings, she believes now might be the time to diversify. Rose knows she would need a bigger business premise. Until now she has made do by running her business from home having converted Glen's old bedroom and adjoining garage into a home office.

Rose is confident her celebrity status will help her secure a bargain after a local business premise owner, who credits Rose with saving his marriage, recently offered Rose 12 month rent free terms. Nevertheless, funding could be an issue if Rose was required to purchase a new business premise.

Doctor Banks & Debra Burns

Dr Banks and Debra have been married for 9 years and have a son, Little Jock (LJ), aged 8. Dr Banks and Debra recently separated following revelations that Dr Banks was having an affair with a student nurse. Debra and Dr Banks have not spoken since and Jock has instigated operation 'Skeletons in the Closet' to uncover, what he suspects, are other indiscretions by Dr Banks.

'Circle of Trust SMSF'

Jock and Lina established the 'Circle of Trust SMSF' shortly after Jock retired. Jock and Lina rolled over their respective superannuation balances from their APRA regulated funds to their SMSF, leaving behind a small balance in their APRA regulated funds to retain their life insurance cover.

Jock converted his entire superannuation balance (a substantial sum) in the Circle of Trust SMSF to an account-based pension and there have been no further credits or debits to his transfer balance account since. Lina remains in the accumulation phase with a modest superannuation balance.

Initially, Jock and Lina were the only members of the Circle of Trust SMSF and directors of Foxtrot Pty Ltd (the corporate trustee of the fund). However, in July 2021, when the maximum number of SMSF members was increased to six, Jock and Lina invited Debra and Patsy and their partners, Dr Banks and Glen, to join the Circle of

Trust SMSF, and become directors of Foxtrot Pty Ltd. Jock and Lina's son Danny is not in the family circle of trust and was not invited to the join the fund.

Debra rolled over her superannuation balance from her APRA regulated fund to the Circle of Trust SMSF. Dr Banks agreed to join the fund and made a nominal \$10 contribution to the Circle of Trust SMSF. This was before Debra and Dr Banks abrupt separation.

Patsy and Glen also agreed to join the Circle of Trust SMSF, but they haven't yet got around to completing the necessary fund membership forms and rollover documentation.

Like most SMSFs, the Circle of Trust SMSF investment portfolio comprises a large allocation to Australian equities which has performed well in recent years returning over 15% per annum. Jock attributes much of this success to their stockbroker, Kelvin, who Jock met when Kelvin was dating Patsy 10 years ago. The Circle of Trust SMSF also made a loan to Happiness Matters Pty Ltd about 12 months ago when Rose's production company was experiencing some cash-flow issues.