

The Schizophrenia of STL Distribution

It has become clear that our long standing supplier, rescued from destruction before Christmas, has more than one identity. This requires us to consider taking URGENT ACTION as below.

New STL is operating from Carlisle supplying our needs and invoicing us accordingly. I understand that New STL is a new company which owns the assets and employs the staff of our longstanding supplier BUT IS NOT THE SAME COMPANY. As such it is (as far as I can see) not under any obligations for anything which took place before it existed (the end of 18 December 2009, I think). New STL has confirmed to me that they will not accept see-safe returns which Old STL promised to accept. Nor will they give credit for shortages or damages before they existed.

Old STL apparently still exists and is being administered by Baker Tilley who have an "IBS-STLUK Team" (address not known but reachable on 0161 830 4000). They have appointed Quartz Partnership (address not known, reachable on 08456 800416 or Deborah.Olesen@QuartzPartnership.com) to collect payments due to Old STL. This includes invoices for the early part of December.

As retailers, we owe both New STL and Old STL significant sums of money for deliveries received in December. However, Old STL is under an obligation to honour all agreements which it made with us. This includes: any outstanding credit notes awaited from the past; damages and shortages now due for credit; recent returns which have not yet been credited; January returns for which credit needs to be given (and if they want the product back then they must say where to send it); etc.. Although these obligations may not be in writing, I don't think that undermines their validity as long as it is clear what had been agreed (e.g. verbally with the STL Rep).

As Old STL is in administration we cannot be confident that they will make any payments to us in the future to compensate for these matters. It may therefore be appropriate to withhold some payments due to Old STL, sufficient to ensure that we (as retailers) do not become unsecured creditors who end up losing their money.

Proposed Steps:

Lift all STL supplied see-safe stock (except what you want to keep forever) from the shelves and create a returns list with prices and discounts to give a net invoice value to be credited.

Review recent statements, invoices and returns and create a list of all other items awaiting credit.

Add up the full invoice value of all of these things to determine the amount of money to be withheld from the January payment to Old STL.

Notify Old STL and co-operate in resolving discrepancies.

The reason this is urgent is that we are no longer supplied by Old STL. Once we have paid December invoices we will no longer be able to offset what they owe us from what we owe them. We may simply be an unsecured creditor of a company which is in administration. Not a good outcome.

Please note: This is merely my personal opinion. It is not professional advice of any kind.

Every blessing,

Stuart Arnold

Cardiff Christian Bookshop

8 January 2010