

EDITEL PTY LTD
(Administrators Appointed)
ACN 009 049 549

**MINUTES OF THE SECOND MEETING OF CREDITORS OF EDITEL PTY LTD
(ADMINISTRATORS APPOINTED) HELD AT GRANT THORNTON LEVEL 1, 10 KINGS
PARK ROAD, WEST PERTH WA ON 21 OCTOBER 2008 AT 10:00 AM.**

PRESENT:

Tony Douglas-Brown	- Chairperson
R Maguchu	- Grant Thornton assisting the Chairperson
Dave Le May	- Representing himself
Nikiel Rivas-Barnao	- Representing himself
Paula Killin-Mullins	- Capital State
Observers	
Susan Shaw	- Realmark Commercial

INTRODUCTION: Mr Douglas-Brown introduced himself and Mr Maguchu to the meeting and advised that this was the Second Meeting of Creditors following the first meeting held on 25 September 2008 having been appointed on 15 September 2008 by a resolution of the director of the company.

Mr Douglas-Brown advised that this meeting was for creditors to decide the future of the company. The options available to creditors were:

1. to wind up the company; or
2. to end the administration.
3. to adjourn the meeting.

CHAIRPERSON: Mr Douglas-Brown advised that in accordance with Regulation 5.6.17 of the Corporations Regulations (the "Regulations"), he would act as Chairperson of the meeting and declared the meeting open.

CONVENIENCE OF MEETING: The Chairperson advised that notices of the meeting had been sent to all known creditors on 13 October 2008. An advertisement had also appeared in the West Australian on 14 October 2008. The minimum five-business day's notice of the convening of the meeting, as required

by Section 439A(3) had therefore been given.

Following a review of the Attendance Register, the Chairperson declared that the meeting was held at a time and place convenient to the majority of creditors in accordance with Regulation 5.6.14 of the Regulations.

PROXIES:

The Chairperson asked whether all those present had signed the Attendance Register. The Chairperson then advised the meeting that a number of proxies had been received and reviewed the proxies for the meeting: -

Creditor	Proxy	Amount
Actors Management	Chairperson	\$4,916
Commercials Advice Pty Ltd	Chairperson	\$606
DiversIT	Chairperson	\$8,882
Frog Management	Chairperson	\$340
G/N Cleaning Services	Chairperson	\$1,680
Legends Supply Network	Chairperson	\$248
Pro Clean	Chairperson	\$4,838
Vividas	Chairperson	\$550

QUORUM:

The Chairperson noted that a quorum was present in accordance with Regulation 5.6.16 and that the meeting was therefore properly constituted.

DECLARATION:

The Chairperson referred to the Declaration of Independence, Relevant Relationships and Indemnities that accompanied the Notice to Creditors. The Chairperson asked whether any person present had not seen this Declaration and there were none.

The Chairperson asked if there were any questions regarding the Declaration and there were none.

The Chairperson then tabled the Declaration of Independence, Relevant Relationships and Indemnities.

**ADMINISTRATORS'
REPORT:**

The Chairperson drew the meeting's attention to the report pursuant to Section 439A of the Corporations Act 2001 (dated 13 October 2008) which was forwarded to creditors with the Notice of Second Meeting of Creditors.

The Chairperson advised that:

- Administrators examined the financial situation of the company and made the decision to carry on the business in a limited capacity and complete outstanding assignments.
- The company was closed for business on 10 October 2008.

- A few expressions of interest were received for some of the company's equipment. Bids were then made and the decision was made to sell the equipment to the best bidder.
- The keys to the premises would be handed back to the landlord today.

The Chairperson asked if there were any questions creditors wished to raise regarding the report or any other matters. Ms Shaw asked about the make good of the property and the Chairperson advised that Administrators do not do make good and that any amount owing on rent or make good costs would rank as an unsecured creditor.

The Chairperson added that the premises had been cleaned out but there were still a few things left to remove and Ms Shaw advised that everything will have to be taken out.

Mr Le May asked what assessments were made when the decision to close down the company was made. The Chairperson advised that the company had very low margins and the trade on was only short term and in a limited capacity.

The Chairperson advised that when the company lost its three biggest clients the company's performance began to decline. He also noted that some of the staff at the company were actively looking for jobs elsewhere or were leaving.

The Chairperson advised that if Mr Hinton had done something earlier then the situation may have been different. He advised that the proposed sale to Adcorp would've taken a long time to finalise and Adcorp indicated that a purchase was only a possibility and it could not be considered until next year. Thus the company could not continue trading as it was making losses.

The Chairperson went on to say that there were two assignments that were being completed by the Administrators but one had to be stopped as the costs for that matter increased.

Mr Le May asked how Link Advantage Pty Ltd was more profitable than the company and the Chairperson advised that Mr Hinton kept the two companies separate and that Link Advantage Pty Ltd did contract work that it wasn't that profitable as the costs were high.

Mr Le May asked what a Deed of Company Arrangement (DOCA) is and the Chairperson gave a brief description of what a DOCA is.

Mr Le May then asked what was going to happen to the archived video tapes and the Chairperson advised that there was no where to store them so most of them were destroyed.

Mr Rivas-Barnao said that he spoke to the Administrators about acquiring the video tapes and the Chairperson advised that the tapes were a liability to the company and no one contacted him or his staff regarding the video tapes.

Mr Rivas-Barnao said that he was interested in the footage on the video

tapes and the Chairperson again advised that no one expressed any interest in the video tapes so most except a few were destroyed. The Chairperson advised that the few that were not destroyed were kept and would hopefully be sold.

Mr Le May asked if the affairs of the companies should have been intermingled and the Chairperson advised that there were not supposed to be intermingled.

Mr Le May asked whether he could take legal action against Mr Hinton and the Chairperson advised that Mr Hinton had a number of personal guarantees and a possible insolvent trading claim. The Chairperson added that Mr Hinton apparently has limited assets and he has maintenance payments to pay as well.

Mr Le May pointed out that the company's marketing person was not replaced after he left and then there was general discussion on the failings of the company and its director.

Mr Rivas-Barnao asked when the auction for the remaining equipment was going to be held and the Chairperson advised that he would inform any interested party of the date of the auction. The Chairperson advised that two valuations were conducted on the equipment and that some of it had already been sold. He also advised that the company kept a lot of their old equipment and files and so a bin was ordered to contain all of the discarded equipment.

The Chairperson advised the meeting that he recommended the company be wound up.

**ADMINISTRATORS'
PAST REMUNERATION:**

The Chairperson advised that it was necessary for creditors to approve the Administrators' remuneration incurred to date. Any remuneration drawn would be from the collection of debtors of the company to date.

The Chairperson referred to the listing of rates, schedule of time cost to date and schedule of work undertaken detailed in section 13.0 (page 38) and annexures to the "Report to Creditors Pursuant to Section 439A".

The Chairperson read out the proposed resolution and asked if there were any questions and there were none.

It was then resolved that:

"The remuneration of the Administrators and any of the Administrators' partners or employees in performance of services performed from 15 September 2008 to 5 October 2008 be fixed at \$39,100.00 (excluding GST) plus any out of pocket expenses incurred. Approval is given for such amounts approved to be drawn on a monthly basis."

Moved: Killin-Mullins

Seconded: Le May

The Chairperson declared the Motion Carried on the voices.

ADMINISTRATORS'

FUTURE REMUNERATION: The Chairperson advised that it was necessary for creditors to approve the Administrators' remuneration to be incurred up to the date of liquidation.

The Chairperson referred to the Remuneration Reports annexed to the "Report to Creditors Pursuant to Section 439A".

The Chairperson read out the proposed resolution and asked if there were any questions. Ms Shaw asked about the make good of the premises again and the Chairperson advised that any breach of lease or unpaid rent would rank as an unsecured claim.

It was then resolved that:

"Remuneration for the period from 6 October 2008 to the date of liquidation, to be charged in accordance with the Grant Thornton schedule of rates issued from time to time on a bi-annual basis to take into account changes of rates over the period of the administration up to a maximum of \$15,000.00 (excluding GST) plus any out of pocket expenses incurred. Approval is given for such amounts approved to be drawn on a monthly basis."

Moved: Killin-Mullins

Seconded: Le May

The Chairperson declared the Motion Carried on the voices.

RESOLVING FOR LIQUIDATION:

The Chairperson asked if anyone wanted to adjourn the meeting. No motion was put forward thus creditors had to decide whether to wind up the company or end the administration.

The Chairperson pointed out that under the provisions of the Corporations Act 2001, the administrators would be the liquidators of the company.

The Chairperson read out the proposed resolution and asked if creditors had any questions they wished to raise. Mr Rivas-Barnao asked what would happen if they did not resolve to wind up the company the Chairperson explained what would happen in that situation. The Chairperson also advised that the majority of proxies by number had voted to wind up the company.

It was then resolved that:

"Editel Pty Ltd be wound up voluntarily and that Anthony Hayes Douglas-Brown and Giovanni Maurizio Carrello be appointed as Joint & Several Administrators liquidators for the purposes of the winding

up."

Moved: Killin-Mullins

Seconded: Le May

The Chairperson declared the Motion Carried on the voices.

**COMMITTEE OF
INSPECTION:**

The Chairperson advised the meeting of the purpose and function of a Committee of Inspection and what role members of that committee would play. He advised creditors that any member of a Committee of Inspection was bound by the duties detailed in the Corporations Act 2001 and they acted in a fiduciary capacity and therefore could not act for their own benefit. The Chairperson asked whether creditors had any queries regarding this.

The Chairperson asked if there were any nominations for the Committee of Inspection and there were none.

It was resolved that:

"No Committee of Inspection be appointed"

Moved: Killin-Mullins

Seconded: Le May

The Chairperson declared the Motion Carried on the voices.

**DISPOSAL OF BOOKS
AND RECORDS:**

The Chairperson briefly explained the liquidation process and advised that after clearances had been received it would be necessary to destroy the records. He advised that if creditors did not grant the liquidator approval at this meeting to destroy the records, the liquidator would be required to keep the records for a period of five years, which would mean a further burden on creditors.

It was then resolved that:

"Subject to obtaining approval from the Australian Securities and Investments Commission, pursuant to Section 542(4) of the Corporations Act 2001, the books and records of the company and the liquidator be disposed of by the liquidator six months after the dissolution of the company.

Moved: Killin-Mullins

Seconded: Le May

The Chairperson declared the Motion Carried on the voices.

**LIQUIDATORS'
REMUNERATION:**

The Chairperson advised that creditors could approve the drawing of the Liquidators' remuneration or failing which, an application could be made to the Court.

The Chairperson advised that the rates per hour were detailed in the Report to Creditors. The Chairperson advised that the liquidators would be looking into preferences, insolvent trading and that there may not be enough money to cover the liquidators' remuneration.

The Chairperson read out the proposed resolution and asked if there were any questions regarding the Liquidators' remuneration.

"Remuneration for the period from 21 October 2008 to the date of finalisation of the liquidation to be charged in accordance with the Grant Thornton schedule of rates issued from time to time on a bi-annual basis to take into account changes of rates over the period of liquidation up to a maximum of \$25,000 (excluding GST) plus any out of pocket expenses incurred. Approval is given for such amounts approved to be drawn on a monthly basis."

Moved: Killin-Mullins

Seconded: Le May

The Chairperson declared the Motion Carried on the voices.

ADDITIONAL POWERS:

The Chairperson advised that the liquidator has certain inherent powers contained in section 477 of the Corporations Act 2001 and briefly explained these powers.

- S477(1)(b) – pay any class of creditor in full
- S477(1)(c) – compromise creditor claims less than \$20,000
- S477(1)(d) – compromise claims against contributories
- S477(2)(m) – do all such other things necessary for the winding up
- S477(2A) – compromise debts owing to the company more than \$20,000
- S477(2B) – enter into an agreement on the company's behalf that will end more than 3 months after the agreement is entered into

The Chairperson advised that without creditors' approval for the liquidator to exert these additional powers it would be necessary to call meetings of creditors or apply to the court when any of these powers needed to be exercised. The Chairperson stated that to avoid further additional costs creditors could resolve to authorise the liquidator to exercise these powers and these included the power to deal with creditor claims and settle debts.

It was then resolved that:

"Creditors hereby resolve in accordance with Section 506(1A) of the Corporations Act 2001 that the liquidator is authorised to exercise any

powers given by Section 477(1)(b)(c) or (d), 477(2)(m), 477(2A) or 477(2B) to a liquidator in a Court Winding Up."

Moved: Killin-Mullins

Seconded: Le May

The Chairperson declared the Motion Carried on the voices.

GENERAL BUSINESS:

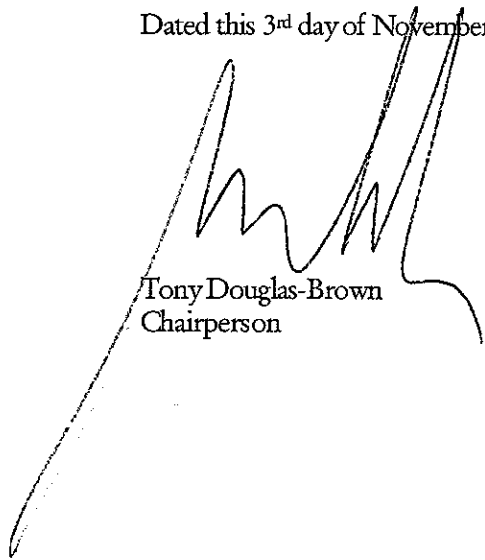
The Chairperson asked if there were any other items, which the meeting wished to raise for discussion and there were none.

CLOSURE:

There being no further business, the Chairperson thanked those present for their attendance and declared the meeting closed at 11:05 am.

Signed as a true and correct record.

Dated this 3rd day of November 2008



Tony Douglas-Brown
Chairperson