

Mr John Doe  
5 Address Street  
City STATE XXXX

Dear John,

I'm writing to you because:

- **[Company Name]**, may owe **you money**. This means **you may be a creditor** of **[Company Name]**.
- **[Company Name]** ACN: **[ACN]** **[no longer operates/is trading under my control]** and **[is in the process of being/has been closed down]**.
- The Company's shareholder/s appointed me as the liquidator on **[date]** and I'm now managing the winding up process.

## 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 receive depends on the amount I recover including from finding and selling the Company's assets. After paying my fees, creditors would 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 strong likelihood you will /will not receive a dividend]**. This is because **[set out very brief reasons in plain English]**. Or, **[I do not know how much money you will receive back]**. This is because **[explain why do not know in plain English]**. I may be in a position to provide a better indication of whether or not you will receive a dividend when I report to you in three months' time.

## What should you know?

Question	Answer	Further information
What is a creditors' voluntary liquidation?	<p>Liquidation happens when a company cannot pay all of its creditors in full. When a company appoints a liquidator, this is called a voluntary liquidation.</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>
Who am I and who appointed me?	<p>I am the liquidator and act for all creditors. I don't act for any one individual creditor. The Company's shareholders appointed me.</p> <p>I am responsible for locating the Company's assets, investigating the Company's affairs, reporting to ASIC and, if funds become available, paying money owed to creditors.</p>	<p>My independent status and who appointed me is outlined in my <a href="#">Declaration of Independence, Relevant Relationships and Indemnities which is attached to this letter</a>.</p> <p><i>(To note: Under s506A, a copy of the DIRRI <b>MUST</b> be provided to each creditor, regardless of letter delivery method)</i></p>
Who pays me as liquidator?	<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 may write to you asking that you approve payment of my fees for the work that I do as liquidator. If I do, I will provide you with detailed information so that you can understand what tasks I completed or will complete and, the costs of those tasks.</p>	<p><a href="#">Initial remuneration notice</a></p>
Why might others get paid before or instead of me?	<p>The law sets out the order in which people get paid.</p>	<p>You can find out more on the order of creditor payment priority <a href="#">in this flow chart</a></p>
What happens next for you?	<p>I will provide you a report by <b>[Month day, year]</b> <i>(date that is three months from appointment)</i> setting out details about the Company.</p>	<p>The report will provide details of what I have found and what happens next (including more information on whether the company can pay what it owes you).</p>

Question	Answer	Further information
Do you have to do anything?	You can choose to participate in the liquidation process, but you don't have to. I'll keep you updated on its progress if you decide not to be involved.	<a href="#">Your rights as a creditor</a>
What can you do?	<ul style="list-style-type: none"> <li>• Request a meeting of creditors</li> <li>• Request further information</li> <li>• Give me directions</li> <li>• Appoint a Reviewing Liquidator</li> <li>• Replace me as a liquidator</li> </ul>	All requests for information must be reasonable. For more information on what is reasonable refer to: <a href="#">Your rights as a creditor</a>
Will there be a creditors' meeting?	I am not required to call a creditors' meeting, unless a matter requires creditor approval. If I receive a reasonable request for a meeting from 5% of unrelated creditors within the first 20 business days that complies with the guide set out in <a href="#">your rights as a creditor</a> , I will hold a meeting of creditors.	I will invite you to a creditor's meeting by sending you a proposal in writing.
What has the director provided so far?	<a href="#">Appendix B</a> contains a summary of the company's financial affairs. The information comes from the Report as to Affairs (RATA) dated <b>[date]</b> the director/s completed for me.	<a href="#">Summary of the company's financial affairs</a> (including list of creditors and estimated amounts owed)
What have I found out so far?	My initial investigations shows <i>[explain what you know in plain English] some evidence of [phoenix activity/antecedent transactions/breach of directors duties/insolvent trading/other (include details)]. I will report to you in three months about possible action that I may take to recover monies as a result of this activity. <b>OR</b> no evidence of illegal activity by the Company.</i>	I <b>[will/may/will not]</b> require funding to undertake any investigative action. Funding might come from creditors, ASIC or other source.

## Do you have any further questions?

[My firm's website: [\[website\]](#) has further information about this liquidation 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 quick 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]

Liquidator

Example