

21 June 2019

ASX Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

FOR IMMEDIATE RELEASE

Dear Sir/Madam,

Department 13 International Ltd (Administrator Appointed)
A.C.N. 155 396 893 ("the Company")

ASX: D13 – Court Orders obtained inter alia extending the convening period of the second meeting of creditors

I refer to my appointment as Administrator of the Company on 30 May 2019.

On 20 June 2019, I **sought and obtained Orders** from the Federal Court of Australia to remove the statutory personal liability I have as a consequence of borrowing \$2,000,000 from Doma, primarily to continue Department 13, Inc's trading, in the USA. I also sought to extend the convening period of the second meeting of creditors, required by Section 439A of the *Corporations Act, 2001*, to 30 October 2019 (an extension of approximately four (4) months). A copy of the Court's Orders are **attached**.

The Court application was brought to provide sufficient time to sell, recapitalise or re-finance the Company and/or its wholly-owned USA based subsidiary, Department 13, Inc.

Shareholders are asked to monitor ASX releases for further information.

Yours faithfully
Department 13 International Ltd



Alan Hayes
Administrator

encl.



Federal Court of Australia

District Registry: New South Wales

Division: General

No: NSD966/2019

**ALAN JOHN HAYES AS ADMINISTRATOR OF DEPARTMENT 13
INTERNATIONAL LTD ACN 155 396 893 (ADMINSTRATOR APPOINTED)** and
another named in the schedule
Plaintiff

ORDER

JUDGE: JUSTICE JAGOT

DATE OF ORDER: 20 June 2019

WHERE MADE: Sydney

THE COURT ORDERS THAT:

1. An order that the Originating Process be made returnable *instanter*.
2. An order that, pursuant to section 447A(1) of the *Corporations Act 2001* (Cth) (the **Act**), Part 5.3A of the Act is to operate in relation to the Plaintiffs, as if section 443(1) of the Act provides that, if the property of the Second Plaintiff is insufficient to satisfy the debts and other liabilities incurred by the First Plaintiff arising out of or in connection with the Funding Deed dated 6 June 2019 in the form at pages 355 to 378 of Exhibit AJH-1 to the Affidavit, including in respect of any monies advanced under the Funding Deed, whether before the making of this order or after, such that the indemnity under section 443D of the Act is insufficient to meet any amount for which the First Plaintiff may be liable, then the First Plaintiff will not be personally liable to repay such debts or satisfy such liabilities to the extent of that insufficiency.
3. An order that, pursuant to section 447A(1) of the Act, Part 5.3A of the Act is to operate in relation to the Plaintiffs, as if section 443(1) of the Act provides that, if the property of the Second Plaintiff is insufficient to satisfy the debts and other liabilities incurred by the First Plaintiff arising out of or in connection with a further funding arrangement approved by the Committee of Inspection of the First Plaintiff, including in respect of any monies advanced under a further funding arrangement approved by the Committee of Inspection of the First Plaintiff, whether before the making of this order or after, such



that the indemnity under section 443D of the Act is insufficient to meet any amount for which the First Plaintiff may be liable, then the First Plaintiff will not be personally liable to repay such debts or satisfy such liabilities to the extent of that insufficiency.

4. An order, pursuant to section 439A(6) of the Act, that the period within which the First Plaintiff must convene the second meeting of the creditors of the Second Plaintiff pursuant to section 439A of the Act (the **Convening Period**), be extended up to and including 30 October 2019.
5. An order, pursuant to s 447A(1) of the Act, that Part 5.3A of the Act is to operate in relation to the Second Plaintiff so that, notwithstanding s 439A(2) of the Act, the meeting of the creditors of the Second Plaintiff under s 439A(1) of the Act may be convened at any time before, or within five (5) business days after, the end of the Convening Period (as extended by the immediately preceding order), provided that the First Plaintiff gives notice of the meetings to eligible creditors of the Second Plaintiff at least five (5) business days before the meeting.
6. An order, pursuant to s 447A(1) of the Act, that Part 5.3A of the Act is to operate such that the requirement on the First Plaintiff, pursuant to ss 75-225(1) and 75-15 of the *Insolvency Practice Rules (Corporations) 2016* (Cth) (the **IPR**), to issue notices of the meeting of creditors of the Second Plaintiff under s 439A(1) of the Act (the **Notice**) will be validly given to creditors of the Second Plaintiff by reason of the following steps having been taken at least five (5) business days before the meeting:
 - (a) where the First Plaintiff:
 - (i) has an email address for a creditor, by sending the Notice by email to each such creditor;
 - (ii) does not have an email address for a creditor but has a postal address for the creditor, by sending the Notice by posting a copy of it to the postal address for each such creditor;
 - (iii) does not have an email address for a creditor or a postal address, by sending or communicating the Notice to the creditor in any other way provided for by the Act or the IPR; and
 - (b) by causing the Notice to be published on the Australian Securities and Investments Commission (**ASIC**) published notices website at <https://insolvencynotices.asic.gov.au>.



7. Within two (2) business days after the making of these orders, the First Plaintiff is to provide notice of these orders to:
 - (a) all creditors of the Second Plaintiff, in the manner prescribed by paragraph (a) of the immediately preceding order; and
 - (b) ASIC.
8. Liberty be granted:
 - (a) to the Plaintiffs to apply in respect of any further extensions or variation of the Convening Period (as extended by order 4 above) at any time before that period expires;
 - (b) to any person claiming to be interested, including any creditor of the Second Plaintiff and ASIC, to make any application as he, she or it may be advised to vary or discharge these orders on three (3) business days' notice to the Plaintiffs and to the Court; and;
 - (c) to any creditor of the Company to apply to the Court to vary or discharge order 3 (or otherwise be heard as to the terms of any further funding agreement entered by the Plaintiffs) following the entry into or proposed into such further funding agreement by the Plaintiffs.
9. An order that the Plaintiffs' costs of and incidental to this application be costs in the administration of the Second Plaintiff.
10. An order that the orders be entered forthwith.
11. Exhibit AJH-1 be returned to the plaintiff.

Date that entry is stamped: 20 June 2019


Registrar



Schedule

No: NSD966/2019

Federal Court of Australia

District Registry: New South Wales

Division: General

Second Plaintiff

DEPARTMENT 13 INTERNATIONAL LTD ACN 155 396 893
(ADMINSTRATOR APPOINTED)