



Tenbense & Dee
Chartered Accountants

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27 October 2008

To the Creditor as addressed

CD ANYWHERE PTY LTD (ADMINISTRATOR APPOINTED)
ACN 078 082 112

TAKE NOTICE that on 24 October 2008 the company appointed me administrator. I draw your attention to the following matters:

1 First Meeting of Creditors

The *Corporations Act* requires me to hold a meeting of creditors within 8 business days after my appointment. The meeting will be held on 5 November, 2008 in the Leadlight Room at Hadley's Hotel, 34 Murray Street, HOBART, TAS, 7000 at 11:00am. Enclosed is a Form 529A - "Notice of First Meeting of Creditors of Company Under Administration".

2 Directors Guarantees

Any creditor who has received a directors guarantee is requested to provide details to our office with a copy of the guarantee.

3 Retention of Title (Stock on Hand)

Any supplier who claims retention of title must advise by facsimile or mail the following details:

- Provide immediate notice of your claim
- Provide documentation that displays your retention of title claim.
- Provide what evidence or documentation you have that the retention of title clause was known by the company officers.
- Provide details of stock you believe the company may have in its possession over which title has not passed.
- Provide particulars of your outstanding debt and invoice details
- Advise how you can identify your stock - eg confirm sole distribution rights, identification, packaging, etc.
- Provide details of what action you have taken (if any) to ensure the company has complied with the term of the retention of title clause.
- Provide details of any agent of other party (if any) that is involved in the contract for purchase of the stock.

Suppliers will appreciate as administrator I have a duty to ensure the company's assets are administered for the benefit of all creditors. Accordingly, I draw your attention to Section 440A of the Corporations Act. This provides that owners of





property may not take possession of, or recover, the property without the written authority of the administrator, or with the leave of the Court.

Suppliers who fail or refuse to give notice of their retention of title will be considered to not have a valid clause. I will accept no responsibility in relation to stock items sold by me in this circumstance.

4 Goods in Transit and on order

Goods ordered by the company prior to my appointment and not delivered at Friday, 24 October 2008 will only be accepted by me if I have personally confirmed the order. I will deliver to such suppliers written confirmation by separate mail or facsimile. Any goods that are delivered where I have not given written confirmation of acceptance will be returned to suppliers at their own expense.

Suppliers are requested to observe the following procedures:

- a) Close their accounts with the company in respect of goods and services supplied before Friday, 24 October 2008.
- b) In respect of a), creditors are requested to forward to me particulars of debt showing the full amount owing as soon as practicable. This is required to assess the level of debt as at Friday, 24 October 2008.

Please note:

Under the Pay As You Go (PAYG) regime we will be obliged to withhold 48.5% from payments to suppliers who do not quote a current Australian Business Number (ABN). Please confirm your ABN details as soon as is possible and ensure that a current ABN is quoted for each supply made.

Creditors are advised that payment for any purchases by CD Anywhere Pty Ltd (Administrator Appointed), from Friday, 24 October 2008 will be made on the basis that no "set off" will be allowed in respect to pre-administrator's claims.

Please note that the administrator is personally responsible for debts incurred during the administration.

These arrangements will only apply during the period while the company is under administration, which will end when one of the following events takes place:

- the company enters into a deed of company arrangement,
- the creditors resolve that the company should no longer be under administration, or
- the company goes into liquidation.

5 Leases

Creditors whose debts arise out of lease contracts are advised that pursuant to Section 443B of the Act that I am not liable for rent incurred during the first seven days. During this time I will assess the ongoing lease requirements. If you claim to be a lessor I require you to immediately contact Kristin Rees of our office.





6 Remuneration

I have enclosed a Creditor Information Sheet published by IPA which outlines the process by which remuneration is set.

Please read *Information fro Creditors on Remuneration and Costs in Insolvency Administrations* for information about the fees charged by this practice for this type of work. This firm normally seeks to be remunerated on the basis of an hourly rate for the staff engaged in the administration. This ensures that creditors are only charged for work that is performed as I am unable to estimate with certainty the total amount of fees necessary to complete all tasks required in the administration.

Also enclosed is a Remuneration Report which gives a description and estimate of work to be completed in this administration. Our current estimate for the administration period only is \$72,280 plus GST plus disbursements.

7 Creditors Information

The following information is enclosed:

- Notice of meeting of creditors
- Declaration of Independence, Relevant Relationships and Indemnities
- ASIC Creditor Information Sheet – Voluntary Administrations. Creditors should refer to this in the first instance.
- IPA Creditor Information Sheet – Approving remuneration in external administrations
- Information for Creditors on Remuneration and Costs in Insolvency Administrations
- Remuneration report – Description and Estimate of Work to be Completed
- Proof of Debt form
- Proxy form

Creditors who need to discuss urgent issues with the administrator are requested to telephone the following staff:

Enquiries relating to attending the meeting and proofs of debt: Fiona O'Rourke

Other enquiries: Kristin Rees

Yours faithfully

R.E.J. Tenbenschel
Administrator

