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18 May 2022

## To Creditors

Dear Sir/Madam

**A.C.N. 050 019 960 Pty Ltd (In Liquidation) (formerly “York Civil Pty Ltd”) (the Company)**  
**ACN 050 019 960**

I refer to my appointment as Liquidator of the Company on 10 September 2018 and to previous communications.

Please be advised that a meeting of the Committee of Inspection (**COI**) was held on 17 May 2022. The purpose of the meeting was to provide COI members with an overview of an insolvent trading claim giving rise to the need for a litigation funding agreement as well as the key commercial terms of that funding agreement (which has been offered by the Commonwealth given the significant amounts advanced by the Commonwealth pursuant to the Fair Entitlements Guarantee scheme to part pay employee entitlements which totalled in excess of \$7m).

Having considered the benefits to certain classes of creditors of entering in the funding agreement and pursuing the insolvent trading claim, COI members passed the relevant resolutions required pursuant to Section 477(2B) of the *Corporations Act 2001(Cth)* (**Act**) so that the Liquidator is now authorised to enter into the litigation funding agreement with the Commonwealth and proceed with the insolvent trading claim.

Notwithstanding the COI resolution advised above, should any creditor be prepared to provide the Liquidator with litigation funding, either in their own right as an alternative to the Commonwealth or contributing towards the overall cost of funding together with the Commonwealth, to pursue the insolvent trading claim, please contact this office to further discuss.

Pursuant to the terms of the funding agreement, should there be a return from the claim, it will be distributed in accordance with the priority regime set out in the Section 556(1) of the Act. Given the quantum of the claim, the costs to pursue the claim, other costs incurred but not paid in the liquidation and the significant total employee entitlements, there will be no return in the liquidation of the Company to non-priority unsecured creditors (ie any claim a creditor has other than for employee entitlements). The return to employee entitlements will be determined by the outcome of the insolvent trading claim.

I will keep the COI and where appropriate creditors informed regarding the insolvent trading claim. In the meantime, any creditor who may require further details of the update to the COI and the resolutions passed is welcome to contact Maggie Li of this office on 08 8236 3138.

Yours faithfully

**A.C.N. 050 019 960 Pty Ltd (In Liquidation)**

**TD Mableson**  
Liquidator