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27 August 2020

TO CREDITORS, EMPLOYEES AND CUSTOMERS

IEP New Zealand Limited (Administrators Appointed) ("The Company")

On 24 August 2020, David Webb and Colin Owens were appointed Joint and Several Administrators (**Administrators**) of the Company pursuant to section 239I of the Companies Act 1993 (**Act**).

The Administrators are undertaking an urgent assessment of the financial position of the Company. We will be reporting in due course on the outcome of our investigations and our opinion on the options available to creditors regarding the future of the Company.

Meeting of Creditors

We are required to convene a First Meeting of Creditors of the Company within eight (8) working days following our appointment. Accordingly, I enclose the following:

1. Notice of Meeting of Creditors (the first meeting) to be held on **Thursday 3 September 2020 at 1.30pm** (NZST) via teleconference only, (as provided by Court order dated 26 August 2020) (**Appendix A**)
2. Unsecured Creditor's Claim form for completion (**Appendix B**)
3. Appointment of Proxy form (**Appendix C**)
4. A Declaration of Independence, Relevant Relationships & Indemnities and Remuneration Report (**Appendix D**)
5. Voting form (**Appendix E**)
6. Section 280 Companies Act 1993 application and court order (**Appendix F**)
7. Section 239ADO Companies Act 1993 application, Court minute and order (**Appendix G**)

Creditors who wish to attend and vote at the first meeting are required to complete and return the Unsecured Creditor's Claim form.

As the meeting is to be held by teleconference we strongly encourage you, prior to the meeting, to complete and register your vote by email, together with your unsecured Creditor's Claim, by submitting them to us by 2pm (NZST) on 2 September 2020. If you do not do so you will not be prevented from voting at the meeting however, as the meeting is held virtually, it will be necessary to adjourn the meeting for a period of time while the email votes are collated and counted, after which the meeting will be reconvened.

Individuals (including company directors) attending the meeting on behalf of a creditor, employee or customer will also need to complete and return an Appointment of Proxy Form. Completed forms must be returned, preferably by email, to this office by 2pm (NZST) on 2 September 2020.

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The relevant return addresses are detailed below:

Email: NZSTATravel@deloitte.co.nz

Mail: STA Travel Group
C/- Deloitte Centre
Private Bag 115033
Auckland 1140
New Zealand

Trading

IEP provides work and study abroad support services to the STA Travel group.

IEP focuses on helping people with overseas work abroad experiences (both inbound and outbound). IEP also assists inbound customers with their working Visa applications to Immigration New Zealand.

Court applications

To be appointed, the Administrators sought permission of the Court, which was granted. At **Appendix F** is a copy of the Administrators' application under section 280 of the Companies Act 1993 and the Court's sealed interim orders.

The Court is yet to allocate a next mention date for the Administrators' application under section 280. If creditors wish to challenge the interim orders made by the Court, they are entitled to do so by filing and serving a notice of opposition within 10 working days of service of the Court's sealed orders to set aside the Administrators' appointment as administrators of the Company.

To facilitate the holding of creditors' meetings during COVID-19 Alert Level 2, the Administrators obtained further court orders to modify some of the procedural aspects of Part 15A of the Companies Act 1993. At **Appendix G** is a copy of the Administrators' application under section 239ADO of the Companies Act 1993, along with the Court's minute and orders. The Court granted leave to any person who can demonstrate sufficient interest to apply to modify or discharge these orders, including the applicants and any creditor of the Company.

Your Debt

The effect of our appointment is to place a moratorium on the payment of unsecured creditors' accounts in relation to trading and other debts incurred up to the date of our appointment, until creditors make a decision about the Company's future. Creditors will receive notice of the Second Meeting of Creditors (referred to as the Watershed meeting) in due course.

It is requested that creditors complete the Unsecured Creditor's Claim form attached as **Appendix B** with details of amounts owed to you by the Company.

Creditors with security interest(s), including retention of title creditors, will have their claims determined in accordance with relevant processes under applicable law. A separate letter has been issued to creditors with registered security interest(s) on the PPSR.

If you have supplied any goods or collateral in respect of which you have security interest(s) on the PPSR, please send an email detailing the aspects of your claim to NZSTATravel@deloitte.co.nz without delay.

Watershed meeting

In accordance with section 239AT of the Act, the Administrators are required to convene a further meeting of creditors to decide the future of the Company. The period for convening this second meeting is 20 working days from the date of the appointment.

Should you have any further queries in relation to the process described above or the administration generally, please email at NZSTATravel@deloitte.co.nz.

Yours faithfully
IEP New Zealand Limited (Administrators Appointed)



Colin Owens
Joint and Several Administrator

Appendix A

IEP NEW ZEALAND LIMITED (ADMINISTRATORS APPOINTED)

(the Company)

NOTICE OF APPOINTMENT AND FIRST MEETING OF CREDITORS OF COMPANY UNDER ADMINISTRATION

Pursuant to sections 239ADW and 239AO of the COMPANIES ACT 1993

Notice is given that David Webb, Chartered Accountant (and Chartered Accountants Australia and New Zealand Accredited Insolvency Practitioner (NZ)), of Auckland, and Colin Owens (RITANZ Insolvency Practitioner Accredited by Chartered Accountants Australia and New Zealand), of Wellington, were appointed Joint & Several Administrators of the Company at 9am on 24 August 2020 pursuant to section 239I of the Companies Act 1993.

Notice is given that a first meeting of creditors of the Company will be held as follows:

Date: Thursday, 3 September 2020

Time: 1.30pm(NZST)

Address: Via videoconference only – details to attend the meeting to be provided upon receipt of a completed creditor claim form.

Any creditor wishing to attend the meeting via videoconference must provide their completed claim form to NZSTATravel@deloitte.co.nz no later than 2pm on Wednesday, 2 September 2020. An information pack, including the creditor claim form and a voting form, may be obtained from the Administrators by emailing NZSTATravel@deloitte.co.nz or are available on Deloitte's website (www.deloitte.co.nz) by searching STA Travel.

The purpose of the meeting is to decide whether to:

- a. appoint a creditors' committee and, if so, to appoint its members; and
- b. replace the Administrators.

Please direct any enquiries to: NZSTATravel@deloitte.co.nz.

DATED this 27th day of August 2020

David Webb and Colin Owens
Joint and Several Administrators

Address for Administrators: Deloitte, Private Bag 115033, Auckland 1140

Appendix B

IEP New Zealand Limited (Administrators Appointed)
Unsecured creditors' claim form for the purposes of voting at creditors meetings and claiming in Deed of Company Arrangement (if executed)

Name and Postal Address of Creditor:
Creditor Name:
.....
[If claim is made on behalf of creditor, specify relationship to creditor and authority as well]
Creditor Address:
.....

Claim Amount:
I claim that, **IEP New Zealand Limited (Administrators Appointed)** at the date the Company was put into voluntary administration, was and still is truly and justly indebted to the abovenamed creditor for the sum of
Amount of claim: \$ _____
[Amount in words and figures]:
Omit whichever does not apply

- I hold no security for the amount claimed; or
- I am surrendering my security and I am claiming as an unsecured creditor; or
- I am claiming as a preferential creditor
- I hold security for the amount in relation to _____

Particulars of Claim and Supporting Documents:
Full particulars of the claim are set out, and any supporting documents that substantiate the claim are identified, on the reverse of this form.
(Copies of the supporting documents should also be attached to the form)

Statement:

*I am employed by the creditor and authorised by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

*I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

*I am the creditor and I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

* Delete not applicable statements.

Signature
Dated: Signature:
Name: Phone:
Occupation: Email:

Received (Data Stamp)	Reserved For Office Use: Claim admitted for voting at creditors meetings: Amount of Claim: \$ <input type="text"/>
	Signed Administrator: Dated: / /
	Claim admitted for distribution under DOCA (if applicable) Amount of Claim: \$ <input type="text"/>
	Signed Deed Administrator: Dated: / /

Particulars of Claim

Date	Details of Claim and Identification of Documents that Evidence or Substantiate the Claim	Amount \$
	Total	\$ _____
Date	Less debts owed by creditor to the Company as described below (where applicable):	Amount \$
	Total	\$ _____

GST Registration number:
Total GST included in claim: _____
\$ _____

Companies Act 1993

APPOINTMENT OF PROXY
CREDITORS MEETING

IEP New Zealand Limited (Administrators Appointed)

*I/*We (1)

of

a creditor of the above company, appoint (2)

.....

or in his or her absence (3)

as my/our* proxy to vote at the meeting of creditors to be held on 3 September 2020 at 9:00am (NZST) via videoconference only, or at any adjournment of that meeting.

I/We direct our proxy to vote as follows (4):

Resolution (1): Appointment of Administrators

That A) This meeting resolves not to replace David Webb and Colin Owens the Administrators already appointed.*

For Against Abstain

and (only if Resolution A is defeated) (5):

That B) This meeting resolves to appoint _____

and/or _____ as alternative Administrators.*

For Against Abstain

Resolution (2): Liquidation Committee

That A) This meeting appoints a liquidation committee.*

For Against Abstain

and (only if Resolution A is carried)

That B) The following person(s) be appointed to the creditors committee:*

Full Name: _____

Full Address: _____

For Against Abstain

DATED this _____ day of _____ 2020.

Signature
Please send to NZSTATravel@deloitte.co.nz (6)

CERTIFICATE OF WITNESS

This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, charge holder or member must not be witnessed by the person nominated as proxy.

I,.....

Of.....

certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated this _____ day of _____ 2020

Signature of Witness:.....

Description:.....

Place of Residence:.....

Notes:

* Strike out if inapplicable

- (1) If a firm, strike out "I/We" and set out the full name of the firm.
- (2) Insert the name, address and description of the person appointed (who must be 18 or over) or the Chairperson of the meeting.
- (3) You may provide for alternative proxy holders in the circumstances your first choice is unable to attend the meeting.
- (4) If the form is returned without direction as to how the proxy shall vote on any resolution, the proxy will exercise his or her discretion as to whether to vote and how to vote on the resolution.
- (5) For any resolution to appoint alternative administrators to be valid, it must be accompanied by: (i) a signed consent to act as administrators by the proposed administrators; and (ii) a certificate in writing that the proposed administrators are not disqualified under s280 of the Companies Act 1993.
- (6) Completed forms must be returned, preferably by email, to the administrators by 2pm (NZST) on 2 September 2020.

**IEP New Zealand Limited
(Administrators Appointed)
("IEP" or The Company")**

Declaration of independence, relevant relationships and indemnities

&

Remuneration report

Restrictions

This report is confidential to creditors and is not to be reproduced or used for any other purpose without our prior written consent in each case. We do not accept any liability whatsoever to any party from any use of, or reliance on, this report.

Accredited Insolvency Practitioners

We, David Webb, Chartered Accountant and RITANZ Insolvency Practitioner accredited by Chartered Accountants Australia and New Zealand of Auckland, and Colin Owens, Chartered Accountants Australia and New Zealand Accredited Insolvency Practitioner (NZ) of Wellington, are bound by the RITANZ Code of Professional Conduct when carrying out all professional work relating to our appointment as Administrators.

Declarations

We are required as Administrators appointed to an insolvent entity to make declarations as to:

- Our independence generally;
- Relationships, including:
 - The circumstances of the appointment;
 - Any relationships with the Company and relevant parties within the previous two years;
 - Any prior professional services for the Company within the previous two years;
 - That there are no other relationships to declare; and
- Any indemnities given, or up-front payments made, to us.

This declaration is made in respect of ourselves, the partners of Deloitte and Deloitte.

The purpose of these declarations is to disclose any relationships that, while not resulting in us having a conflict of interest which disqualified us from accepting the appointment, ensures that creditors are aware of those relationships and understand why we nevertheless remain independent.

Declaration of independence

We, David Webb and Colin Owens, of Deloitte undertook a proper assessment of risks to independence prior to accepting the appointment as joint and several Administrators of the Company in accordance with the law, RITANZ Code of Professional Conduct and applicable professional standards. We have evaluated the significance of any real or potential risk to our independence and we have taken such action as is necessary to preserve our independence. We are not aware of any reasons that prevent us from being appointed administrators of the Companies.

Declaration of relationships

Circumstances of appointment

The Directors signed a resolution appointing us as Administrators of the Company. No advice was provided to the Company, officers of the Company and/or their advisors prior to appointment. This appointment was referred to us by our colleagues (in particular, Jason Tracy) in Deloitte Australia, who are the administrators of Australian STA Travel companies.

Relevant relationships

We are required to report on all relationships with relevant parties that may have existed in the two years preceding our appointment.

We, and/or our firm, are not aware of a business relationship with the Company in the two years preceding our appointment.

We, and/or our firm, are not aware of a business relationship, in the two years preceding our appointment, with a known associate of the Companies, being:

- A person who was known at the time of our appointment to be a director of the Company, or a nominee or a trustee for, a director of the Company; or
- A person who was known at the time of our appointment to have control of the Company; or
- Another company that was, at the time of our appointment known to be controlled by a director of the Company, or a nominee or a trustee for, a director of the Company; or
- Another company that was, at the time of our appointment, known to be a related company.

We, and/or our firm, have not had a business relationship, in the two years preceding our appointment, with a former insolvency practitioner appointed to the Company.

We, and/or our firm, have not had a business relationship, in the two years preceding our appointment, with a person who has a charge on the whole of, or substantially the whole of, the property of IEP New Zealand Limited (Administrators Appointed).

We, and/or our firm, have had a business relationship, in the two years preceding our appointment, with the following party who has/have a charge over equipment in the possession of IEP New Zealand Limited (Administrators Appointed) (IEP).

Name	Nature of relationship	Reasons why not an impediment or conflict
Flexigroup (New Zealand) Limited (Flexigroup)	Deloitte provides services to Flexigroup. Flexigroup has a charge over equipment supplied to IEP.	We do not consider previous engagements for Flexigroup to present a conflict of interest as there is no arrangement between us that we will give any work arising out the administration to them. The provision of accounting and/or other financial advisory services to Flexigroup brings about a commercial relationship that in our opinion does not present a conflict or an impediment as it does not impact upon the position of IEP. We are not paid any commissions, inducements or benefits to undertake any appointments and do not consider ourselves to be bound or in any way obligated to deliver a favorable outcome to any party. There is no relationship with Flexigroup which in our view would restrict us from properly exercising our judgement and duties in relation to the administration. There is no significance of the relationship with Flexigroup to our independence. The relationship with Flexigroup would have disqualified us, under section 280 of the Companies Act 1993, from acting as administrators of IEP.

Name	Nature of relationship	Reasons why not an impediment or conflict
		<p>Prior to our appointment, we filed an application in the High Court asking the Court to permit is to be appointed as joint and several Administrators. An order was granted by the High Court to this effect.</p> <p>A copy of the originating application to the Court dated 24 August 2020 and a copy of the sealed order of the Court dated 25 August 2020 confirming our qualification to act as Administrators, Deed Administrators or Liquidators are attached to this document.</p>

Prior professional services to the Company

We, and/or our firm, have not provided professional services to the Companies in the two years preceding our appointment.

No other relevant relationships to disclose

We declare that there are no other relevant relationships, including business and professional relationships, with the Company, a known associate of the Company, a former insolvency practitioner appointed to the Company, or any person or entity that has a charge over the whole of, or substantially whole of the Company's property, that should be disclosed.

Declaration of indemnities and upfront payments

We, and/or our firm, have not received an indemnity, directly or indirectly, for the purposes of meeting our remuneration and disbursement costs that we are required to disclose under the RITANZ Code of Professional Conduct.

We, and/or our firm, have not received an upfront payment for the purposes of meeting our remuneration and disbursement costs.

Remuneration

Bases of calculation

There are five basic methods on which we could calculate our remuneration. They are:

Time based

The total remuneration charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

Fixed fee

The total remuneration charged is normally quoted prior to the commencement of the administration and is the total cost for the administration.

Percentage

The total remuneration charged is based on a percentage of a particular factor, usually assets disclosed, or assets realised. This basis may only be used with the approval of the body with authority to approve or review remuneration (e.g. the appointor or the Court).

Contingency/success fee

Remuneration is structured to be contingent on a particular outcome being achieved. This basis may only be used if it does not result in a conflict of interest or generate a perception of a lack of independence and with the approval of the body with authority to approve or review remuneration (e.g. the appointor or the Court).

Mixed fee arrangement

Remuneration for a particular aspect of an appointment can be calculated on a different basis.

Method used in the administration and the reasons for selecting this method

The method of calculating our remuneration on this appointment is time based and remuneration will be paid from funds recovered in the Administration. The reasons we have selected this method are that:

- Time based charging is widely used and understood.
- We will only be paid for work done.
- We are unable to estimate with certainty the total amount of fees necessary to complete all tasks required in this administration.
- Quoting a fixed amount does not allow for costs arising from circumstances that were unforeseen prior to our appointment.
- We are required to perform a number of tasks that arise independently of any assets.
- The costs of realising assets are not directly proportional to the value of the asset.

Explanation of hourly rates

The rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged on the administration and the role they take in the administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared with an hourly wage. These rates have been approved by the High Court.

Level	Hourly rate (excl GST) \$	Typical qualification and experience
Partner/Administrator	500 - 620	Accounting and/or law qualification. RITANZ accredited insolvency practitioner. 20+ years of experience in accounting, law and/or insolvency and restructuring. Setting the strategic direction for the appointment. Brings his/her specialist skills to the administration or insolvency task.
Director	500	Accounting and/or law qualification. Generally, 10+ years of experience in accounting, law and/or insolvency and restructuring. Assists in setting the strategic direction of the appointment. Brings his/her specialist skills to the administration or insolvency task.
Associate Director	400	Accounting and/or law qualification. Generally, 10+ years of experience in accounting, law and/or insolvency and restructuring.
Manager	325	Accounting and/or law qualification. Generally, up to 5+ years of experience in accounting, law and/or insolvency and restructuring. Will be experienced in conducting insolvency assignments and directing a number of staff.
Senior Analyst	260	Accounting and/or law qualification. Generally, 3+ years of experience in accounting, law and/or insolvency and restructuring. Assists in planning and control of smaller matters as well as performing some more difficult tasks on larger matters.
Analyst	215	Accounting and/or law qualification. Generally, up to 3 years of experience in accounting, law and/or insolvency and restructuring. Works under supervision or more senior staff in performing day-to-day fieldwork.
Administrator	125	Appropriate skills and experience.
Office Assistant	95	Appropriate skills and experience.

Disbursements

Classes of disbursements

Disbursements are costs paid by the company in administration, either:

- Initially from the administrators' resources and then claimed back from the company in administration; or
- Directly by the company in administration.

Disbursements fall into three categories:

- Externally provided professional services (e.g. legal fees)
- Externally provided non-professional costs (e.g. insurance, travel, advertising)
- Internal disbursements (e.g. photocopying, printing, postage)

These are all recovered at cost.

If you require any further information, please contact us.



David Webb

27-08-2020

Date



Colin Owens

27-08-2020

Date

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CONFIDENTIAL

IEP NEW ZEALAND LIMITED (ADMINISTRATORS APPOINTED)
EMAIL VOTE

Name and address of creditor in full:	Any personal information collected is for the purpose of the Administration in accordance with the Companies Act 1993. The information will be used and retained by the Administrators and will be released to other parties only with your authorisation or in compliance with the Privacy Act 1993. You are obliged to provide this information under the Companies Act 1993. You may have access to and request correction of any personal information.
Amount of Claim: \$	

I,, (also include title/position if claim is not on behalf of an individual) cast the following votes (place cross or tick in box for desired option, it is not necessary to vote for all resolutions).

Resolution (1): Appointment of Administrators

That A) This meeting resolves **not** to replace David Webb and Colin Owens the Administrators already appointed.

For Against Abstain

and (*only if Resolution A is defeated – For any resolution to appoint alternative administrators to be valid, it must be accompanied by: (i) a signed consent to act as administrators by the proposed administrators; and (ii) a certificate in writing that the proposed administrators are not disqualified under s280 of the Companies Act 1993.*)

That B) This meeting resolves to appoint _____ and/or _____ as alternative Administrators.

For Against Abstain

Resolution (2) : Liquidation Committee

That A) This meeting appoints a liquidation committee.

For Against Abstain

and (*only if Resolution A is carried*)

That B) The following person(s) be considered to the creditors committee:

Full Name: Full Address:

For Against Abstain

Note: If a creditor casts an email ballot in relation to a resolution and a different resolution is submitted to the meeting, the creditors' vote will be invalid in respect of that different resolution, but the creditor may vote, in respect of that resolution, either by being present at the virtual meeting or by proxy.

Signed:..... Dated:.....	
Please return to: NZSTATravel@deloitte.co.nz Deloitte, Private Bag 115033, Auckland 1140	You may vote on all or any of the above resolutions. Please return this email ballot to the Administrators by no later than 2pm, Wednesday, 2 September 2020. If you do not do so you will not be prevented from voting at the meeting however, as the meeting is held virtually, it will be necessary to adjourn the meeting for a period of time while the email votes are collated and counted, after which the meeting will be reconvened.
For Office Use Received on:	Time:

In the High Court of New Zealand
Auckland Registry

CIV-2020-404-1381

I Te Kōti Matua O Aotearoa
Tāmaki Makaurau Rohe

Under Part 19 of the High Court Rules and sections 239F, 239ACD, 280 and 286 of the Companies Act 1993

In the matter of an application pursuant to sections 239F, 239ACD, 280 and 286 of the Companies Act 1993 for an order that D S Webb and C D Owens not be disqualified from appointment as administrators, deed administrators or liquidators of STA Travel (NZ) Limited and IEP New Zealand Limited

and in the matter of **STA Travel (NZ) Limited**, an incorporated company having its registered office at Telco Building, Level 14, 16 Kingston Street, Auckland, New Zealand

In the matter of **IEP New Zealand Limited**, an incorporated company having its registered office at BDO Auckland, Level 4, Graham Street, Auckland, New Zealand

In the matter of an application by **David Sean Webb**, of Auckland and **Colin David Owens**, of Wellington, insolvency practitioners

Applicants

Orders as to qualification of administrators, deed administrators or liquidators

Dated: 25 August 2020



Judicial officer: Downs J

DENTONS KENSINGTON SWAN

18 Viaduct Harbour Avenue P +64 9 379 4196
Private Bag 92101 F +64 9 309 4276
Auckland 1142 DX CP22001

Solicitor: J A McMillan / M L Broad
E james.mcmillan.nz@dentons.com/mark.broad@dentons.com

Orders as to qualification of administrators, deed administrators or liquidators

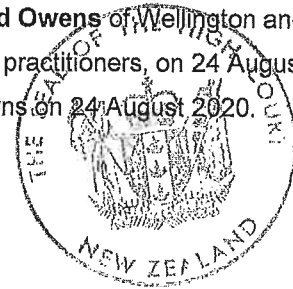
To: Colin David Owens and David Sean Webb

1 The originating application made by **Colin David Owens** of Wellington and **David Sean Webb** of Auckland, accredited insolvency practitioners, on 24 August 2020, was determined by the Honourable Justice Downs on 24 August 2020.

2 The determination was made without a hearing.

3 The following orders were made:

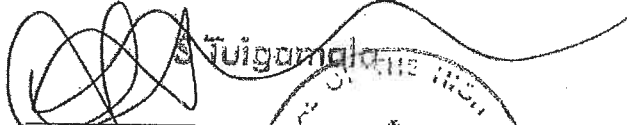
- a this application be permitted to be made by way of an originating application;
- b notwithstanding s239F(2) and s280(1)(cb) of the Companies Act 1993 (Act), **David Sean Webb** and **Colin David Owens** of Deloitte (the **Administrators**) may be appointed as joint and several administrators of STA Travel (NZ) Limited (**STA Travel**) and IEP New Zealand Limited (**IEP**);
- c notwithstanding s239ACD(2) and 280(1)(cb) of the Act, the Administrators may be appointed as joint and several deed administrators or liquidators of STA Travel and IEP, if appointed as such at a watershed meeting of creditors in the voluntary administrations of STA Travel and IEP;
- d following their appointment as administrators of STA Travel and IEP, then:
 - i this application be adjourned to a date convenient to the Court;
 - ii a copy of this application and orders of the Court be served on all known creditors of STA Travel and IEP notified of the first meeting of creditors in STA Travel and IEP's voluntary administrations pursuant to s239AO(1)(a) of the Act, at the same time and in the same manner as notice under s239AO is given by the Administrators to those creditors, with a copy of this application and the Court's orders also to be posted on Deloitte's website;
 - iii the Administrators' notice to creditors under s239AO(1)(a) of the Act shall include advice to creditors of the next mention date of this application, and advice that, if they wish to challenge the interim orders made, they are entitled to do so by filing and serving a notice of opposition within 10 working days of service of the Court's orders to set

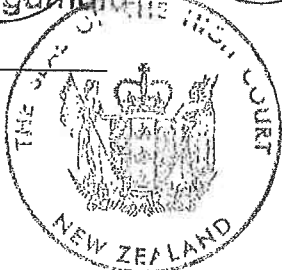


aside the Administrators' appointment as administrators of STA Travel and IEP; and

- iv the creditors of STA Travel and IEP shall have leave to apply to the Court within 10 working days of service of the Court's orders to set aside the Administrators' appointment as administrators of STA Travel and IEP;
- e the interim orders made by the Court on Friday, 21 August 2020 be supplanted by these orders from the date and time that they are made; and
- f the Administrators' solicitor-client costs and disbursements of this application are to be an expense incurred by the Administrators in carrying out their duties as administrators of STA Travel and IEP.

Date: 24th August 2020


S. Tuigomala
(Deputy) Registrar



THE HIGH COURT
NEW ZEALAND

In the High Court of New Zealand
Auckland Registry

CIV-2020-404-1381

I Te Kōti Matua O Aotearoa
Tāmaki Makaurau Rohe

Under Part 19 of the High Court Rules and sections 239F, 239ACD, 280 and 286 of the Companies Act 1993

In the matter of an application pursuant to sections 239F, 239ACD, 280 and 286 of the Companies Act 1993 for an order that D S Webb and C D Owens not be disqualified from appointment as administrators, deed administrators or liquidators of STA Travel (NZ) Limited and IEP New Zealand Limited

and in the matter of **STA Travel (NZ) Limited**, an incorporated company having its registered office at Telco Building, Level 14, 16 Kingston Street, Auckland, New Zealand

In the matter of **IEP New Zealand Limited**, an incorporated company having its registered office at BDO Auckland, Level 4, Graham Street, Auckland, New Zealand

In the matter of an application by **David Sean Webb**, of Auckland and **Colin David Owens**, of Wellington, insolvency practitioners

Applicants

Originating application without notice for orders that David Sean Webb and Colin David Owens be permitted to act as administrators, deed administrators or liquidators

Dated: 24 August 2020

Judicial officer: Campbell J

大成 DENTONS KENSINGTON SWAN

18 Viaduct Harbour Avenue P +64 9 379 4196
Private Bag 92101 F +64 9 309 4276
Auckland 1142 DX CP22001

Solicitor: J A McMillan / M L Broad
E james.mcmillan.nz@dentons.com/mark.broad@dentons.com

Originating application without notice for orders that David Sean Webb and Colin David Owens be permitted to act as administrators, deed administrators or liquidators

To: The Registrar of the High Court at Auckland

This document notifies you that—

- 1 The applicants, **David Sean Webb** of Auckland and **Colin David Owens** of Wellington, both accredited insolvency practitioners, apply for orders that:
 - a this application be permitted to be made by way of an originating application;
 - b notwithstanding s239F(2) and s280(1)(cb) of the Companies Act 1993 (**Act**), **David Sean Webb** and **Colin David Owens** of Deloitte (the **Administrators**) may be appointed as joint and several administrators of STA Travel (NZ) Limited (**STA Travel**) and IEP New Zealand Limited (**IEP**);
 - c notwithstanding s239ACD(2) and 280(1)(cb) of the Act, the Administrators may be appointed as joint and several deed administrators or liquidators of STA Travel and IEP, if appointed as such at a watershed meeting of creditors in the voluntary administrations of STA Travel and IEP;
 - d following their appointment as administrators of STA Travel and IEP, then:
 - i this application be adjourned to a date convenient to the Court;
 - ii a copy of this application and orders of the Court be served on all known creditors of STA Travel and IEP notified of the first meeting of creditors in STA Travel and IEP's voluntary administrations pursuant to s239AO(1)(a) of the Act, at the same time and in the same manner as notice under s239AO is given by the Administrators to those creditors, with a copy of this application and the Court's orders also to be posted on Deloitte's website;
 - iii the Administrators' notice to creditors under s239AO(1)(a) of the Act shall include advice to creditors of the next mention date of this application, and advice that, if they wish to challenge the interim orders made, they are entitled to do so by filing and serving a notice of opposition within 10 working days of service of the Court's orders to set aside the Administrators' appointment as administrators of STA Travel and IEP; and

- iv the creditors of STA Travel and IEP shall have leave to apply to the Court within 10 working days of service of the Court's orders to set aside the Administrators' appointment as administrators of STA Travel and IEP;
- e the interim orders made by the Court on Friday, 21 August 2020 be supplanted by these orders from the date and time that they are made; and
- f the Administrators' solicitor-client costs and disbursements of this application are to be an expense incurred by the Administrators in carrying out their duties as administrators of STA Travel and IEP.

2 The grounds on which each order is sought are as follows:

Application should be made by way of originating application

- a No objection to the orders sought is anticipated and it is appropriate that applications of this nature be made by way of originating application.
- b The Court has previously permitted applications under s280 of the Act to be made by way of originating application (see *Re Tubbs* [2014] NZHC 385).
- c It is in the interests of justice, and of the speedy and inexpensive determination of this application, that it be made by way of an originating application.

Sections 239F, 239ACD and 280 of the Act preclude Administrators' appointment as administrators, deed administrators or liquidators of STA Travel and IEP without permission of the Court

- d In the absence of Court orders, ss239F(2), 239ACD(2) and 280(1)(cb) of the Act preclude the Proposed Administrators from being appointed as administrators, deed administrators or liquidators of STA Travel and IEP because, within two years immediately before the administration would commence, Deloitte and one of the Administrators, Mr Webb, had a "continuing business relationship" with parties that are secured creditors of STA Travel and IEP. Deloitte and Mr Webb have provided professional services to Fuji Xerox Finance Limited (**Fuji Xerox**), a secured creditor of STA Travel and Flexigroup New Zealand Limited (**Flexigroup**), a secured creditor of IEP.

Administrators' independence, competence, and integrity not compromised

- e Although the Administrators may arguably be precluded from acting as administrators, deed administrators or liquidators under s280, there is no real or apparent conflict of interest as neither of the Proposed Administrators, nor Deloitte, have provided any services to Fuji Xerox or Flexigroup about STA Travel and IEP, their directors or their shareholders. In addition, Deloitte has not provided any services to STA Travel and IEP, their directors or shareholders. Any apparent conflict of interest arising under s280 of the Act would not compromise their ability to act professionally and independently.
- f The Administrators are:
 - i A partner of Deloitte, and leader of the firm's national restructuring practice (David Webb).
 - ii A director of Deloitte (Colin Owens).
 - iii Well known to this Court as experienced and reputable insolvency practitioners.
 - iv Accredited insolvency practitioners.

Appropriate to make orders sought

- g The Administrators consented in writing to being appointed administrators of STA Travel and IEP, and, on the basis of the orders made by the Court on 21 August 2020, were appointed Administrators of STA Travel and IEP, subject to this application being granted.
- h If orders are made, and any creditors object to the Administrators' appointment, then those creditors retain the right to challenge the Proposed Administrators' appointments in Court.
- i It is in the interests of justice that the application be determined without serving notice of the application on creditors because:
 - i there is no real conflict to the Proposed Administrators' appointment as administrators of STA Travel and IEP;
 - ii personal service of the application on STA Travel and IEP's numerous creditors and 69 employees would be time consuming and onerous, given the urgency of the application;

iii there is no prejudice to any creditors, as they:

- A will be served with a copy of this application and the Court's orders at the same time and in the same manner as notice of the first meeting of creditors under s239AO is given by the administrators to those creditors;
- B retain the right to challenge the Administrators' appointment as administrators of STA Travel and IEP in Court; and/or
- C may vote to replace the Administrators at the first creditors' meeting in the administrations of STA Travel and IEP under s239AN of the Act.

3 The application is made in reliance upon:

- a Sections 239F, 239ACD, 280 and 286 of the Companies Act 1993;
- b rules 7.23, 7.46, 18.7, 19.2, 19.4, 19.5 and 19.10 of the High Court Rules 2016;
- c *Re Huntleigh Downs Ltd* HC Wellington CIV-2009-485-1498, 11 August 2009; *Re Rapson Holdings* HC Auckland CIV-2010-404-2319, 26 April 2010; *Re Tubbs* [2014] NZHC 385; *Re Inglis & Co Ltd* HC Wellington CIV-2009-485-1336, 16 July 2009; *Re Bridgman* [2016] NZHC 933; *Re Jackson* [2018] NZHC 2447; *Re Maginness* [2019] NZHC 1237; and *Re Drikolor New Zealand Limited* [2019] NZHC 2650.
- d the affidavit of Colin David Owens affirmed in support of this application.

4 The application is made without notice to any other party on the following grounds:


- a that requiring the Administrators to proceed on notice would cause undue delay or prejudice to the Administrators; and
- b the interests of justice require the application to be determined without serving notice of the application.

5 I certify that—

- a the grounds set out in paragraph 4 on which the application relies are made out; and

- b all reasonable inquiries and all reasonable steps have been made or taken to ensure that the application contains all relevant information, including any opposition or defence that might be relied on by any other party, or any facts that would support the position of any other party.

Dated: 24 August 2020



J A McMillan
Solicitor for the applicants

Address for service:

This document is filed by **James Alexander McMillan**, solicitor for the applicants, of the firm Dentons Kensington Swan, Auckland. The address for service of the applicants is 18 Viaduct Harbour Avenue, Auckland 1010. Documents for service on the applicants may be left at that address for service or may be:

- a posted to the solicitor at c/o Dentons Kensington Swan, Private Bag 92101, Auckland 1142; or
- b left for the solicitor at a document exchange for direction to c/o Dentons Kensington Swan, DX CP22001, Auckland; or
- c emailed to the solicitor at james.mcmillan.nz@dentons.com and mark.broad@dentons.com.

In the High Court of New Zealand
Auckland Registry

CIV-2020-404-

I Te Kōti Matua O Aotearoa
Tāmaki Makaurau Rohe

Under Part 19 of the High Court Rules and s239ADO of the Companies Act 1993

In the matter of an application pursuant to s239ADO of the Companies Act 1993 for orders modifying the default statutory requirements under Part 15A of the Companies Act 1993 that relate to creditors' meetings

and in the matter of **STA Travel (NZ) Limited (administrators appointed)**, an incorporated company having its registered office at Telco Building, Level 14, 16 Kingston Street, Auckland, New Zealand

and in the matter of **IEP New Zealand Limited (administrators appointed)**, an incorporated company having its registered office at BDO Auckland, Level 4, Graham Street, Auckland, New Zealand

and in the matter of **NNS New Zealand Limited (administrators appointed)**, an incorporated company having its registered office at Level 10, 220 Queen Street, Auckland, 1010 New Zealand

In the matter of an application by **David Sean Webb**, of Auckland and **Colin David Owens**, of Wellington, as administrators of STA Travel (NZ) Limited (administrators appointed), IEP New Zealand Limited (administrators appointed) and NNS New Zealand Limited (administrators appointed)

Applicants

Originating application without notice for orders modifying the default statutory requirements under Part 15A of the Companies Act 1993 that relate to creditors' meetings

Dated: 26 August 2020

大成 DENTONS KENSINGTON SWAN
18 Viaduct Harbour Avenue P +64 9 379 4196
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Solicitor: J A McMillan / R J Choy
E james.mcmillan.nz@dentons.com/rachael.choy@dentons.com

Originating application without notice for orders modifying the default statutory requirements under Part 15A of the Companies Act 1993 that relate to the convening of creditors' meetings

To: The Registrar of the High Court at Auckland

This document notifies you that—

- 1 The applicants, **David Sean Webb** of Auckland and **Colin David Owens** of Wellington, in their capacity as administrators of STA Travel (NZ) Limited (administrators appointed) (**STA Travel**), IEP New Zealand Limited (administrators appointed) (**IEP**), and NNS New Zealand Limited (administrators appointed) (**NNS**) following their appointment on 24 August 2020, apply for orders under s239ADO of the Companies Act 1993 (the **Act**) that:
 - a this application be permitted to be made on a without notice basis;
 - b the applicants be permitted to send the documents and notices required to be sent to the creditors of STA Travel, IEP and NNS, under Part 15A of the Act:
 - i where the creditor is a preferential or trade creditor for whom the applicants have an email address, by email;
 - ii where the creditor is a customer creditor or other creditor for whom the applicants do not have an email address, by posting advertisements in the *Gazette*, the *New Zealand Herald* and *Stuff* including reference to the availability of the documents and notices on the relevant pages of Deloitte's website; and
 - iii by posting a copy on the STA Travel, IEP and NNS pages of Deloitte's website.
 - c notwithstanding the terms of s239AK and Schedule 5 of the Act, the applicants be permitted to hold creditors' meetings under Part 15A of the Act, including the first creditors' meeting and the watershed meeting, by way of video or telephone conference;
 - d notwithstanding the terms of s239AK(2) of the Act and clauses 6 and 7 of Schedule 5 to the Act, the applicants be permitted to allow voting by electronic means, including email, at creditors' meetings;
 - e the applicants be permitted to table any documents, which they require to table at creditors' meetings under Part 15A of the Act, by means of posting

them on Deloitte's website and directing creditors to them at the relevant creditors' meeting;

- f a copy of this application and the orders of the Court be:
 - i given to creditors of STA Travel, IEP and NNS at the same time and in the same manner as notice of the first meeting of creditors under s239AO is given by the administrators to those creditors;
 - ii posted on the STA Travel, IEP and NNS pages of Deloitte's website within five working days of the above orders being granted;
- g leave is granted to any person who can demonstrate sufficient interest to apply to modify or discharge these orders, including the applicants and any creditor of STA Travel, IEP and NNS; and
- h that the applicants' solicitor-client costs and disbursements of this application are to be an expense incurred by the applicants in carrying out their duties as administrators of STA Travel, IEP and NNS.

2 The grounds on which each order is sought are as follows:

Application should be made on a without notice basis

- a Applications under Part 15A of the Act are to be made by originating application.¹
- b It is in the interests of justice, and of the speedy and inexpensive determination of this application, that this application be commenced without notice because:
 - i creditors must be notified of the first creditors' meeting by Thursday, 27 August 2020 and the meeting must be held by Thursday, 3 September 2020;
 - ii seeking the orders on notice to creditors would cause undue delay and prejudice to the applicants as they would be prevented from complying with their statutory duties to give notice of, and hold, the first creditors' meeting within the specified time; and
 - iii if the application is granted, there is no prejudice caused to creditors.

¹ Rule 19.2 of the High Court Rules 2006.

- c The Court has previously permitted applications of this type under s239ADO of the Act to be made on a without notice basis (see *Re EncoreFX (NZ) Limited* [2020] NZHC 674).

Orders in respect of creditors' meetings

- d The applicants' role as administrators is to advance the objects of s239A of the Act, namely, to provide for the business, property, and affairs of the companies to be administered in a way that:
 - i maximises the chances of the companies, or as much as possible of their business, continuing in existence; or
 - ii if that is not possible, results in a better return for creditors and shareholders of the companies than would result from their immediate liquidation.
- e Under s239ADO of the Act, the Court may make any order, on the application of the administrators, that it thinks appropriate about how Part 15A is to operate in relation to a particular company.
- f The overriding principle is that the Court should only exercise this power to ensure that the objectives of Part 15A, as set out above, are adhered to in relation to the company.
- g The orders sought in this application are designed to avoid unnecessary and disproportionate expense being incurred, and to allow the applicants to comply with the requirements of Part 15A despite the obstacles presented by the 'lockdown' regulations. These goals are consistent with the objects of Part 15A.
- h The grounds for each order sought are set out below.

Sending of documents and notices required under Part 15A of the Act

- i Under Part 15A of the Act, the applicants must send various notices and documents to the creditors of STA Travel, IEP and NNS. In particular:
 - i the applicants must give written notice of the first creditors' meeting to as many of the creditors as reasonably practicable not less than five working days before the meeting;²

² Section 239AO of the Act.

- ii the applicants must give written notice of the watershed meeting, along with the documents set out at s239AU(3), to as many of the creditors as reasonably practicable not less than five working days before the meeting;³ and
 - iii should the applicants decide to call the creditors' meetings of STA Travel and NNS together, on the basis that they are related companies, they are required to give written notice to all the creditors, seeking consent to do so.⁴
- j As set out at paragraph [1(b)] above, the applicants seek orders from the Court modifying the service requirements for these notices and documents, along with any others that may be required under Part 15A of the Act. In particular, the orders sought allow service by email in respect of most preferential and trade creditors and service by advertisement in respect of customer creditors.
- k Pursuant to s239AN of the Act, the applicants must hold the first creditors' meeting within eight working days after the date on which the administration began. The applicants were appointed as administrators of STA Travel, IEP and NNS on 24 August 2020, so the last day on which the first creditors' meeting may be held is 3 September 2020. Written notice of the first creditors' meeting must, accordingly, be given no later than Thursday, 27 September 2020.
- l The applicants are in their early stages of investigations in respect of STA Travel, IEP and NNS. It is, however, apparent that STA Travel and IEP have numerous creditors in the following classes:
- i preferential creditors consisting of the companies' employees and the IRD;
 - ii secured and unsecured trade creditors, including landlords and suppliers; and
 - iii customers owed money by STA Travel and IEP, including those who have paid for services but have not received the services for which they paid, and those on whose behalf refunds have been received from third parties.

³ Section 239AU(1) and (2) of the Act.

⁴ Section 239AL of the Act.

- m Issuing notice by post to creditors in relation to the first creditors' meeting will be expensive and time consuming, and such costs would be detrimental to all creditors and stakeholders in the administration. Additionally, the current 'Level 3 Lockdown' in Auckland makes preparing and sending notices and other documents by post more difficult and undesirable.
- n In the three days available to the applicants between appointment and the last day on which they can give notice of the first creditors' meeting, the applicants hope to be able to collate email details for the preferential creditors and trade creditors, but will not be able to collate the information required to give individual notice by email to each of the customer creditors.
- o Even in the period before the watershed meeting, the applicants may not be able to collate the necessary information in respect of all creditors. In any case, due to the number of likely creditors, giving individual notice to each of the customer creditors will be onerous and expensive. Again, such costs would be detrimental to all creditors and stakeholders in the administration.
- p The orders sought are designed to allow the applicants to give individual notice to creditors where reasonably practicable, while making provision so that the customer creditors, who do not receive individual notice by email, are made aware of meetings by advertisement.
- q All creditors will have access to the relevant documents via Deloitte's website. A link to the relevant page of Deloitte's website will also be posted on IEP's website (if it remains available). STA Travel's website is not currently operational but, if it begins operating again, the applicants will, if possible, also post a link to the documents there. The applicants will also provide a posted copy of any documents to any creditors that request that they be sent.

Holding of creditors' meetings remotely

- r Section 239AK of the Act provides that clause 4 and clauses 6-11 of Schedule 5 to the Act apply to creditors' meetings held under Part 15A of the Act.
- s Clause 1 of Schedule 5, which, accordingly, does not apply to creditors' meetings held under Part 15A of the Act, provides (among other things) that meetings may be held:
 - i by assembling together those creditors entitled to take part and who choose to attend at the place, date, and time appointed for the meeting;
or
 - ii by means of audio, or audio and visual communication by which all creditors participating can simultaneously hear each other throughout the meeting.
- t In the absence of an equivalent clause applying to creditors' meetings under Part 15A of the Act, it is unclear whether, without an order from the Court, they must be held in person or can be held remotely by means of video or telephone conference.
- u Auckland is currently in 'Level 3 Lockdown'. By the date by which the first creditors' meeting must be held, Auckland will be in 'Level 2 Lockdown', but gatherings of more than 10 people will still be prohibited. It is unknown what restrictions will apply when the watershed meeting, or any other subsequent creditors' meetings, will need to be held.
- v Given the number of creditors who may seek to attend the creditors' meetings, it will be impossible to hold them in person without contravening the prohibitions applying to gatherings. Meeting by video or telephone conference will allow the creditors' meetings to go ahead and will allow creditors who wish to do so to participate effectively.

Voting by electronic means

- w In the absence of an order from the Court, s239AK(2) of the Act and clauses 6 and 7 of Schedule 5 to the Act regulate voting at creditors' meetings.
- x Postal voting, and voting by proxy, is permitted under s239AK(2) and clause 7 of Schedule 5, but no specific provision is made for voting by electronic means, such as email.

- y The applicants seek orders permitting voting by electronic means, such as email, in addition to the voting methods specifically allowed under the Act.
- z Voting electronically is similar to postal voting. The customer creditors of STA and IEP are likely to be spread across New Zealand and electronic voting will provide them with a cost effective means of participating in the creditors' meetings.

Tabling of documents

- aa At the first creditors' meeting for each company, the applicants are required to table an interests statement and the directors statement. There are further documents that the applicants may need to file at subsequent creditors' meetings. Given that, if the orders sought are granted, the meetings are to be held by video or telephone conference, the applicants also seek permission to post these documents on Deloitte's website and direct creditors to them.

Other orders

- bb The applicants also seek orders that a copy of the above orders, if granted, be sent to creditors of STA Travel, IEP and NNS in the same way as notices or other documents (as set out in the other orders sought).
- cc The grounds set out above in relation to those other notices and documents apply equally to the service of the orders. Personal service of the orders would be expensive and time consuming and would not be possible in respect of certain creditors.
- dd No prejudice is caused to creditors as they will be given notice of the orders in the same way as for other notices, and should they wish to apply to have the orders modified or discharged, the order requested at paragraph [1(f)] above allows them to do so.

3 The application is made in reliance upon:

- a sections 239A and 239ADO of the Companies Act 1993;
- b rules 7.23, 7.46, 19.2, 19.4 and 19.5 of the High Court Rules 2016;
- c *Re EncoreFX (NZ) Limited* [2020] NZHC 674, *Re Ansett Australia Ltd* (2002) 115 FCR 395, and *Re Pumpkin Patch Ltd* [2016] NZHC 2771.
- d the affidavit of Colin David Owens affirmed in support of this application.

4 I certify that—

- a the grounds set out in paragraph 2 on which the application relies are made out; and
- b all reasonable inquiries and all reasonable steps have been made or taken to ensure that the application contains all relevant information, including any opposition or defence that might be relied on by any other party, or any facts that would support the position of any other party.

Dated: 26 August 2020



J A McMillan
Solicitor for the applicants

Address for service:

This document is filed by **James Alexander McMillan**, solicitor for the applicants, of the firm Dentons Kensington Swan, Auckland. The address for service of the applicants is 18 Viaduct Harbour Avenue, Auckland 1010. Documents for service on the applicants may be left at that address for service or may be:

- a posted to the solicitor at c/o Dentons Kensington Swan, Private Bag 92101, Auckland 1142; or
- b left for the solicitor at a document exchange for direction to c/o Dentons Kensington Swan, DX CP22001, Auckland; or
- c emailed to the solicitor at james.mcmillan.nz@dentons.com and rachael.choy@dentons.com.

In the High Court of New Zealand
Auckland Registry

CIV-2020-404-1401

I Te Kōti Matua O Aotearoa
Tāmaki Makaurau Rohe

Under Part 19 of the High Court Rules and s239ADO of the Companies Act 1993

In the matter of an application pursuant to s239ADO of the Companies Act 1993 for orders modifying the default statutory requirements under Part 15A of the Companies Act 1993 that relate to creditors' meetings

and in the matter of **STA Travel (NZ) Limited (administrators appointed)**, an incorporated company having its registered office at Telco Building, Level 14, 16 Kingston Street, Auckland, New Zealand

and in the matter of **IEP New Zealand Limited (administrators appointed)**, an incorporated company having its registered office at BDO Auckland, Level 4, Graham Street, Auckland, New Zealand

and in the matter of **NNS New Zealand Limited (administrators appointed)**, an incorporated company having its registered office at Level 10, 220 Queen Street, Auckland, 1010 New Zealand

In the matter of an application by **David Sean Webb**, of Auckland and **Colin David Owens**, of Wellington, as administrators of STA Travel (NZ) Limited (administrators appointed), IEP New Zealand Limited (administrators appointed) and NNS New Zealand Limited (administrators appointed)

Applicants

Orders as to the modification of the default statutory requirements under Part 15A of the Companies Act 1993 that relate to creditors' meetings

Dated: 27 August 2020

Judicial officer: Bell AJ

DENTONS KENSINGTON SWAN
18 Viaduct Harbour Avenue P +64 9 379 4196
Private Bag 92101 F +64 9 309 4276
Auckland 1142 DX CP22001

Solicitor: J A McMillan / R J Choy
E james.mcmillan.nz@dentons.com/rachael.choy@dentons.com



Orders as to the modification of the default statutory requirements under Part 15A of the Companies Act 1993 that relate to creditors' meetings

To: Colin David Owens and David Sean Webb

- 1 The originating application made by **Colin David Owens** of Wellington and **David Sean Webb** of Auckland, accredited insolvency practitioners, on 26 August 2020, was determined by the Honourable Associate Judge Bell on 26 August 2020.
- 2 The determination was made without a hearing.
- 3 The following orders were made:
 - a this application be permitted to be made on a without notice basis;
 - b the applicants be permitted to send the documents and notices required to be sent to the creditors of STA Travel, IEP and NNS, under Part 15A of the Act:
 - i where the creditor is a preferential or trade creditor for whom the applicants have an email address, by email;
 - ii where the creditor is a customer creditor or other creditor for whom the applicants do not have an email address, by posting advertisements in the *Gazette*, the *New Zealand Herald* and *Stuff* including reference to the availability of the documents and notices on the relevant pages of Deloitte's website; and
 - iii by posting a copy on the STA Travel, IEP and NNS pages of Deloitte's website.
 - c notwithstanding the terms of s239AK and Schedule 5 of the Act, the applicants be permitted to hold creditors' meetings under Part 15A of the Act, including the first creditors' meeting and the watershed meeting, by way of video or telephone conference and, for any creditors' meeting held in this manner, all creditors taking part must be able to hear each other throughout the meeting;
 - d notwithstanding the terms of s239AK(2) of the Act and clauses 6 and 7 of Schedule 5 to the Act, the applicants be permitted to allow voting by electronic means, including email, at creditors' meetings;



- e the applicants be permitted to table any documents, which they require to table at creditors' meetings under Part 15A of the Act, by means of posting them on Deloitte's website and directing creditors to them at the relevant creditors' meeting;
- f a copy of this application and the orders of the Court be:
 - i given to creditors of STA Travel, IEP and NNS at the same time and in the same manner as notice of the first meeting of creditors under s239AO is given by the administrators to those creditors;
 - ii posted on the STA Travel, IEP and NNS pages of Deloitte's website within five working days of the above orders being granted;
- g leave is granted to any person who can demonstrate sufficient interest to apply to modify or discharge these orders, including the applicants and any creditor of STA Travel, IEP and NNS; and
- h that the applicants' solicitor-client costs and disbursements of this application are to be an expense incurred by the applicants in carrying out their duties as administrators of STA Travel, IEP and NNS.

Date: 26 August 2020


(Deputy) Registrar

IN THE HIGH COURT OF NEW ZEALAND
AUCKLAND REGISTRY

I TE KŌTI MATUA O AOTEAROA
TĀMAKI MAKĀURAU ROHE

CIV-2020-404-1401

UNDER the Companies Act 1993, section 239ADO
and Part 19 of the High Court Rules

IN THE MATTER OF an application for orders modifying the
default statutory requirements under Part
15A of the Companies Act 1993 that relate
to creditors. meetings

BETWEEN: **STA TRAVEL (NZ) LIMITED**
(Administrators appointed)

AND **IEP NEW ZEALAND LIMITED**
(Administrators appointed)

AND **NNS NEW ZEALAND LIMITED**
(Administrators appointed)

AND **DAVID SEAN WEBB**
and
COLIN DAVID OWENS
(Administrators appointed for STA Travel
(NZ) Ltd and IEP New Zealand Ltd, and
NNS New Zealand Ltd)
Applicants

On the papers:

Counsel: James McMillan / Rachael Choy for the Applicants

Minute: 26 August 2020

MINUTE of ASSOCIATE JUDGE R M BELL

Solicitors:

Dentons Kensington Swan (J A McMillan/R J Choy), Auckland, for the applicants
Email: james.mcmillan.nz@dentons.com / rachael.choy@dentons.com

Case Officer:

Email: Aukuso.Lesa@justice.govt.nz

[1] On 24 August 2020 the applicants were appointed voluntary administrators of STA Travel (NZ) Limited, IEP New Zealand Limited and NNS New Zealand Ltd. They apply under s 239ADO of the Companies Act 1993 for orders modifying the default requirements under Part 15A of the Companies Act for notifying creditors and conducting both the first creditors' meeting and the watershed meeting. Their main reason for seeking the modifications is the impact of the COVID-19 Public Health Response (Alert Levels 3 and 2) Order 2020, which came into force on 12 August 2020. That put Auckland into Level 3 lockdown. The restrictions under the order prevent the first creditors' meeting and a watershed meeting being conducted in person in Auckland.

[2] STA Travel (NZ) Ltd is a travel agency specialising in youth travel. It has 11 stores in New Zealand, all of which have now closed. Its website has been taken offline. Overseas companies in the STA Travel group have also gone into various forms of insolvency administration.

[3] IEP New Zealand Ltd provides work and study abroad support services (both inbound and outbound) to the STA Travel group. That includes assisting inbound customers with applications for working visas.

[4] NNS handles the sale and distribution of an international student identification card that is recognised globally.

[5] The administrators say that STA Travel's affairs are disorganised. They have still to establish the extent of all creditors and what funds if any may be available.

[6] A first creditors' meeting must be held no later than 8 working days of the administrators' appointment, that is, by **Thursday 3 September 2020**. The administrators must give creditors notice of their appointment within three working days of their appointment, that is, by **27 August 2020**.¹

¹ Companies Act 1993, s 239AN, 239AO.

[7] The administrators required leave of the court under s 280 of the Companies Act 1993 to be appointed administrators. Under the court's orders, they are required to give creditors information about their appointment including about conflicts and remuneration.

[8] The administrators consider that because of the current Level 3 lockdown, it would be difficult and undesirable to advise creditors by post. They say that postal delivery may raise health and safety concerns, and there may be delays in posting notices and voting forms. They therefore propose that documents and notices may be sent by email, by advertisement and by posting documents to their website. They propose holding creditors' meetings by video or telephone conference and allowing voting by electronic means. That is to allow creditors' meetings to be run in a timely and safe way.

[9] The Government has announced that Auckland will enter Alert Level 2 next week. Under those restrictions, it will not be possible to have a meeting of more than 10 people. Under Part 15A, a meeting with creditors cannot be run by audio or audio-video conference – at least not without a direction from the court.²

[10] The administrators' proposal is appropriate. But I add one requirement. For any meeting held by audio or audio-visual communication, all creditors taking part must be able to hear each other throughout the meeting.³

[11] Similarly, it is appropriate to allow voting by electronic means, including by email at the meeting. Likewise, the applicants are permitted to table any documents for the meetings by posting them on their website and directing the creditors to those documents during the meetings.

[12] Counsel responsibly referred me to an Australian decision, *Re Ansett Australia Ltd*,⁴ where the court declined to allow administrators to give notice of a creditors' meeting by advertising. I accept counsel's submission that the facts and circumstances of this case are distinguishable from those in *Ansett*.

² Companies Act 1993, s 239AK which refers to Schedule 5, clauses 5-11, but not to clause 1(b) which allows meetings by audio or audio-video conference.

³ Companies Act 1993, Schedule 5, clause 1(b).

⁴ *Ansett Australia Ltd* (2002) 115 FCR 395.

[13] The court has given similar directions for watershed meetings in other voluntary administrations because of the restrictions during the COVID-19 lockdowns.⁵

[14] I am satisfied that the administrators' proposed modifications will better serve the objects of the voluntary administration under s 239A of the Companies Act than adhering to the default provisions.

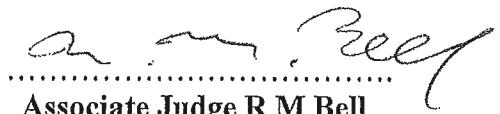
[15] The administrators have appropriately applied without notice. The creditors are to be given a copy of the administrators' application and this order at the same time and in the same manner as they are notified of the first creditors' meeting, and by posting on the administrators' website.

[16] Leave is reserved to anyone with an appropriate interest to apply to modify and discharge these orders. It may be necessary to review whether these directions will be appropriate when the watershed meeting is convened, if COVID-19 restrictions are eased by then. The administrators are asked to keep that under consideration.

[17] The costs of the application, including lawyers' costs and disbursements, are part of the expenses incurred by the applicants in their administration.

[18] Leave is reserved to apply for further directions.

[19] In short, subject to the rider in [10] above, I make orders in terms of the administrators' application.


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Associate Judge R M Bell

⁵ *Re Encorex (NZ) Ltd* [2002] NZHC 674, *Re Ripetime Ltd* CIV-2020-404-1377, HC Auckland, minute of 21 August 2020.