

Mr John Doe  
5 Address Street  
City STATE XXXX

Dear John,

I'm writing to you because:

- **[Company Name] (ACN:)** may owe **you money**. This means **you may be a creditor** of **[Company Name]**.
- The Company's **[director/secured creditor/Liquidator/provisional liquidator]** appointed me as voluntary administrator on **[date]** and I'm now managing the Company. The Company **[no longer operates/is trading under my control]** and I am considering its financial position and future.
- A voluntary administration affects your rights as a creditor; including preventing you from recovering your money or property right now.

## What does this mean for you?

You have been identified as a creditor. This may be because:

- You provided goods and services but the Company didn't pay you,
- The Company employed you but did not pay all you were owed, or
- You paid for goods or services but the Company did not provide them.

If you are not a creditor, please let me know by sending an email to **[email address]**.

## Will you get paid?

The amount of money you may receive depends on what creditors decide about the Company's future (see below). Generally, money might become available from:

- trading the Company's business until I find a buyer for the business and/or assets,
- the director(s) or others submitting a proposal for the Company's future (this might include payment of creditors), or
- selling the Company's assets and/or other funds that I receive.

After paying my fees and costs, creditors then share the remaining money. This amount is called a dividend. A dividend can vary between creditors because the law entitles different types of creditors to be paid before other types of creditors.

From my investigations so far **[there is a likelihood you (will/will not) receive a dividend / I do not know how much money you will receive back]**. This is because *(explain why do not know in plain*

*English*). I will provide a better indication of what dividend you might receive when I report to you on or before [\[date of second VA report\]](#) about the options available to the Company. You can then choose to have a say about the Company's future by voting at a meeting of creditors.

## What can you do about the money owed to you?

As a creditor in the voluntary administration, you cannot receive your goods, property or money from the company right now. You cannot commence an action to wind up the Company or take action against a director who gave you a personal guarantee.

**Please contact my office as soon as possible** if you:

- leased property to the Company,
- claim 'retention of title', or
- hold a Personal Property Security over Company property.

## What is a creditors meeting and do you have to attend?

A creditors meeting is a forum that allows creditors to hear from the administrator, ask questions and contribute to decisions effecting the administration.

**I encourage you to attend all creditors meetings and participate in the voluntary administration process.**

As voluntary administrator, I am required to hold two meetings of creditors. At the first meeting you and other creditors [\[will consider appointing a committee\]](#) to oversee the administration process. At the second meeting you will decide the Company's future.

I have provided details of when the first meeting will take place below.

Date:

Time:

Place:

You will find further information about the first meeting in the table on the next page [\[link to section in table below\]](#).

I will convene the second meeting of creditors within [\[x days/weeks/months\]](#). Before that meeting, I will send you a detailed report about the Company and the second meeting.

## What should you know?

Question	Answer	Further information
What is a voluntary administration (VA)?	<p>A VA happens when the directors believe the company is or is likely to become insolvent (a company cannot pay all its creditors in full). A VA gives the company a chance to consider its financial position and its future. Creditors decide the future of the company from available options.</p> <p>You can find more information on the Australian Securities and Investments Commission (ASIC) website. ASIC is the Australian Government's independent financial services regulator.</p>	<p>ASIC provides a series of information sheets at: <a href="http://www.asic.gov.au/for-consumers/insolvency-your-rights/">www.asic.gov.au/for-consumers/insolvency-your-rights/</a></p> <p><a href="http://asic.gov.au/regulatory-resources/insolvency/insolvency-for-creditors/voluntary-administration-a-guide-for-creditors/">http://asic.gov.au/regulatory-resources/insolvency/insolvency-for-creditors/voluntary-administration-a-guide-for-creditors/</a></p>
Who am I and who appointed me?	<p>I am the voluntary administrator and act for all creditors. I don't act for any one individual creditor. The Company's directors/secured creditor/liquidator/provisional liquidator appointed me.</p> <p>I am responsible for</p> <ul style="list-style-type: none"><li>• [trading the business/closing down the business/selling the business]</li><li>• assessing the Company's financial situation</li><li>• working out the best solution for the Company's problems</li><li>• investigating the Company's affairs and reporting to ASIC</li><li>• analysing any offer for a deed of company arrangement (a proposal put forward by others for the Company's future)</li><li>• preparing for and holding a meeting of creditors to decide the Company's future</li></ul>	<p>My <a href="#">Declaration of Independence, Relevant Relationships and Indemnities (attached to this letter)</a> sets out my independent status and who appointed me.</p> <p><i>(To note: Under s436DA, a copy of the DIRRI <b>MUST</b> be provided to each creditor, regardless of letter delivery method)</i></p>
Who pays me as administrator?	<p>I get paid out of the Company's money or under money paid to me by others such as the Company's director/s. But, creditors must first approve my fees before I get paid.</p> <p>I will write to you asking that you approve payment of my fees for the work that I do as administrator. I will provide you with detailed information so that you can</p>	<p><a href="#">Initial remuneration notice</a></p>

	<p>understand what tasks I completed or will complete, why I undertook those tasks and, the cost. I will ask you to consider approving my fees at the second meeting of creditors.</p>	
<p>Why might others get paid before or instead of me?</p>	<p>The law sets out the order in which people get paid. A Deed of Company Arrangement (DOCA) can lawfully change the order.</p> <p>(A DOCA is essentially, a 'deal' between the Company and its creditors) see below</p>	<p>You can find out more on the order of creditor payment priority here</p> <p><a href="http://asic.gov.au/regulatory-resources/insolvency/insolvency-for-creditors/#6">http://asic.gov.au/regulatory-resources/insolvency/insolvency-for-creditors/#6</a></p>
<p>What happens next for you?</p>	<p>I will provide a detailed report soon (usually 5 weeks) <i>[give approximate time when this is known]</i></p> <p>The report will provide information about the Company's business, property and financial affairs. My report will provide an analysis of any proposals for the Company's future, including possible outcomes as well as an estimate of what may be available to repay creditors in different situations. I will also provide a statement setting out my opinion, with reasons, about each of the options available and an opinion on which option I believe is in the creditors' best interests.</p> <p>This aims to help you decide the Company's future.</p>	<p>Further general information about the different options available in a VA is at:</p> <p><a href="http://asic.gov.au/regulatory-resources/insolvency/insolvency-for-creditors/voluntary-administration-a-guide-for-creditors/">http://asic.gov.au/regulatory-resources/insolvency/insolvency-for-creditors/voluntary-administration-a-guide-for-creditors/</a></p>
<p>Do you have to do anything?</p>	<p>Participating in the voluntary administration process allows you to represent and monitor your interests, but you don't have to. I'll keep you updated on its progress if you decide not to be involved.</p>	<p><a href="#">Your rights as a creditor</a></p>
<p>What can you do?</p>	<ul style="list-style-type: none"> <li>• Make reasonable requests for information</li> <li>• Give me directions to consider</li> <li>• Appoint a Reviewing Liquidator to review my fees, costs and expenses</li> <li>• Replace me as a voluntary administrator</li> <li>• Attend the first and second creditors meetings (see below)</li> </ul>	<p>All requests for information must be reasonable. For more information on what is reasonable refer to:</p> <p><a href="#">Your rights as a creditor</a></p>
<p>What happens at the first creditors'</p>	<p>At this meeting, you and other creditors can consider appointing a Committee of</p>	<p>Further meeting information is</p>

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meeting?

Inspection (COI). [I think that a COI would be useful to assist my administration. Please think about whether you would like to be a member of the COI / It is my opinion that a COI is not required for this voluntary administrator because *(insert reasons)*].

included in this letter.

[Notice of meeting](#)

[The role of the COI](#)

[Information about proof of debt forms](#)

[Information about proxy forms](#)

To participate in this meeting, you may need to:

- Submit a proof of debt and information to show how much the Company owes you
- Appoint a person called a "proxy" or person authorised under a power of attorney to vote on your behalf at the meeting. This is necessary if you cannot personally attend the meeting or if the creditor is a company.

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What happens at the second meeting of creditors?

At this meeting, you and other creditors decide the Company's future. The options are:

ASIC provides a series of information sheets at:

<http://asic.gov.au/regulatory-resources/insolvency/insolvency-for-creditors/voluntary-administration-a-guide-for-creditors/>

- Wind up the Company
- Accept a deed of company arrangement (essentially, a 'deal' between the Company and its creditors)
- Return the Company to the directors

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What have I done so far and what will I do next?

Since my appointment, I have [Briefly describe taking control of company, trading business, closing business,]

My initial investigations show *[explain what you know in plain English]*.

I intend trading [trade business/orderly wind up/sale process etc] until the second meeting to determine the Company's future.

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Do you have any further questions?

[My firm's website: [website] contains further information about this voluntary administration which I ask that you read]. If you [then] have any questions, you can contact my office and ask to speak with [name] on [telephone] or via email on [email].

ASIC provides basic guides on a range of insolvency topics. These can be accessed at [www.asic.gov.au/regulatory-resources/insolvency/insolvency-information-sheets](http://www.asic.gov.au/regulatory-resources/insolvency/insolvency-information-sheets)

The Australian Restructuring Insolvency and Turnaround Association (ARITA) also provide information to assist creditors with understanding liquidations and insolvency. You can get this information from ARITA's website at [www.arita.com.au](http://www.arita.com.au).

[Name]

Voluntary Administrator

Example