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Another Guvera subsidiary goes into administration with 25 jobs lost

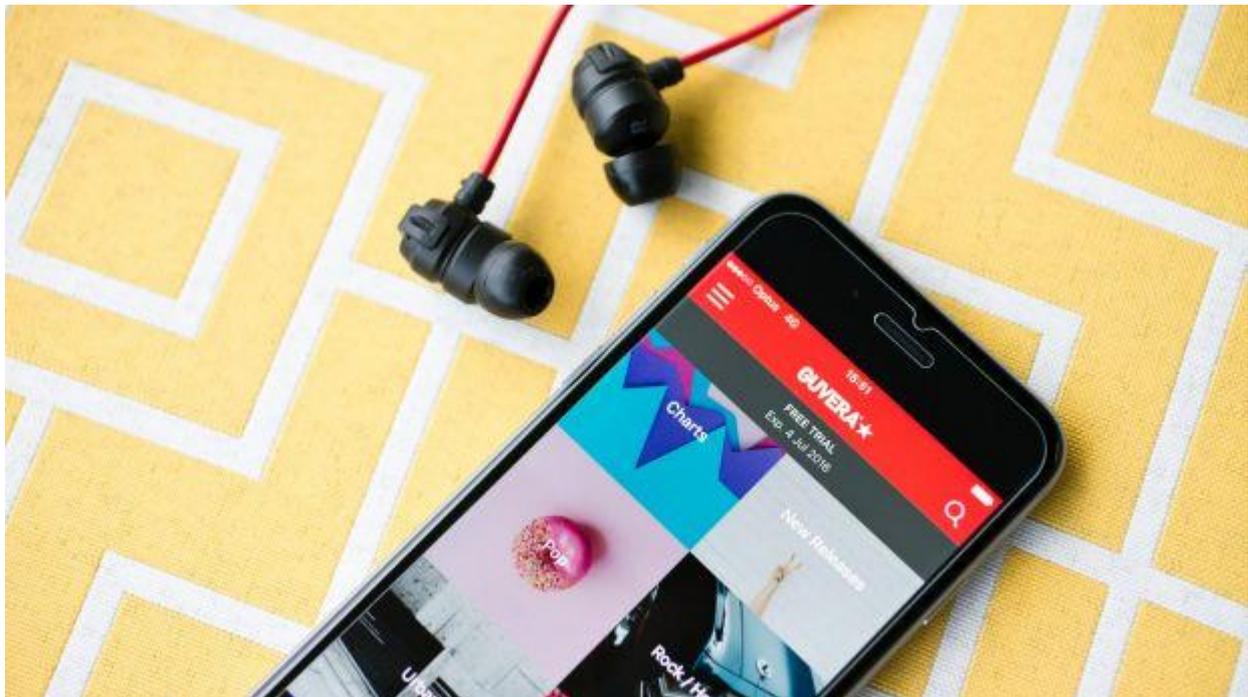


[Lucy Battersby](#)

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Another Australian subsidiary of failed music streaming app Guvera has gone into administration, with the company now focused entirely overseas.

It has also recently changed its business model from being a music-oriented app to an advertising tracking tool.



Guvera shut down its app in Australia after it was blocked from listing on the stock exchange. *Photo: Ryan Stuart*

Originally Guvera claimed it would "dominate music globally" through an app streaming free music that was supported by in-app advertising. But the Queensland-based company has been stumbling and trying to re-invent itself ever since its application to list on the Australian Securities Exchange (ASX) was blocked in mid-2016.

In January it successfully [defeated a winding up application](#) from an investor owed \$1.8 million.



Guvera co-founders Darren Herft and Claes Loberg. *Photo: Wayne Taylor*

But more recently, on March 31, sole director of Guvera Employment, Warwick Burman, called in administrators. Up to 25 jobs are at risk, taking the total Guvera job losses in the past year to over 100.

"As this stage, we have been advised that there is an intention to put forward a proposal for a Deed of Company Arrangement," Stephen Hundy of Worrells Solvency told Fairfax Media.

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"We have commenced our investigations and will provide our report to creditors in relation to these investigations and any proposed Deed of Company Arrangement prior to the second meeting of the company's creditors."

A shareholder update from March 21, 2017, reveals Guvera is now focused on India and Indonesia. It has partnered with WPP/Data Alliance in Indonesia and India, and Dentsu Aegis in India, according to chief executive [Claes Loberg's note to investors](#).

Guvera has launched a new app call DragonFli that allows advertisers to track what a customer does on Guvera and sent out push notifications.

"Together with this new app, we have create a new model," Mr Loberg wrote.

"Rather than us maintaining the expense we once had providing a full music streaming platform, we are outsourcing this to third party providers. All content will now be delivered only inside brand channels, and only at the request and expense of the brands using the content in separate deals with content owners."

After the ASX float collapsed Guvera closed several offices around the world and removed its app in Australia, the United States, Latin America and Russia and Europe. Former employees in North and South America were left thousands of dollars out of pocket from unpaid severance or entitlements.

In Australia Guvera Limited placed Guvera Australia and Guv Services into administration and 80 staff were sacked. These two companies are currently subject to a Deed of Company Arrangement [DOCA] administered by Deloitte. Under the DOCA, [Guvera Limited pays creditors of Guvera Australia \\$150,000 every month](#) until August 2017, and \$30,000 per month to creditors of Guv Services.

Controversially, Guvera Limited had raised nearly \$200 million from private investors and after the float was blocked these investors had no way of getting their money back. It was burning through cash but generating little revenue.

Also, former chief executive Darren Herft was also head of AMMA Private Equity, which raised much of the money from investors. Guvera Employment's Mr Burman also has links to AMMA Private Equity.

Mr Herft, Mr Loberg and Steven Porch are still listed as directors of Guvera Limited. However, former Guvera Limited chairman Phil Quartararo – a US music industry veteran – quietly left the company in December 2016 and has since taken up a role overseas as vice chairman of Loton Corp subsidiary LiveXLive.