

CIRCULAR TO ALL CREDITORS AND EMPLOYEES

28 July 2015

Dear Sir / Madam,

Force Corp Pty Limited ACN 109 630 079
Force Towers Pty Limited ACN 159 994 902
English & Leeds Pty Ltd ACN 120 813 327
Minipickers Holdings Pty Ltd ACN 150 280 416
Equipment Rental Investments Pty Ltd ACN 147 941 268
S.A. Access Equipment Pty Ltd ACN 007 884 933
A.C.N. 085 602 348 Pty Ltd ACN 085 602 348
(All Receivers & Managers Appointed and Administrators Appointed)
(Collectively the “Companies”)

I refer to the appointment of Vaughan Strawbridge and I as Joint and Several Administrators of the Companies on 13 July 2015 pursuant to Section 436C of the *Corporations Act 2001* (“the Act”).

I also refer to the appointment of Messrs Christopher Hill and Brett Lord of PPB Advisory as Receivers and Managers (“the Receivers”) on 13 July 2015, subject to a security interest held by Recfin Nominees Pty Limited in its capacity as trustee of the Recfin Series 2014-2 Trust.

The purpose of this Circular is to advise creditors and employees of the Committee of Creditors (“the Committee”) formed at the first meeting of creditors for Force Corp Pty Ltd and that the Joint and Several Administrators are in the process of filing an application with the Court for **an extension to the Convening Period for a period of 180 days.**

COMMITTEE OF CREDITORS

At the first meeting of creditors of the Companies held on 23 July 2015, creditors resolved for a Committee to be formed for the Voluntary Administration of Force Corp Pty Ltd, as this was the only trading entity of the group of seven entities over which the Administrators are appointed.

No Committee was nominated by creditors for the remaining six entities.

The Committee enables a more effective and responsive Voluntary Administration by allowing the Administrators to seek prompt consultation with the Committee Members, the creditors’ representatives, on matters relating to the Administration.

1.1 Members

A list of the members of the Committee is detailed below:

Representative	Creditor
Ian Johnson	Equity Trustees Ltd ATF Helmsman Capital Fund Trust
Rick Mustillo	Independent Parts & Service Pty Ltd
Gerry Yin	Yes Family Pty Ltd
Paul Sharples	Access Service Australia Pty Ltd
Adrian Lamb	Brizman Pty Ltd ATF The Ready Trading Trust
Julianne Ashburn	Employee of Force Corp Pty Limited

1.2 What is the Purpose of the Committee?

Pursuant to Section 436F of the Act, the functions of Committee include:

- (a) to consult with the Administrators about matters relating to the Administration; and
- (b) to receive and consider reports by the Administrators.

The Committee can also approve the Administrators' fees.

1.3 Frequency of Meetings and Reports

As and when a Committee reasonably requires, the Joint and Several Administrators must report to the Committee about matters relating to the Administration.

1.4 Limitations on Committee Members Actions

A Committee Member is not to lobby for any one type of creditor group either within or outside of the Committee meetings. They are to act in the interests of all creditors.

The Committee is not empowered to give directions to the Administrators other than require the Administrators to report on Force Corp Pty Ltd's affairs, although the Administrators will have regard to the views of the Committee.

EXTENSION OF THE CONVENING PERIOD

Pursuant to Part 5.3A of the Act, the Joint and Several Administrators must hold the Second Meeting of Creditors (sometimes referred to as the "439A meeting" / "Second Meeting") no later than 5 business days after the end of the Convening Period being 20 business days from the date the Administrators were appointed.

Therefore, a Second Meeting of Creditors would need to be held on or before 17 August 2015, **unless the Administrators seek an extension to the Convening Period.**

The purpose of the Second Meeting is for creditors to resolve the future for each company:

- the company enter into a Deed of Company Arrangement ("DOCA"); or
- the Administration end and control of the company be returned to the Directors; or
- the Administration end and the company be wound up.

For those creditors and employees in attendance at the first meeting of creditors, it was advised that the Joint and Several Administrators are proposing to make an application to the Court for an extension to the Convening Period as it is incompatible for the Receivers to run a full and thorough sales campaign prior to 17 August 2015.

As part of that purpose and to address the reasons for the extension, we provide an update as follows:

- (i) Status of our Investigations
- (ii) Sale of the Business and Assets
- (iii) Application to the Court

2.1 Status of our Investigations

In our Report to Creditors pursuant to Section 439A of the Act, the Administrators will report to creditors on the likely outcome or return to creditors in the event of liquidation and how this may compare with any DOCA which may be proposed for each company.

In this report, the Administrators will detail the findings of our investigations which may include actions for:

- Insolvent trading
- Voidable transactions
 - Unfair preferences (Section 588FA)
 - Uncommercial transactions (Section 588FB)
 - Unfair loans to a company (Section 588FD)
 - Arrangements to avoid employee entitlements (Section 596AB)
 - Unreasonable director-related transactions (Section 588FDA)
 - Transactions with the purpose of defeating creditors (Section 588FE(5))
 - Voidable security interests (Section 588FJ)

This report is issued in advance of the second meeting of creditors.

Our investigations to date include:

- meetings with the directors and management
- liaising with the Companies' Chief Financial Officer regarding the group's financial position
- obtain and review the Companies' books and records
- discussions with creditors

2.2 Sale of the Business and Assets

The Receivers have commenced a campaign calling for Expressions of Interest for the sale of business and assets of the Companies.

The indicative timetable provided by the Receivers at the first meeting of creditors regarding the sale of the business and assets of the Companies is outlined below:

Date	Milestone
4 August 2015	Indicative proposals due
11 August 2015	Final offers due
21 August 2015	Targeted completion date

The Receivers are currently in discussions with a number of interested parties regarding a sale of the business and assets of the Companies. Clearly this proposed timetable is not compatible with our obligations to convene the second meeting of creditors by 17 August 2015.

2.3 Application to the Court

The Administrators intend to bring an application to the Court requesting an extension of the Convening Period for 180 days. The Administrators' reasons for seeking the extension of the Convening Period are as follows:

- a sale of the business and assets of the Companies as a going concern is likely to result in a better return for creditors compared to a close down scenario. Not extending the Convening Period could jeopardise this option in which the Receivers are currently exploring
- sale of the business and assets of the Companies as a going concern would also:
 - reduce the potential liability to employees and consequently the size of the creditor pool through a transfer of employment under a possible sale scenario
 - secures ongoing employment
 - ensures continuity of supply to customers and trade with key suppliers
 - satisfies the objectives of the administration provisions of the Act by enabling the business to continue in existence
- to consider whether a DOCA is able to be put to creditors for each company
- to allow the Administrators sufficient time to review the books and records with a view to making a recommendation to creditors on the future of each company.

As advised at the first meeting of creditors, it is the intention of the Administrators to hold the second meeting of creditors as soon as possible once the Companies' futures are resolved, and not to necessarily wait the full 180 days.

Creditors and employees are not required to take any further action at this stage unless they object to the Administrators application seeking an extension of the Convening Period. Creditors who object to the Administrators' application to extend the Convening Period or require further information should contact Muhammad Satti of this office on (02) 9322 5683 or at msatti@deloitte.com.au.

Yours faithfully,



David John Frank Lombe
Joint and Several Administrator