

Form G

Commonwealth of Australia
Competition and Consumer Act 2010 — subsection 93 (1)
NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Competition and Consumer Act 2010*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

- (a) Name of person giving notice:
(Refer to direction 2)

N99624 Sequel VCFO Operations Pty Ltd

- (b) Short description of business carried on by that person:
(Refer to direction 3)

Sequel VCFO Operations Pty Ltd operates a franchise network of virtual CFO's.

Virtual CFO's take on the traditional responsibilities of a Chief Financial Officer including overseeing the accounting function including bookkeeping and payroll, financial reporting, strategy, and business systems in a part-time capacity and service many clients at once.

- (c) Address in Australia for service of documents on that person:

Level 1, 6 Alma Road, St Kilda VIC 3182.

2. Notified arrangement

- (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

The use of Modano financial modelling software by franchisees.

- (b) Description of the conduct or proposed conduct:

Franchisees must use Modano financial modelling software for creating three way financial models.

(Refer to direction 4)

3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

- (a) Class or classes of persons to which the conduct relates:
(Refer to direction 5)
Sequel franchisees only.
- (b) Number of those persons:
 - (i) At present time:
Zero (0).
 - (ii) Estimated within the next year:
(Refer to direction 6)
Twenty (20)
- (c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:
Not applicable.

4. Public benefit claims

- (a) Arguments in support of notification:
(Refer to direction 7)

The Modano financial modelling software has been tested and used by Sequel VCFO. We have found it to be the most powerful forecasting software on the market and the best option for preparing three-way financial models for businesses.

Sequel staff have built models for clients using the Modano software and are highly trained in the use of the software. We are therefore able to assist franchisee's in the use of the system and have the auxiliary documentation to support the models.

We gain efficiencies by having all franchisees and their team (local and outsourced labour) trained in the same software initially and additional learning can take place more easily.

- (b) Facts and evidence relied upon in support of these claims:

Financial modelling is often an expensive process to go through for business however is a very powerful tool we want to make more accessible. Having our offshore labour trained in Modano means the models can be drafted at less cost and then the review work is completed by highly-experienced Sequel franchisee's which takes less time, meaning the overall cost of the model can be less than the amount charged by a traditional accounting firm.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):
(Refer to direction 8)

Modano competes in the financial modelling space and is aimed at medium to large businesses. Modano (formerly Best Practice Modelling) has been in the market for many years and is the industry leader. Its main competitors are various less advanced software such as FUTRLI (formerly Crunch Boards) and Fathom.

6. Public detriments

- (a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:
(Refer to direction 9)

No detriment to the public observed – the price of the software is set by the supplier (Modano) and no commission is received by the applicant.

- (b) Facts and evidence relevant to these detriments:
Not applicable.

7. Further information

- (a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Megan Velo

Chief Operating Officer

Sequel VCFO

Level 1, 6 Alma Road, St Kilda VIC 3182

Mobile: 0430 303 717 Email: megan@sequelvcfo.com.au

Dated. 28/3/17

Signed by/on behalf of the applicant

.....
(Signature)

David Boyar.....
(Full Name)

Sequel VCFO Operations Pty Ltd.....
(Organisation)

Chief Executive Officer.....
(Position in Organisation)

DIRECTIONS

1. In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. Describe that part of the business of the person giving the notice in the course of the which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in section 47 of the *Competition and Consumer Act 2010* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. Describe the business or consumers likely to be affected by the conduct.
6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
8. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
9. Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.

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PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

- (a) Name of person giving notice:
(Refer to direction 2)

N99625 Sequel VCFO Operations Pty Ltd

- (b) Short description of business carried on by that person:
(Refer to direction 3)

Sequel VCFO Operations Pty Ltd operates a franchise network of virtual CFO's.

Virtual CFO's take on the traditional responsibilities of a Chief Financial Officer including overseeing the accounting function including bookkeeping and payroll, financial reporting, strategy, and business systems in a part-time capacity and service many clients at once.

- (c) Address in Australia for service of documents on that person:

Level 1, 6 Alma Road, St Kilda VIC 3182.

2. Notified arrangement

- (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

The use of Xero accounting software by franchisees.

- (b) Description of the conduct or proposed conduct:

Franchisees must use Xero accounting software for managing and recording their own company's finances.

(Refer to direction 4)

3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

- (a) Class or classes of persons to which the conduct relates:
(Refer to direction 5)
Sequel franchisees only.
- (b) Number of those persons:
 - (i) At present time:
Zero (0).
 - (ii) Estimated within the next year:
(Refer to direction 6)
Twenty (20)
- (c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:
Not applicable.

4. Public benefit claims

- (a) Arguments in support of notification:
(Refer to direction 7)

Having all Sequel virtual CFO franchisee's recording their financial information on one platform creates efficiencies for the franchisor and allows consistent measurement of franchisee performance. Including being able to compare franchisee performance, manage one kind of software rather than multiple, create standard accounting policies based on the software and report on network performance more accurately.

Being on one software platform also benefits the franchisees because their global contractors are trained in Xero and we provide many workflows to assist them based on this software.
- (b) Facts and evidence relied upon in support of these claims:

Gaining access to franchisee performance reports is a common struggle for franchisors. Sequel VCFO currently acts for a franchisor and has used their experiences to assess the importance of having all franchisees on one system.

5. Market definition

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(Refer to direction 8)

Xero competes in the accounting software space and is aimed at small to medium businesses. Its main competitors are MYOB and Quickbooks.

6. Public detriments

- (a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:
(Refer to direction 9)

No detriment to the public observed – the price of the software is set by the supplier (Xero) and no commission is received by the applicant. In fact the franchisee may receive a discount under current Xero pricing practices.

- (b) Facts and evidence relevant to these detriments:
Not applicable.

7. Further information

- (a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Megan Velo

Chief Operating Officer

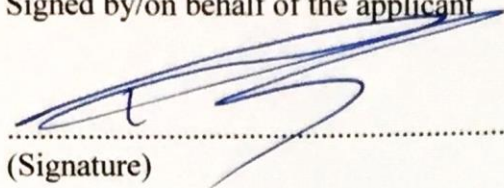
Sequel VCFO

Level 1, 6 Alma Road, St Kilda VIC 3182

Mobile: 0430 303 717 Email: megan@sequelvcfo.com.au

Dated.....28/3/17.....

Signed by/on behalf of the applicant


.....
(Signature)

David Boyar.....
(Full Name)

Sequel VCFO Operations Pty Ltd.....
(Organisation)

Chief Executive Officer.....
(Position in Organisation)

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6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
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