



Friday, 9 July 2004

RIVKIN FINANCIAL SERVICES LIMITED: PANEL RECEIVES APPLICATION

The Panel has received an application from Sofcom Limited (**Sofcom**) dated 8 July 2004 alleging unacceptable circumstances in relation to the affairs of Rivkin Financial Services Limited (**RFS**) (the **Application**).

The Application concerns a series of transactions concerning RFS, including:

- the acquisition by Alan Davis Group Pty Ltd of Mr Rene Rivkin's shareholding in RFS (approximately 7%) with a deposit of \$200,000 being paid and the balance payable on deferred payment terms;
- RFS subscribing for 10 million shares in Network Limited (**Network**) in consideration for RFS issuing 5 million shares to Network and the payment of \$1 million;
- RFS acquiring 3,500,000 shares in Network from Cole Kablow Superannuation Pty Ltd (**Cole Kablow**) in consideration for RFS issuing 3,340,000 shares to Cole Kablow; and
- the appointment and resignations of various directors to the RFS board.

Sofcom, a substantial shareholder in RFS, alleges that the transactions have resulted in the effective control of RFS passing to a small group of shareholders with no previous connection with RFS within a very short period of time, and that the change in control has been accompanied by a significant change in the business of RFS through a series of transactions involving principally share swaps between entities that appear to have pre-existing relationships.

Strata has sought a declaration of unacceptable circumstances and final orders including, among others, that the shares recently issued to Network and Cole Kablow by RFS (totalling 8,340,000 shares) be vested in ASIC for the purpose of sale to independent parties or in the alternative that shareholders of RFS (with the exception of Network, Cole Kablow or their associates) be asked to ratify the issue of the 8,340,000 shares, and failing such ratification the shares be vested in ASIC for the purpose of sale to independent parties.

The Panel has not yet sought the views of Sofcom or other persons potentially involved in the Application and has therefore formed no views on the application.

The President of the Panel is appointing a sitting Panel to consider the application.

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