

IN THE SUPREME COURT OF NEW SOUTH WALES
DIVISION: EQUITY
REGISTRY: SYDNEY
CORPORATIONS LIST

No 2014 / 376655

IN THE MATTER OF **RETAIL ADVENTURES PTY LIMITED (IN LIQUIDATION)**
ACN 135 890 845

FILED
27 MAR 2015



Sperling Enterprises Pty Ltd
ACN 001 882 364
Plaintiff

Retail Adventures Pty Limited (In Liquidation)
ACN 135 890 845
First Defendant

Vaughan Neil Strawbridge, John Lethbridge Greig and David John Frank Lombe
in their capacities as joint and several liquidators of the First Defendant
Second Defendant

TNW Australia Pty Limited
ACN 072 775 529
Third Defendant

SECOND AFFIDAVIT OF VAUGHAN NEIL STRAWBRIDGE

On 27 March 2015, I, Vaughan Neil Strawbridge, Chartered Accountant and Registered Liquidator of Level 2, Grosvenor Place, 225 George Street, Sydney NSW 2000 say on oath:

1. I refer to my previous affidavit sworn in these proceedings on 27 February 2015 (**First Affidavit**).
2. Unless otherwise defined, capitalised terms referred to in this affidavit have the meaning given to them in my First Affidavit.

A handwritten signature in black ink, appearing to read 'V. Strawbridge'.

A handwritten signature in black ink, consisting of a stylized 'H' followed by a vertical line.

Filed on behalf of: The First and Second Defendants
Prepared by:
Herbert Smith Freehills
Lawyers
ANZ Tower 161 Castlereagh Street Sydney NSW
2000
Email: mark.clifton@hsf.com

DX: 361 Sydney
Tel: +61 2 9225 5000
Fax: +61 2 9322 4000

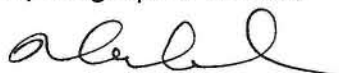
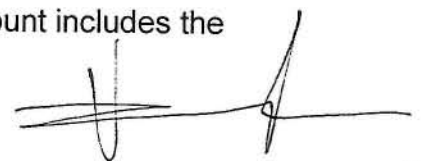
Ref: MRC/82108820
Attention: Mark Clifton

Payment of Funded Creditors' costs of Section 600A Proceedings

3. I refer to paragraphs 24 and 63(b) of my First Affidavit.
4. By way of clarification, I confirm that the total costs incurred by the Funded Creditors in connection with the Section 600A Proceedings were \$603,687.05 which costs have been paid in full as follows:
 - (a) as to \$450,000 by Bicheno as part of the June Settlement amount of \$1.05 million which is referred to in paragraph 24 of my First Affidavit; and
 - (b) as to the balance of \$153,687.05 by the Liquidators pursuant to section 556(1)(b) of the *Corporations Act 2001* (Cth).
5. Annexed hereto and marked "VNS-A" is a true copy of a letter from CBP Lawyers to Herbert Smith Freehills dated 17 October 2014 (excluding the attachments) in which the Funded Creditors requested payment of the balance of their costs of the Section 600A Proceedings of \$165,269.05 in priority to other creditors as costs in the liquidation of RAPL.
6. Of the amount of \$165,269.05 claimed by the Funded Creditors, the Liquidators agreed to pay, and the Funded Creditors accepted payment of, an amount of \$153,687.05 in satisfaction of the Funded Creditors unpaid costs of the Section 600A Proceedings.
7. Annexed hereto and marked "VNS-B" is a true copy of an email exchange between CBP Lawyers and Herbert Smith Freehills in relation to the payment of the balance of the Funded Creditors costs of the Section 600A Proceedings. For the purposes of this application, I have redacted the attachment to the email from Herbert Smith Freehills to CBP Lawyers dated 3 December 2014 to disclose only those items on the invoice narratives comprising the amount of \$11,582 which the Liquidators were not satisfied were sufficiently connected with the Section 600A Proceedings.

IMF Project Costs

8. I refer to paragraph 63(a) of my First Affidavit.
9. The Liquidators have not been provided with details of the amounts comprising the IMF Project Costs of \$434,386.84 referred to in paragraph 63(a) of my First Affidavit save that the Liquidators understand that this amount includes the amount of \$11,582 referred to in paragraph 7 above.

Reduction in creditor claims as a result of liquidation settlements

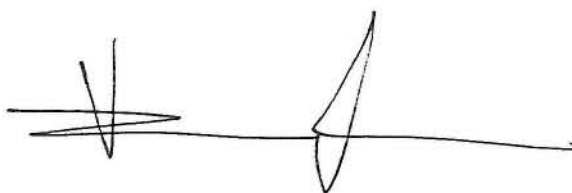
10. In my First Affidavit, I identified that the settlement of the claims referred to in paragraph 11 of my First Affidavit had, in addition to the monetary sums recovered, resulted in a reduction in creditor claims in the liquidation of RAPL as a result of DSG, Bicheno, Ms Cameron and all but one of the other preference creditors agreeing not to participate in any distribution to creditors in the liquidation of RAPL.
11. The total reduction in creditor claims based on the running account debts disclosed in RAPL's accounts is \$54,346,358 comprising \$36,326,814 in respect of claims by Ms Cameron and her associated entities including DSG and Bicheno and \$18,019,544 in respect of claims of other creditors.

Commencement of Section 600A Application

12. The Second Creditors Meeting of RAPL was held on 2 September 2013 and the Section 600A Proceedings were commenced on 11 September 2013.
13. Annexed hereto and marked "VNS-C" is a true copy of a letter from CBP Lawyers to Herbert Smith Freehills dated 3 September 2013 informing the Liquidators of the intention of the Funded Creditors to commence the Section 600A Proceedings together with a copy of the email of 2 September 2013 referred to in that letter.

SWORN at

Sydney



Signature of deponent

Name of witness

VERONICA LOUISE MORLAND

Address of witness

C/- ANZ TOWER, 161 CASTLEREAGH ST, SYDNEY, NSW 2000

Capacity of witness

Solicitor of the Supreme Court of New South Wales

And as a witness, I certify the following matters concerning the person who made this affidavit (the deponent):

- 1 I saw the face of the deponent.
- 2 I have known the deponent for at least 12 months.

Signature of witness



Note: The deponent and witness must sign each page of the affidavit. See UCPR 35.7B.

"VNS-A"

Our Ref: SGH.HZC.134613



17 October 2014

Mark Clifton/Christine Hilder
Herbert Smith Freehills
GPO Box 4227
SYDNEY NSW 2001

This and the following 4 pages forms the
annexure marked "VNS-A" referred to in the
affidavit of VAUGHAN NEIL STRAWBRIDGE
sworn / affirmed before me
VERONICA LOUISE MORLAND
this 27 day of MARCH 2015
Solicitor of the Supreme Court of New South Wales

By email mark.clifton@hsf.com; christine.hilder@hsf.com

Dear Mark & Christine

Retail Adventures Pty Ltd (RAPL) (In Liquidation)
Vaughan Neil Strawbridge, John Lethbridge Greig and David Frank Lombe in
their capacity as joint and several liquidators of RAPL (Liquidators)
Supreme Court Proceedings No. 2013/275639 (Primary Proceedings)
Court of Appeal Proceedings No. 2014/22696 (Appeal Proceedings)

We refer to our email exchange on 18 August 2014.

In accordance with your email dated 18 August 2014 we **attach** the following documents for your attention:

1. Summary of costs of RAPL Primary Proceedings (including bills and invoices); and
2. Summary of costs of RAPL Appeal Proceedings (including bills and invoices).

As evidenced from the above documents, the remainder of our client's costs from the Primary Proceedings and the Appeal Proceedings are **\$165,269.05 (excl GST)** calculated as follows:

Remainder of costs from the Primary Proceedings and the Appeal Proceedings (All amounts excl GST)		
Cost type	Amount	Cumulative amount
Primary Proceedings Costs	\$477,158.49	\$478,158.49
Appeal Proceedings Costs	\$138,110.56	\$615,269.05
Less Settlement monies	-\$450,000.00	\$217,416.55
TOTAL REMAINDER = Primary proceedings + Appeal Proceedings - Settlement monies		\$165,269.05

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E law@cbp.com.au
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ABN 36 941 300 970

GPO Box 214
Sydney 2001
Australia
DX 280 Sydney

Colin Biggers
& Paisley
Melbourne & Sydney
ADVOC network member

JTXKJR24QK

17 October 2014
Herbert Smith Freehills

cbp

As such, the remainder of our client's costs of **\$165,269.05 (excl GST)** are to be paid in priority as costs in the liquidation.

Please confirm your client's intention to pay the above amount.

Yours faithfully



Scott Hedge
Partner
Email: sgh@cbp.com.au
Direct Line: +61 (02) 8281 4457

Contact: Heather Collins
Senior Associate
Email: hzc@cbp.com.au
Direct Line: +61 (02) 8281 4672

140474

Summary of Costs

Supreme Court, Court of Appeal Proceedings No. 2014/22696

PROFESSIONAL COSTS			
Date	Bill Number	Description	Amount
04/03/2014	216108	CBP professional fees	\$18,395.00
20/03/2014	216489	CBP professional fees	\$16,074.50
30/04/2014	218411	CBP professional fees	\$3,958.00
03/05/2014	220006	CBP professional fees	\$1,609.00
		TOTAL	\$40,036.50
COUNSEL'S FEES			
Date	Invoice Number	Description	Amount
10/02/2014	1676	Senior Counsel's fees	\$13,000.00
10/03/2014	1690	Senior Counsel's fees	\$40,000.00
21/03/2014	201	Counsel's fees	\$37,031.25
		TOTAL	\$90,031.25
SUPREME COURT FEES COSTS			
Date	Receipt Number	Description	Amount
12/03/2014	REC19387242	Copy Judgment / Order	\$55.00 (not subject to GST)
		TOTAL	\$55.00
EXTERNAL PHOTOCOPYING FEES			
Date	Invoice Number	Description	Amount
20/02/2014	200073	Law In Order	\$1,106.13
21/02/2014	200242	Law In Order	\$249.35
		TOTAL	\$1,355.48

INTERNAL PHOTOCOPYING FEES			
Date	Bill Number	Description	Amount
04/03/2014	216108	Document generation	\$333.30
20/03/2014	216489	Document generation	\$384.65
30/04/2014	218411	Document generation	\$24.30
30/05/2014	220006	Document generation	\$92.55
		TOTAL	\$834.80
ASIC SEARCHES			
Date	Bill Number	Description	Amount
04/03/2014	216489	ASIC Searches	31.60
		TOTAL	\$31.60
INTERNAL DELIVERY CHARGES			
Date	Bill Number	Description	Amount
04/03/2014	216108	Internal delivery charges	\$20.00
20/03/2014	216489	Internal delivery charges	\$60.00
30/04/2014	218411	Internal delivery charges	\$20.00
		TOTAL	\$100.00
EXTERNAL DELIVERY CHARGES			
Date	Bill number	Description	Amount
04/03/2014	216108	MailCall Couriers	156.23
04/03/2014	216108	Toll Priority	548.10 (not subject to GST)
20/03/2014	216489	MailCall Couriers	61.36
30/05/2014	220006	Toll Priority	1,142.75 (not subject to GST)
		TOTAL	1,908.44
INTERNAL REGISTRATION SERVICES			
Date	Bill Number	Description	Amount
20/03/2014	216489	Registration Services	40.00
		TOTAL	\$40.00

COSTS ASSESSOR FEES			
Date	Bill number	Description	Amount
20/05/2014	SR: 20140502-1-11	Preparing an itemised party party bill of costs	3,717.49
			\$3,717.49
TOTALS			
PROFESSIONAL COSTS			\$40,036.50
DISBURSEMENTS			\$94,356.57
COSTS ASSESSOR FEES			\$3,717.49
TOTAL COSTS = DISBURSEMENTS + PROFESSIONAL COSTS			\$138,110.56

"VNS-B"

Clifton, Mark

This and the following 11 pages forms the annexure marked "VNS-B" referred to in the affidavit of VAUGHAN NEIL STRAWBRIDGE sworn / affirmed before me

VERONICA LOUISE MORLAND
this 27 day of MARCH 2015
Solicitor of the Supreme Court of New South Wales

Alula

From: Heather Collins <HZC@cbp.com.au>
Sent: Tuesday, 9 December 2014 11:57 AM
To: Clifton, Mark
Cc: Scott Hedge; Hutchinson, Ben; '134613@cbpnet.cbp.com.au'
Subject: RE: RAPL - Costs of Winding Up Application

Dear Mark,

We refer to your email below.

We confirm that our client will accept the proposed amount of \$153,687.05.

Please pay the further costs recovery directly to IMF Bentham Limited. Account details follow:

Account Name: Bentham IMF Limited
BSB: 082 - 057
Account No: 814022639

Regards

Heather Collins
Senior Associate

Colin Biggers & Paisley Level 42, 2 Park Street Sydney NSW 2000 I www.cbp.com.au
D +61 2 8281 4672 F +61 2 8281 4567 E hzc@cbp.com.au

Please consider the environment before printing this email.

From: Clifton, Mark [<mailto:Mark.Clifton@hsf.com>]
Sent: Wednesday, 3 December 2014 5:30 pm
To: Heather Collins
Cc: Scott Hedge; Hutchinson, Ben
Subject: RAPL - Costs of Winding Up Application

Dear Heather

The liquidators have reviewed the invoice narratives which you provided. They consider that the bulk of the costs are properly reimbursable under s556(1)(b) as costs incurred in respect of the application by your clients for the winding up order made in respect of RAPL.

However, there are some items which have been identified as not being sufficiently connected with the application to be properly reimbursable. Most of these relate to work done after the conclusion of the appeal. We have highlighted the relevant items on the attached copies of the narratives. They generally fall into the following categories:

1. IMF press releases and ASX announcements;
2. Time entities recorded as not chargeable but billed in error;
3. Committee of Inspection issues;
4. RAHPL liquidation;
5. RAPL liquidation creditors meeting;
6. DSG failure to lodge accounts;
7. IMF ongoing recovery strategy.

These total \$11,582.00 (excluding GST).

Accordingly, the liquidators propose to reimburse the amount of \$153,687.05. Please could you provide us with the details of the account to which these funds should be transferred.

Regards

Mark

Mark Clifton

Partner

Herbert Smith Freehills

T +61 2 9225 5745 M +61 416 225 745 F +61 2 9322 4000

www.herbertsmithfreehills.com

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When using email to communicate with us, please be aware that all information contained in your email is stored in our server and later backed up with our other business records. Access to archived information by our firm personnel is strictly limited and controlled.

[REDACTED]

11 Sep 13	HZC	Perusing email from P Rainford with press release	0.30	127.50
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[REDACTED]

11 Sep 13	SGH	Telephone attendance with Paul Rainford to discuss and amend and settle press release, reviewing various versions and emails	1.00	550.00
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[REDACTED]

12 Sep 13	HZC	Read, review and consider Press releases from IMF to ASX and press	1.00	425.00
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12 Sep 13	HZC	Telephone P Rainford re: press release	0.10	42.50
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[REDACTED]

12 Sep 13	HZC	Telephone S Khouri re: press release	0.30	127.50
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[REDACTED]

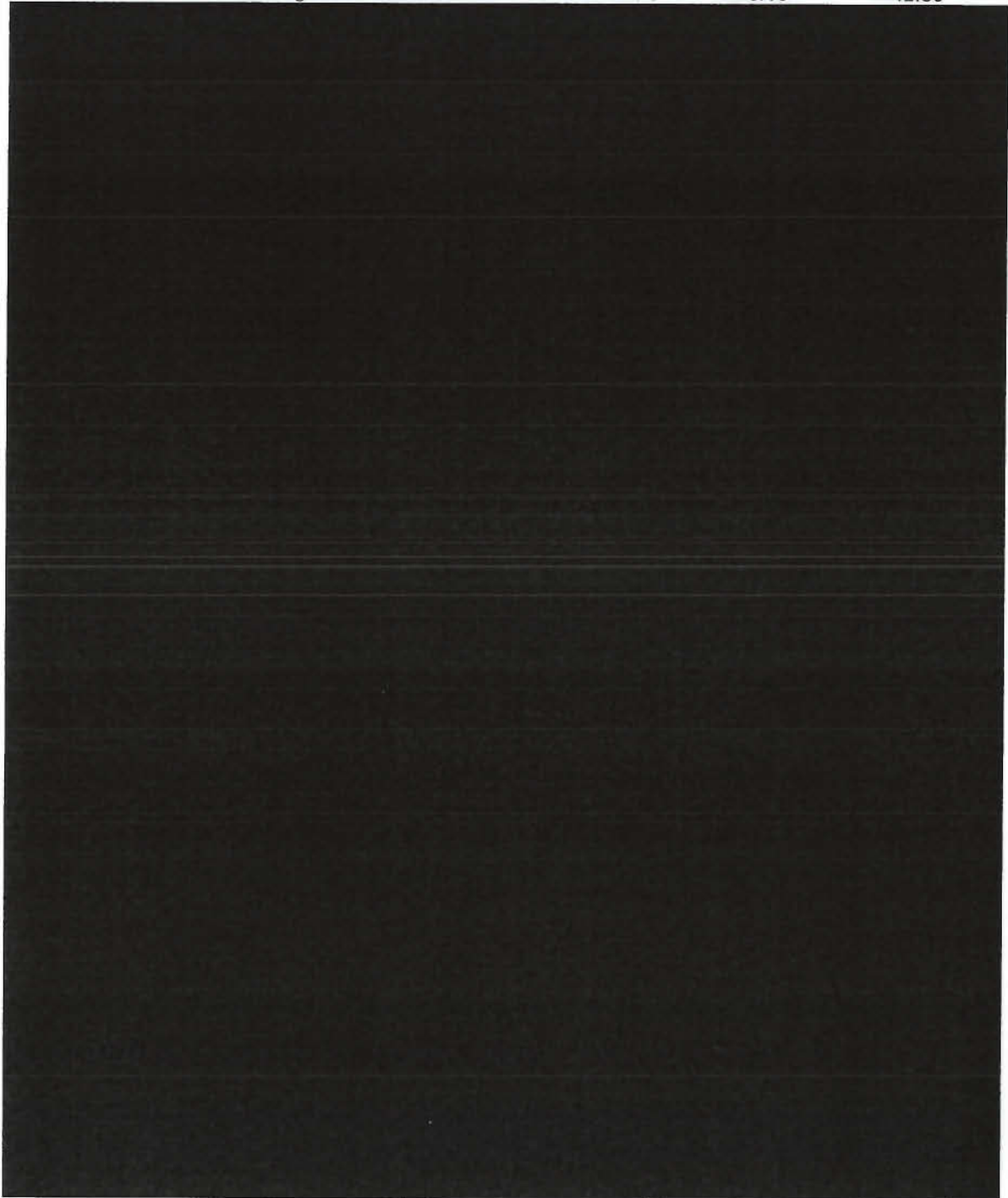
12 Sep 13	SGH	[REDACTED] finalising of press release	0.30	165.00
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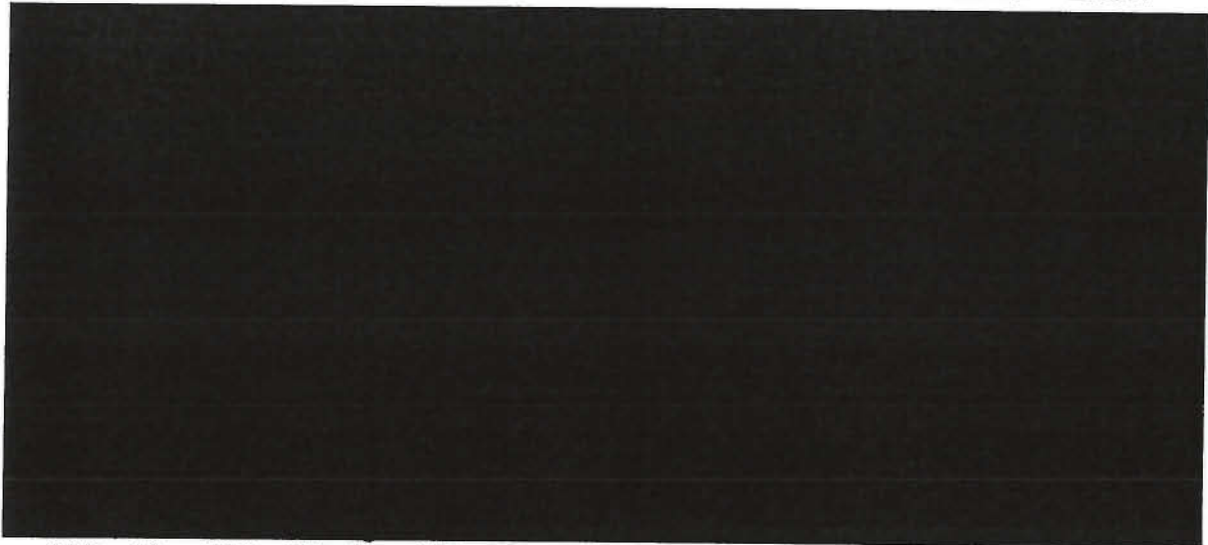
12 Sep 13	SGH	Email to Diane Jones re ASX announcement	0.10	55.00
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[REDACTED]

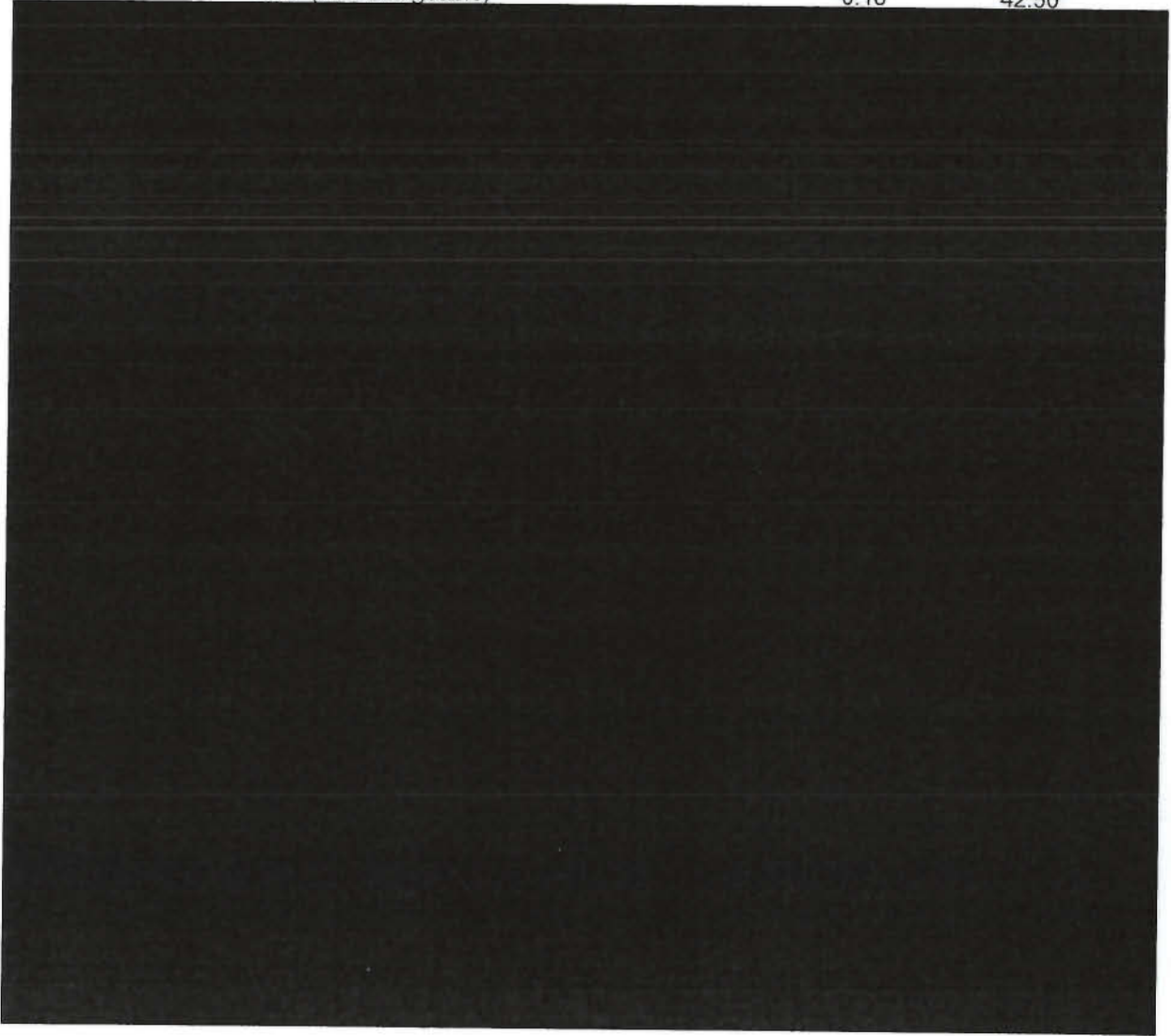


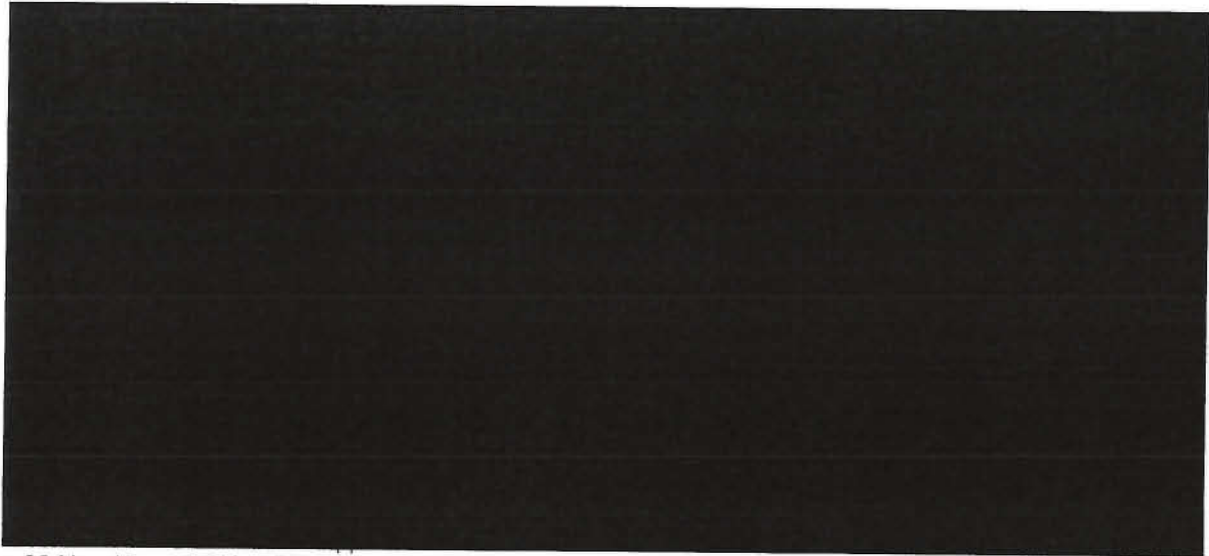
13 Sep 13 HZC Perusing Email from P Rainford re: AFR article 0.10 42.50



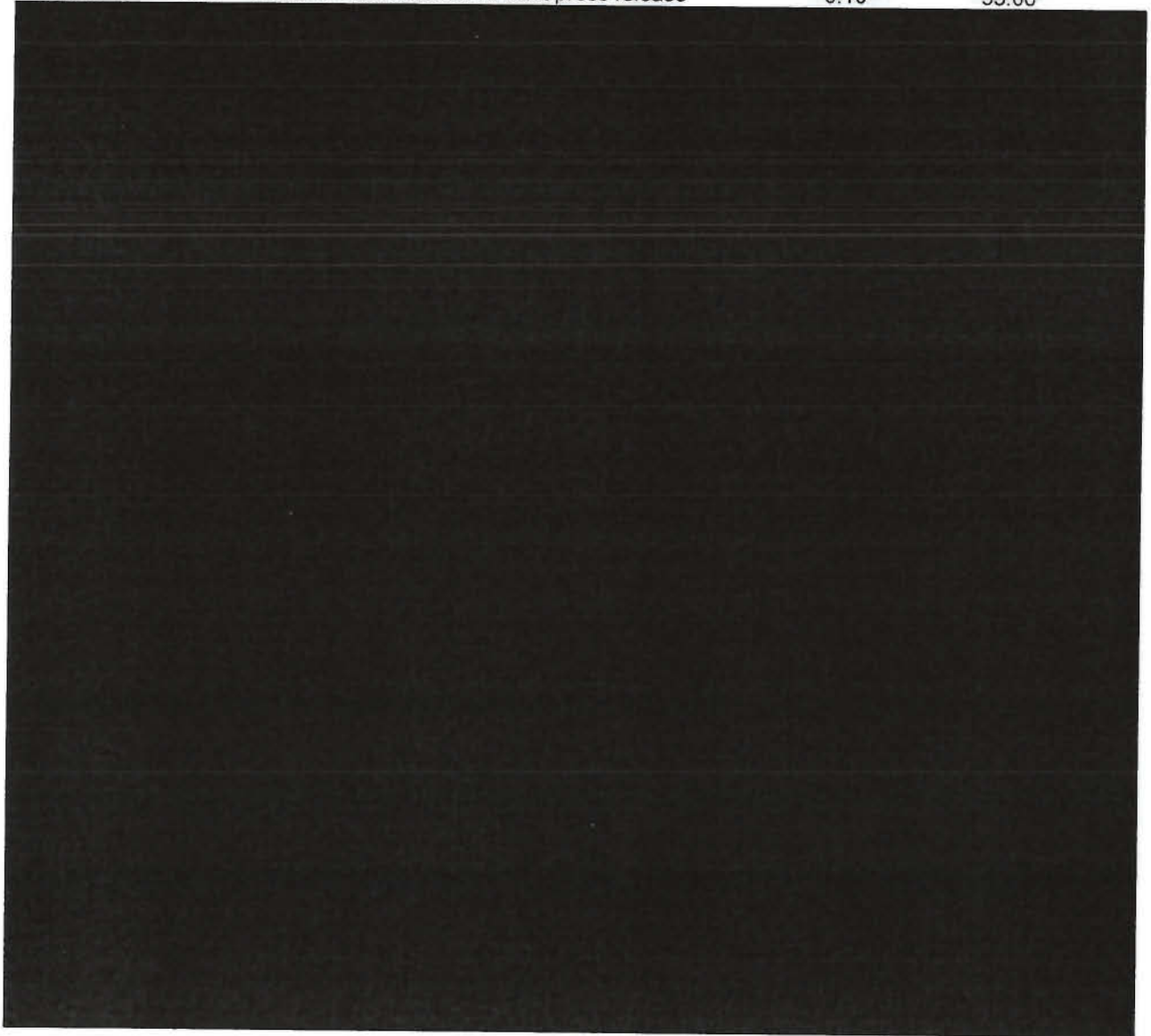


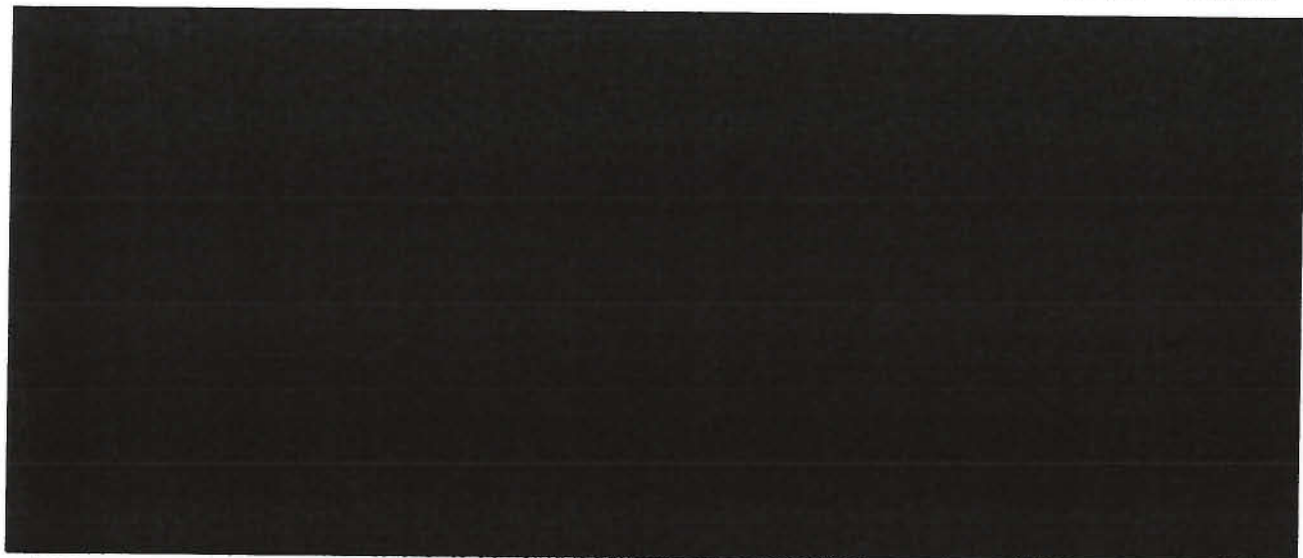
24 Sep 13	HZC	Telephone N Mastrantonis re: Billing and GST (non-chargeable)	0.10	42.50
24 Sep 13	HZC	Drafting email to N Mastrantonis re: billing and GST (non-chargeable)	0.10	42.50





28 Nov 13	SGH	Perusing draft press release from paul rainford	0.10	55.00
28 Nov 13	SGH	Email to Paul Rainford re draft press release	0.10	55.00

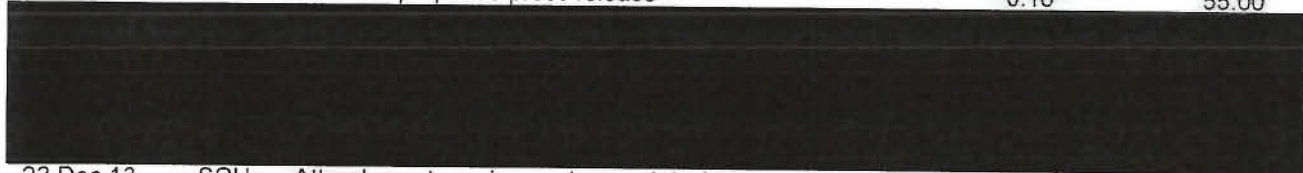




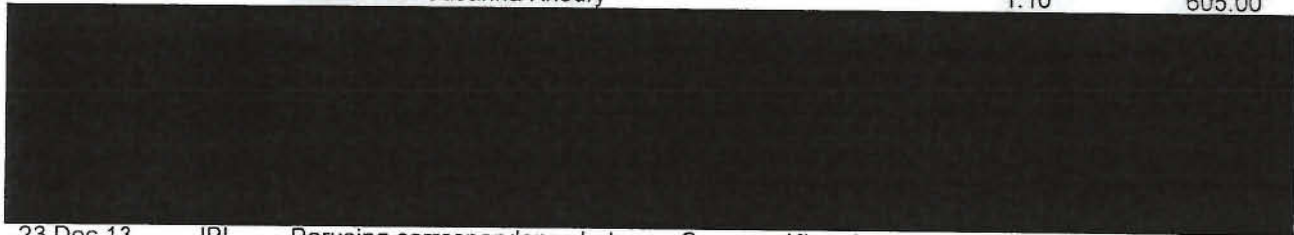
20 Dec 13	HZC	Telephone S Khouri re: press release	0.20	85.00
20 Dec 13	HZC	Drafting email to N Mastrantonis and P Rainford re: press release	0.10	42.50



20 Dec 13	SGH	Attendance with Heather Collins to discuss and consider proposed press release	0.10	55.00
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23 Dec 13	SGH	Attendance to review and amend draft press release , emails with Susanna Khoury	1.10	605.00
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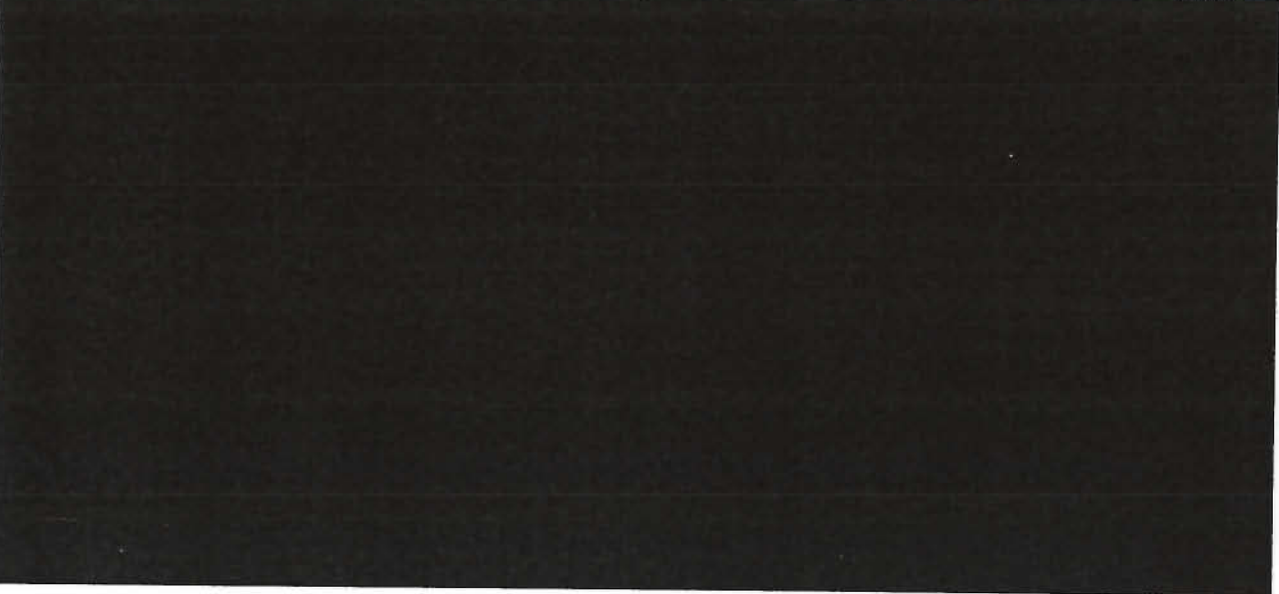


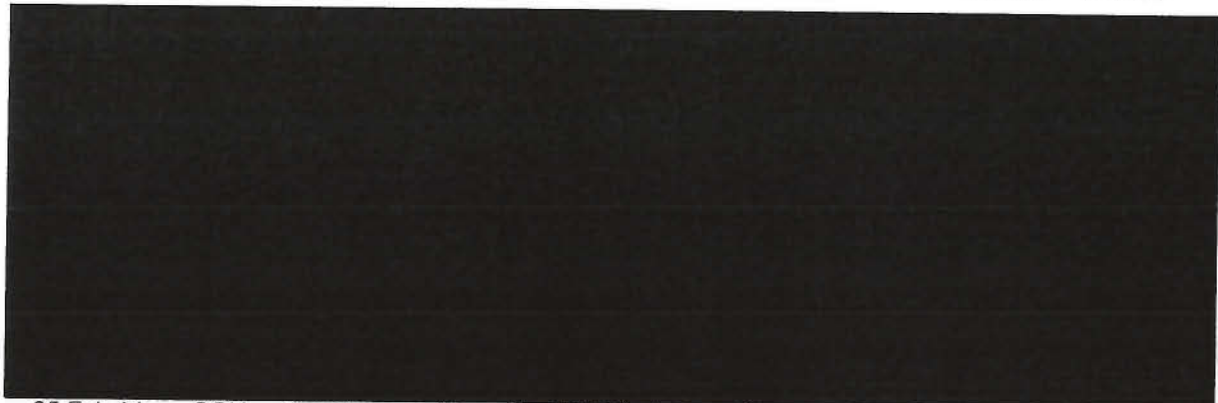
23 Dec 13	JPL	Perusing correspondence between Susanna Khouri and Scott Hedge; attendance to issues of media release with Scott Hedge and cross referencing with numerous source documents	1.10	242.00
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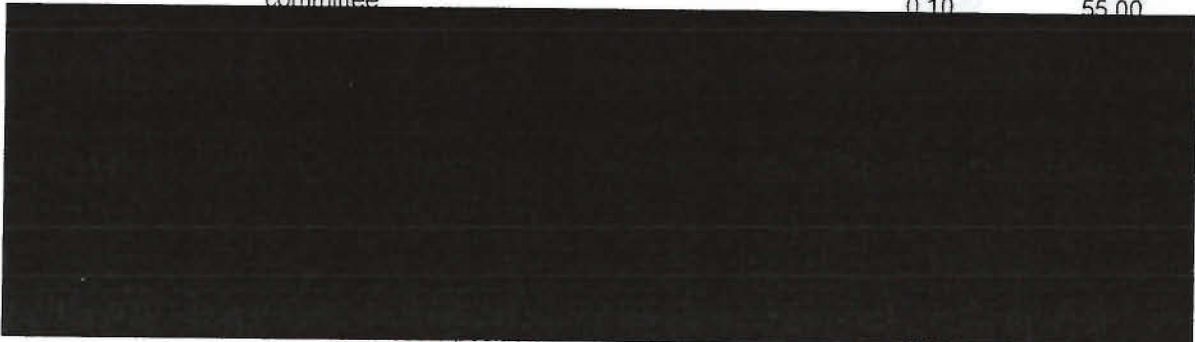


8 Jan 14 SGH Email from Nick Mastrantonis re press release 0.10 55.00





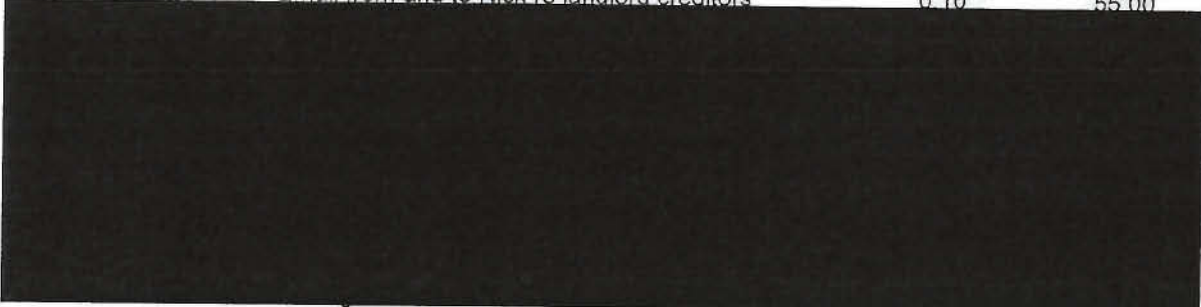
25 Feb 14	SGH	Perusing email from Paul Rainford re creditors committee	0.10	55.00
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28 Feb 14	SGH	Perusing draft email to clients from IMF re creditors meeting	0.10	55.00
28 Feb 14	SGH	Perusing emails from Paul Rainford re proxies at creditors meeting	0.10	55.00
28 Feb 14	SGH	Email to Paul Rainford re power of attorney provisions	0.10	55.00



3 Mar 14	SGH	Attendance to review IMF power of attorney and draft advice re proxies	0.50	275.00
3 Mar 14	SGH	Email from and to Nick re landlord creditors	0.10	55.00



6 Mar 14	SGH	Perusing email from Nick re committee	0.10	55.00
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9 Mar 14	SGH	Perusing email from Nick mastrantonis re Committee	0.10	55.00
10 Mar 14	SGH	Attendance with Paul Rainford re creditors meeting	0.40	220.00
11 Mar 14	SGH	Attendance at creditors meeting	2.00	1,100.00
12 Mar 14	SGH	Perusing report on committee and creditors meeting	0.10	55.00
13 Mar 14	SGH	Telephone attendance with Paul Rainford re ongoing liquidation action and strategy to obtain return for creditors	0.20	110.00
13 Mar 14	SGH	Letter to Russells re failure of DSG to lodge accounts	0.10	55.00
14 Mar 14	SGH	Perusing letter from Russells re DSG's accounts	0.10	55.00
17 Mar 14	JPL	Meeting with Scott Hedge re RAPL general security agreement and issues re same	0.10	22.00
17 Mar 14	JPL	Meeting with Heather Collins re RAPL general security agreement and issues re same	0.10	22.00
17 Mar 14	JPL	Meeting with Scott Hedge re enforcement provisions in general security agreement and issues re same	0.20	44.00
17 Mar 14	JPL	Perusing the general security agreements and drafting correspondence to Scott Hedge re enforcement enforcement issues against DSG	1.50	330.00
17 Mar 14	SGH	Attendance to review reply from Russells re DSG accounts and email to clients	0.10	55.00
19 Mar 14	SGH	Drafting position paper re recovery strategies	1.00	550.00
19 Mar 14	HZC	Perusing Sale of business agreement, deed of priority and Security agreement	0.40	170.00
19 Mar 14	HZC	Drafting Letter to IMF re: possible actions	1.80	765.00
19 Mar 14	HZC	Telephone conference with N Mastrantonis, S Hedge and P Rainford	1.00	425.00
19 Mar 14	SGH	Telephone attendance with clients re recovery strategy	1.30	715.00

Fees:-

GST applied

Fees including GST

\$ 8,503.50
\$ 850.35

\$ 9,353.85

To our professional costs of and incidental to taking
your instructions to act and acting and advising in relation
to the above matter for the period from 19 March 2014 to 28 April 2014

			Units	Value
19 Mar 14	SGH	Telephone attendance with clients re committee	0.30	\$ 165.00
20 Mar 14	HZC	Drafting Letter to IMF re: possible actions	1.50	637.50
20 Mar 14	SGH	Attendance to discuss and finalise advice on potential actions and way forward to recover from liquidation quickly	0.50	275.00
21 Mar 14	JPL	Meeting and discussion with Scott Hedge re circular to creditors including issues regarding confidentiality of committee of inspection	0.40	88.00
21 Mar 14	JPL	Attendance to issues re confidentiality of committee of inspection including ascertaining case law re same	0.80	176.00
21 Mar 14	JPL	Meeting with Scott Hedge re correspondence to Nick Mastrantonis re fees of liquidators and confidentiality agreement re Committee of Inspection	0.30	66.00
21 Mar 14	JPL	Drafting correspondence to Nick Mastrantonis re fees of liquidators and confidentiality agreement re Committee of Inspection; meeting with Scott Hedge to finalise same	0.70	154.00
21 Mar 14	HZC	Perusing email from S Hedge re: confidentiality agreement	0.10	42.50
21 Mar 14	SGH	Read, review and consider report from Deloitte to committee and proposed confidentiality agreement	0.50	275.00
21 Mar 14	SGH	Telephone attendance with Nick Mastrantonis re committee	0.30	165.00
24 Mar 14	JPL	Perusing email from Nick Mastrantonis re Committee of Inspection and draft correspondence to Deloitte; considering issues re same	0.20	44.00
[REDACTED]				
27 Mar 14	JPL	Perusing email from Nick re committee of inspection and confidentiality of creditors; considering issues re same	0.30	66.00
[REDACTED]				
27 Mar 14	JPL	Perusing correspondence from Nick and email to Scott Hedge outlining caselaw re same; perusing correspondence from Deloitte re meeting today	0.50	110.00
27 Mar 14	SGH	Attendance to review Deloitte report and email to Nick re Committee	0.20	110.00
[REDACTED]				
1 Apr 14	HZC	[REDACTED] settlement		
1 Apr 14	HZC	meeting with J Cameron	0.10	42.50
1 Apr 14	HZC	Drafting email to S Hedge re: call with P Rainford	0.10	42.50
1 Apr 14	SGH	Meeting with paul Rainford re negotiations	0.30	165.00
3 Apr 14	GRS	Telephone Federal Court Registry to seek reasons for judgment	0.50	75.00
3 Apr 14	JPL	Telephone call on Federal Court re orders made by Justice Jagot on 17/3/2014	0.20	44.00

3 Apr 14	JPL	Perusing orders made by Justice Jagot on 17/3/2014; correspondence with Scott Hedge and Heather Collins re same	0.20	44.00
3 Apr 14	JPL	Telephone call on Federal Court to ascertain reasons for judgment	0.20	44.00
3 Apr 14	SGH	Read, review and consider orders re RAHPL's new liquidators and email to clients	0.10	55.00
3 Apr 14	SGH	Email from Nick Mastrantonis re costs of RAHPL and summary of committee meeting	0.10	55.00
3 Apr 14	SGH	Email to Nick Mastrantonis re time at which DSG charge expires	0.10	55.00
7 Apr 14	HZC	Drafting Letter to Russells re: tripartite mediation	0.50	212.50
7 Apr 14	JPL	Perusing correspondence from Nick re committee of inspection, liquidators fees and issues re extension of security; considering issues re same	0.30	66.00
8 Apr 14	SGH	Telephone attendance with creditor to discuss update	0.10	55.00
8 Apr 14	HZC	Telephone C Meares (creditor)	0.20	85.00

"VNS-C"

Our Ref: SGH.HZC.131811
Your Ref: 82108820



3 September 2013

Mark Clifton / Christine Hilder
Herbert Smith Freehills
ANZ Tower
161 Castlereagh Street
SYDNEY NSW 2000

This and the following 1 pages forms the
annexure marked "VNS-C" referred to in the
affidavit of VAUGHAN NEIL STRAWBRIDGE
sworn / affirmed before me
VERONICA LOUISE MORLAND
this 27 day of MARCH 2013
Solicitor of the Supreme Court of New South Wales

Dear Colleagues

Retail Adventures Pty Limited (Administrators Appointed) (RAPL)
Retail Adventures Holdings Pty Ltd (Administators Appointed) (RAHPL)

We refer to the our email of 2 September 2013 at 8.12am and to our meeting earlier today.

We are instructed to make an application under section 600A of the *Corporations Act 2001* (Cth) (Act). We confirm that we will file the application prior to the expiration of the 15 business days' and seek any necessary interlocutory relief to extend the time for signing the Deeds of Company Arrangement.

Please confirm that your clients will undertake not to take any action in relation to the execution of Deeds of Company Arrangement in respect of RAPL and RAHPL without providing us with three business days' notice .

If action is taken we will seek to set aside any such Deeds of Company Arrangement and we will rely on this letter on the issue of costs.

Yours faithfully

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JTKWX701XE

Clifton, Mark

From: Scott Hedge <SGH@cbp.com.au>
Sent: Monday, 2 September 2013 8:12 AM
To: Clifton, Mark
Cc: Hilder, Christine; Heather Collins; Raury Adams
Subject: Retail Adventures Pty Limited ("RAPL") and Retails Adventures holdings Pty Limited ("RAHPL")

Dear Mark

As you know , we act for a substantial body of creditors whom have lodged proofs of debt and proxies in order to vote at the meetings of creditors of RAPL and RAHPL , each of which are to be held later today.

Clearly the outcome of the voting upon the resolutions to be put to the Creditors is unknown at this point .

We note however the following matters:

- Your clients , in their capacities as administrator of each of RAPL and RAHPL , have in Section 12 of the Section 439A report recommended that the companies be wound up
- There is a substantial dollar value of creditors who are related creditors (as that term is defined in Section 600A of the Corporations Act). We do not know the dollar value of those creditors nor how , if at all , they will vote.
- The Deed of Company Arrangement proposal that is annexed to the Section 439A report has no time constraints within it that make its execution and effectuation conditional upon any time frames being met;
- This administration has been ongoing since 26 October 2012 ;and
- The business of the companies has been sold and is not now operated , nor will it be operated, by either RAPL or RAHPL

In the circumstances therefore , if the resolutions that the Companies execute Deeds of Company Arrangement (by way of a single pooled deed) passes , our clients wish to have a reasonable period of time in which to consider the results of the poll of voting and obtain advice as to their legal rights (all of which are reserved).

Could you please seek urgent instructions and confirm that your client will undertake not to execute a Deed of Company Arrangement nor to permit RAPL or RAHPL to so execute a Deed of Company Arrangement prior to the expiry of the time prescribed in Section 444B(2) without providing our clients (by written notice to this firm) with at least 3 business days' notice of their intention to do so.

Such an undertaking causes no hardship or prejudice to any creditor and permits our clients adequate time to take such steps as may be necessary to seek intervention of the court , if they are so advised.

Please let us have an urgent response

Yours Faithfully

Scott Hedge
Partner

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