

[the Firm]

[the Defendant]

1 March 2021

Mr [the Client Contact]  
Managing Director  
[the Client] Coffee Supplies Pty Ltd  
3 Wycombe Street  
Marrickville NSW 2204

**RE: [the Client] Coffee Supplies Pty Ltd v [the Defendant] (t/as [the Defendant's Business])**

Dear Mr [the Client Contact],

Thank you for instructing us to act on behalf of [the Client] Coffee Supplies Pty Ltd ("the Client") in its dispute with [the Defendant], trading as [the Defendant's Business] ("Chan"). This letter sets out our understanding of the facts, our assessment of [the Client]'s prospects, and the steps we propose to take.

**Confirmation of Instructions**

We confirm that [the Client] has retained us for these proceedings and that a costs agreement has been signed. We also note your instruction to begin accumulating interest from 13th February 2021.

You have provided us with the following documents:

- Letter from [the Client] to [the Defendant] dated 8th July 2020;
- Letter from [the Defendant] to [the Client] dated 9th July 2020;
- Agreement between the parties ("the Contract") dated 9th July 2020;
- Letter from [the Client] to [the Defendant] dated 13th February 2021; and
- Final invoice from [the Client] to [the Defendant] dated 13th February 2021.

If you are aware of any other documents or evidence relevant to this dispute, please advise us immediately, as they may affect our advice.

We enclose a typed statement setting out your instructions. If it is a full and accurate record, please sign, date, and return it to us. If you wish to make any amendments, contact us by telephone.

**[the Client]'s Claim**

[the Client] is owed \$146,500 (inclusive of GST) for the sale and installation of three [Brand] espresso coffee machines and grinders, and for 240 kg of coffee beans per week at \$60 per kilo over 10 weeks of non-payment. The claim is calculated as follows:

Item	Amount
3 coffee machines and grinders	\$25,500

Less: deposit paid	(\$15,000)
Less: partial first payment	(\$8,000)
10 weeks of unpaid coffee beans (240 kg × \$60/kg × 10 weeks)	\$144,000
<b>Total amount owing</b>	<b>\$146,500</b>

A business name search confirms that [the Defendant] is trading as [the Defendant's Business] and is the appropriate defendant in any proceedings.

### Summary of Facts

Based on your instructions, the relevant dealings between the parties are as follows:

- On 6 July 2020, [the Client] agreed to sell [the Defendant] three coffee machines and grinders, and to supply 12 months of coffee beans;
- On 9 July 2020, the Contract was signed, and [the Defendant] paid a \$15,000 deposit as agreed;
- On 30 July 2020, [the Client] delivered and installed the three machines across [the Defendant]'s Business locations;
- On 31 July 2020, [the Defendant] transferred \$8,000, which was \$2,500 less than the amount due under the Contract;
- For the first five months of the Contract, [the Defendant] continued to order and pay for coffee beans as agreed;
- From November 2020, [the Defendant] stopped paying for beans she continued to order; and
- From January 2021, [the Defendant] has not responded to calls from [the Client].

### Prospects of Success

[the Client] has good prospects of success. The signed Contract dated 9 July 2020 establishes a binding agreement between the parties. [the Client] performed its obligations by delivering and installing the three machines. That performance gave rise to [the Defendant]'s obligation to pay the contract price.

[the Defendant] continued to place orders for coffee beans but stopped making payments from November 2020. She is liable for damages representing the unpaid balance of the purchase price for the machines and 10 weeks of unpaid coffee bean orders.

### Risk to Manage

There is one risk worth noting. [the Client] continued to supply coffee beans after [the Defendant] fell into arrears, without pursuing those missed payments at the time. [the Defendant] may argue that this conduct amounted to an acceptance of a varied arrangement. This argument is unlikely to succeed given the clear written terms of the Contract, but you should be aware of it. We will address this if [the Defendant] raises it in her defence.

### Court Proceedings

If [the Client] decides to commence proceedings, [the Defendant] will have 28 days from service of the court documents to file a defence. If she does not file a defence,

we will apply to the court for judgment in [the Client]'s favour without a hearing. If she does file a defence, the matter will proceed to hearing, likely within the next 12 months.

The District Court requires us to advise you that proceedings may be dismissed if court orders are not complied with, and that costs orders may be made against parties who fail to comply.

**Next Steps**

We will issue [the Defendant] a letter of demand requiring repayment of the full amount within seven days. If she does not comply, we will commence proceedings without further delay.

If you have any queries, contact our office on [REDACTED].

Yours sincerely,

Kelvin Yeung  
[the Firm]