

A tidy little administration helps ION out a v

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Graeme Salthouse

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FOUR years and counting. That's the story at ION, the automatic transmission and alloy wheels outfit, formerly presided over by takeover merchant Graeme Salthouse. ION collapsed in late 2004 and the car class has been in the hands of administrators Colin Nicol and Peter Anderson, who have been wading the show down and fighting various battles along the way. At least they've collected a pretty penny for their trouble. Accounts just to hand from the company, doctors reveal that administration costs for calendar 2008 totalled no less than \$8 million.

No wonder the insolvency practices are hiring staff in these grim days: the money was soaked up by legal fees, company doctors' fees, various professional fees and miscellaneous costs. And costs will keep ticking over as an

administration is still, as they say, in a hand-dart's anyone's guess when this little crazy of matters are over. For a start, there is a barney with WorkCover which has claimed nearly \$26 million in an exit levy which is claimed to be a priority claim over an ordinary creditor. The administrators have challenged it and a test case is to start next month. More money to the legal boys.

One other little thing is the matter of various shareholders who have claimed damages, alleging they were misled by ION. Nicol and Anderson have been interviewed by 23 former directors and various former managers and employees. Following the interview process, the deed administrators, legal advisers, Allen & Arthur Robinson, began the lengthy process of formalising the evidence arising, they said. The evidence of a former member of ION's key management personnel was still to be formalised and "the evidence is important to conclude our findings". The administrators noted that two former ION directors who elected to be examined publicly rather than participate in an informal interview were Graeme Salthouse, ION's founder, and Thomas George Kilinger, who

is best remembered in this town as a master stockbroker. In the next month or so, the administrators will make their "factual findings" from the pile of evidence. Or it goes.