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CIRCULAR TO CREDITORS

Our ref LGH - Creditor Circular 26-02-10

26 February 2010

Dear Sir/Madam

The Companies detailed at Annexure A (Receivers and Managers Appointed) (“the Letten Companies”) and associated Investment Schemes detailed at Annexure B (“the Letten Schemes”) (collectively “the Group”)

Philip Arthur Hennessy and I were appointed Receivers and Managers of the Property of the Group by order of the Federal Court of Australia on 25 February 2010. A copy of the Court order confirming our appointment is attached.

We have assumed control of the Group’s affairs and have entered into possession of the Group’s assets. The Group’s position is presently being analysed to determine the best course of action to preserve the Group’s business and assets.

Trading Considerations

As we intend to continue the Group’s operations for the time being, we would appreciate you making goods and services available to the Group on usual trading terms and conditions when so requested by my partner, or myself or my authorised representatives.

In this regard, would you please adopt the following procedure with regard to the Group’s account:

- Close your present account as at the date of our appointment being **25 February 2010**; and
- Open a new account with the words “(Receivers and Managers Appointed)” immediately following the relevant Letten Company or Letten Scheme name, addressed to the Company’s or Scheme’s premises and charge future authorised orders to that account.

Should further goods or services be required during the Receivership, we advise that an approved purchase order must be obtained and signed by the authorised representatives whose signatures are attached. During the period of the Receivership, any further credit properly incurred by the Group and authorised by us or our authorised representatives, will be an expense of the Receivership and payable in accordance with ordinary trading terms. Any goods or services supplied without an authorised purchase order will not be the liability of the Receivers and Managers.

Further, we advise that the supply of goods and services prior to our appointment or under outstanding orders issued prior to the date of our appointment will not be treated as an expense of the Receivership and will rank as an unsecured claim against the applicable Letten Company or Letten Scheme. Should you have an outstanding order made prior to our appointment, please contact Andrew Joyce of our office to obtain written confirmation as to whether this order should proceed.

Those creditors seeking to claim retention of title over goods provided to the Group prior to our appointment should contact our office as a matter of urgency.

Under the Pay As You Go (PAYG) regime we will be obliged to withhold 48.5% from payments to suppliers who do not quote a current Australian Business Number (ABN). Please confirm your ABN details as soon as is possible and ensure that a current ABN is quoted for each supply made.

Input tax credits for payments made to registered suppliers cannot be claimed until such time as a compliant tax invoice has been received. Accordingly, we expect suppliers to provide GST compliant documentation and will not make payments to suppliers until such time as compliant documentation is received.

Pre-appointment Claims

We advise that payment of your unsecured accounts as at 25 February 2010 is postponed during the course of the Receivership. Should the Receivership end at a time in which either a liquidator or administrator is not appointed to the individual Letten Company or Letten Scheme indebted to you, those debts frozen at 25 February 2010 will again be payable. Should the Receivership end at a time in which a liquidator or administrator is appointed to the individual Letten Company or Letten Scheme, then you will be advised at that point as to how to proceed.

To assist us with our investigations, please complete the attached Informal Statement of Claim regarding accounts outstanding as at 25 February 2010 and return via post to PO Box 2291U, Melbourne Victoria 3001 or via email to lettenschemes@kpmg.com.au.

Further Information

Please find attached a copy of the Australian Securities and Investments Commission ("ASIC") information sheet for directors, employees, creditors and shareholders. For an explanation of terms used in this sheet, please see ASIC's 'Insolvency: a glossary of terms.'

We advise that additional information can be found from the ASIC website at www.asic.gov.au/insolvencyinfosheets or via our website at www.kpmg.com.au/lettenschemes.

Should you have any queries in relation to this matter, please contact Andrew Joyce of this office on (03) 9838 4654 or by email to lettenschemes@kpmg.com.au.

Yours faithfully



Damian Templeton
Receiver and Manager

Enclosures:

Court order

Authorised Signatories

Informal Statement of Claim

ASIC Insolvency information for directors, employees, creditors and shareholders

Annexure A: KPMG Partners Damian Templeton and Philip Hennessy have been appointed Receivers and Managers to the following companies:

LGH Holdings Limited ACN 077 191 943 (Receivers and Managers Appointed)
211 Wellington Road Pty Ltd ACN 092 663 860 (Receivers and Managers Appointed)
Bluemist Holdings Pty Ltd ACN 097 306 922 (Receivers and Managers Appointed)
Dellwood Holdings Pty Ltd ACN 098 505 803 (Receivers and Managers Appointed)
Enmore Enterprises Pty Ltd ACN 082 158 487 (Receivers and Managers Appointed)
Firbank Arch Pty Ltd ACN 059 464 381 (Receivers and Managers Appointed)
Glenline Pty Ltd ACN 098 532 364 (Receivers and Managers Appointed)
Gerling Holdings Pty Ltd ACN 091 726 457 (Receivers and Managers Appointed)
LGH Administration Pty Ltd ACN 077 165 069 (Receivers and Managers Appointed)
LGH Finance Pty Ltd ACN 078 859 248 (Receivers and Managers Appointed)
Low Head Village Pty Ltd ACN 091 731 958 (Receivers and Managers Appointed)
Nicholson Street Pty Ltd ACN 069 104 089 (Receivers and Managers Appointed)
Holloway Crest Pty Ltd ACN 091 731 967 (Receivers and Managers Appointed)
Rosebery Enterprises Pty Ltd ACN 091 826 229 (Receivers and Managers Appointed)
Simms Investments Pty Ltd ACN 093 504 511 (Receivers and Managers Appointed)
The Glen Centre Hawthorn Pty Ltd ACN 089 906 543 (Receivers and Managers Appointed)
Castello Holdings Pty Ltd ACN 088 204 175 (Receivers and Managers Appointed)
Twinview Nominees Pty Ltd ACN 097 307 278 (Receivers and Managers Appointed)
Yarra Valley Golf Pty Ltd ACN 066 632 479 (Receivers and Managers Appointed)
Adina Rise Pty Ltd ACN 083 181 122 (Receivers and Managers Appointed)
Albright Investments Pty Ltd ACN 088 204 166 (Receivers and Managers Appointed)
Ashfield Rise Pty Ltd ACN 093 504 806 (Receivers and Managers Appointed)
Bradfield Corporation Pty Ltd ACN 088 204 371 (Receivers and Managers Appointed)
Copeland Enterprises Pty Ltd ACN 093 504 824 (Receivers and Managers Appointed)
Devlin Way Pty Ltd ACN 088 264 813 (Receivers and Managers Appointed)
First Hazelwood Pty Ltd ACN 093 505 303 (Receivers and Managers Appointed)
Glenbelle Pty Ltd ACN 097 306 646 (Receivers and Managers Appointed)
Glenvale Way Pty Ltd ACN 088 287 021 (Receivers and Managers Appointed)
Greenview Lane Pty Ltd ACN 093 505 312 (Receivers and Managers Appointed)
Hallmark Corporation Pty Ltd ACN 083 180 812 (Receivers and Managers Appointed)
Moorleigh Holdings Pty Ltd ACN 088 287 058 (Receivers and Managers Appointed)
Norton Ridge Pty Ltd ACN 078 821 066 (Receivers and Managers Appointed)
Raleigh Glen Pty Ltd ACN 088 204 380 (Receivers and Managers Appointed)
Redcrest Holdings Pty Ltd ACN 100 836 486 (Receivers and Managers Appointed)
Suri Corporation Pty Ltd ACN 093 505 321 (Receivers and Managers Appointed)
Sutton Rise Pty Ltd ACN 088 204 399 (Receivers and Managers Appointed)
The Virtual Mlmer Pty Ltd ACN 065 374 665 (Receivers and Managers Appointed)
Tivendale Pty Ltd ACN 093 505 349 (Receivers and Managers Appointed)
Tulloch Downes Pty Ltd ACN 078 895 048 (Receivers and Managers Appointed)
Maining Pty Ltd ACN 100 790 485 (Receivers and Managers Appointed)
Topglen Pty Ltd ACN 096 857 564 (Receivers and Managers Appointed)
Allblue Pty Ltd ACN 100 836 388 (Receivers and Managers Appointed)
Aranbay Pty Ltd ACN 098 532 319 (Receivers and Managers Appointed)

Annexure B: KPMG Partners Damian Templeton and Philip Hennessy have been appointed Receivers and Managers to the following schemes:

Scheme	Description of property
Reef House Resort	99 Williams Esplanade Palm Cove, Qld – The Sebel Reef House Resort
Twinview Joint Venture	167 Flinders Lane, Melbourne, Victoria
The Glen Centre Joint Venture	673–681 Glenferrie Road, Hawthorn, Victoria
Nicholson Street Joint Venture	127-137 Nicholson Street, East Brunswick, Victoria
Low Head Joint Venture	136 Low Head Road George Town, Tasmania, 142 Low Head Road, George Town, Tasmania & 40 Gunn Parade, George Town, Tasmania
George Street Joint Venture	34 George Street, Launceston, Tasmania
Cimitiere House Joint Venture	113 Cimitiere Street, Launceston, Tasmania
211 Wellington Road Joint Venture	211 Wellington Road, Mulgrave, Victoria
Yarra Valley Golf Joint Venture	St John of God's Seminary and Henley Farm, Chirnside Park, Victoria
Glenbelle Project	Sebel Heritage Lodge Management Lot, Yarra Valley Golf Course, Chirnside Park, Victoria
Healesville Walk Shopping Centre Joint Venture	251-263 Maroondah Highway, Healesville, Victoria
Howleys Road Joint Venture	40-48 Howleys Road, Notting Hill, Victoria
Queen Street Joint Venture	118 Queen Street, Melbourne, Victoria
Simms Investment Project	626 Pittwater Road, Brookvale, NSW
National Boulevard Joint Venture	144 National Boulevard, Campbellfield, Victoria

FEDERAL COURT OF AUSTRALIA

Australian Securities and Investments Commission v Letten [2010] FCA 140

Citation: Australian Securities and Investments Commission v
Letten [2010] FCA 140

Parties: **AUSTRALIAN SECURITIES AND INVESTMENTS
COMMISSION v MARK RONALD LETTEN,
LGH HOLDINGS LIMITED (ACN 007 191 943),
211 WELLINGTON ROAD PTY LTD
(ACN 092 663 860), BLUEMIST HOLDINGS PTY
LTD (ACN 097 306 922), DELLWOOD HOLDINGS
PTY LTD (ACN 098 505 803), ENOMORE
ENTERPRISES PTY LTD (ACN 082 158 487),
FIRBANK ARCH PTY LTD (ACN 059 464 381),
GLENLINE PTY LTD (ACN 098 532 364), GERLING
HOLDINGS PTY LTD (ACN 091 726 457),
LGH ADMINISTRATION PTY LTD
(ACN 007 165 069), LGH FINANCE PTY LTD
(ACN 078 859 248), LOW HEAD VILLAGE PTY LTD
(ACN 091 731 958), NICHOLSON STREET PTY LTD
(ACN 069 104 089), HOLLOWAY CREST PTY LTD
(ACN 091 731 967), ROSEBERY ENTERPRISES PTY
LTD (ACN 091 826 229), SIMMS INVESTMENTS
PTY LTD (ACN 093 504 511), SY21 RETAIL PTY
LTD (ACN 107 874 564), THE GLEN CENTRE
HAWTHORN PTY LTD (ACN 089 906 543),
CASTELLO HOLDINGS PTY LTD
(ACN 088 204 175), TWINVIEW NOMINEES PTY
LTD (ACN 097 307 278), YARRA VALLEY GOLF
PTY LTD (ACN 066 632 479), ADINA RISE PTY LTD
(ACN 083 181 122), ALBRIGHT INVESTMENTS PTY
LTD (ACN 088 204 166), ASHFIELD RISE PTY LTD
(ACN 093 504 806), BRADFIELD CORPORATION
PTY LTD (ACN 088 204 371), COPELAND
ENTERPRISES PTY LTD (ACN 093 504 824),
DEVLIN WAY PTY LTD (ACN 088 264 813), FIRST
HAZELWOOD PTY LTD (ACN 093 505 303),
GLENBELLE PTY LTD (ACN 097 306 646),
GLENVALE WAY PTY LTD (ACN 088 287 021),
GREENVIEW LANE PTY LTD (ACN 093 505 312),
HALLMARK CORPORATION PTY LTD
(ACN 093 505 312), MOORLEIGH HOLDINGS PTY
LTD (ACN 088 287 058), NORTON RIDGE PTY LTD
(ACN 078 821 066), RALEIGH GLEN PTY LTD
(ACN 088 204 380), REDCREST HOLDINGS PTY
LTD (ACN 100 836 486), SURI CORPORATION PTY
LTD (ACN 093 505 321), SUTTON RISE PTY LTD**

(ACN 088 204 399), THE VIRTUAL MLMER PTY LTD (ACN 065 374 665), TIVENDALE PTY LTD (ACN 093 505 349), TULLOCH DOWNES PTY LTD (ACN 078 895 048), MAINKING PTY LTD (ACN 100 790 485), TOPGLEN PTY LTD (ACN 096 857 564), ALLBLUE PTY LTD (ACN 100 836 388) and ARANBAY PTY LTD (ACN 098 532 319)

File number(s): VID 95 of 2010

Judge: **GORDON J**

Date of judgment: 25 February 2010

Date of hearing: 23 & 24 February 2010

Date of last submissions: 25 February 2010

Place: Melbourne

Division: GENERAL DIVISION

Number of paragraphs: 50

Counsel for the Plaintiff: Mr P Murdoch QC and Mr AP Trichardt

Solicitor for the Plaintiff: Australian Securities and Investments Commission

Counsel for the First, Second and Tenth Defendants: Mr M Sifris SC and Mr SJ Hibble

Solicitor for the First, Second and Tenth Defendants: Baker & McKenzie

Submitting appearances were filed on behalf of the Third – Ninth, Eleventh – Sixteenth and Eighteenth – Forty Fifth Defendants

Counsel for Mr Peter Rhys Bate, a director and 50% shareholder in the Seventeenth Defendant: Mr E Woodward

Solicitor for Mr Peter Rhys Bate, a director and 50% shareholder in the Seventeenth Defendant: Mills Oakley

IN THE FEDERAL COURT OF AUSTRALIA
VICTORIA DISTRICT REGISTRY
GENERAL DIVISION

VID 95 of 2010

BETWEEN: AUSTRALIAN SECURITIES AND INVESTMENTS
COMMISSION
Plaintiff

AND: MARK RONALD LETTEN
First Defendant

LGH HOLDINGS LIMITED (ACN 007 191 943)
Second Defendant

211 WELLINGTON ROAD PTY LTD (ACN 092 663 860)
Third Defendant

BLUEMIST HOLDINGS PTY LTD (ACN 097 306 922)
Fourth Defendant

DELLWOOD HOLDINGS PTY LTD (ACN 098 505 803)
Fifth Defendant

ENOMORE ENTERPRISES PTY LTD (ACN 082 158 487)
Sixth Defendant

FIRBANK ARCH PTY LTD (ACN 059 464 381)
Seventh Defendant

GLENLINE PTY LTD (ACN 098 532 364)
Eighth Defendant

GERLING HOLDINGS PTY LTD (ACN 091 726 457)
Ninth Defendant

LGH ADMINISTRATION PTY LTD (ACN 007 165 069)
Tenth Defendant

LGH FINANCE PTY LTD (ACN 078 859 248)
Eleventh Defendant

LOW HEAD VILLAGE PTY LTD (ACN 091 731 958)
Twelfth Defendant

NICHOLSON STREET PTY LTD (ACN 069 104 089)
Thirteenth Defendant

HOLLOWAY CREST PTY LTD (ACN 091 731 967)
Fourteenth Defendant

ROSEBERY ENTERPRISES PTY LTD (ACN 091 826 229)
Fifteenth Defendant

SIMMS INVESTMENTS PTY LTD (ACN 093 504 511)
Sixteenth Defendant

SY21 RETAIL PTY LTD (ACN 107 874 564)
Seventeenth Defendant

THE GLEN CENTRE HAWTHORN PTY LTD
(ACN 089 906 543)
Eighteenth Defendant

CASTELLO HOLDINGS PTY LTD (ACN 088 204 175)
Nineteenth Defendant

TWINVIEW NOMINEES PTY LTD (ACN 097 307 278)
Twentieth Defendant

YARRA VALLEY GOLF PTY LTD (ACN 066 632 479)
Twenty-First Defendant

ADINA RISE PTY LTD (ACN 083 181 122)
Twenty-Second Defendant

ALBRIGHT INVESTMENTS PTY LTD (ACN 088 204 166)
Twenty-Third Defendant

ASHFIELD RISE PTY LTD (ACN 093 504 806)
Twenty-Fourth Defendant

BRADFIELD CORPORATION PTY LTD (ACN 088 204 371)
Twenty-Fifth Defendant

COPELAND ENTERPRISES PTY LTD (ACN 093 504 824)
Twenty-Sixth Defendant

DEVLIN WAY PTY LTD (ACN 088 264 813)
Twenty-Seventh Defendant

FIRST HAZELWOOD PTY LTD (ACN 093 505 303)
Twenty-Eighth Defendant

GLENBELLE PTY LTD (ACN 097 306 646)
Twenty-Ninth Defendant

GLENVALE WAY PTY LTD (ACN 088 287 021)
Thirtieth Defendant

GREENVIEW LANE PTY LTD (ACN 093 505 312)
Thirty-First Defendant

HALLMARK CORPORATION PTY LTD (ACN 093 505 312)
Thirty -Second Defendant

MOORLEIGH HOLDINGS PTY LTD (ACN 088 287 058)
Thirty-Third Defendant

NORTON RIDGE PTY LTD (ACN 078 821 066)
Thirty-Fourth Defendant

RALEIGH GLEN PTY LTD (ACN 088 204 380)
Thirty-Fifth Defendant

REDCREST HOLDINGS PTY LTD (ACN 100 836 486)
Thirty-Sixth Defendant

SURI CORPORATION PTY LTD (ACN 093 505 321)
Thirty-Seventh Defendant

SUTTON RISE PTY LTD (ACN 088 204 399)
Thirty-Eighth Defendant

THE VIRTUAL MLMER PTY LTD (ACN 065 374 665)
Thirty-Ninth Defendant

TIVENDALE PTY LTD (ACN 093 505 349)
Fortieth Defendant

TULLOCH DOWNES PTY LTD (ACN 078 895 048)
Forty-First Defendant

MAINKING PTY LTD (ACN 100 790 485)
Forty-Second Defendant

TOPGLEN PTY LTD (ACN 096 857 564)
Forty-Third Defendant

ALLBLUE PTY LTD (ACN 100 836 388)
Forty-Fourth Defendant

ARANBAY PTY LTD (ACN 098 532 319)
Forty-Fifth Defendant

JUDGE: GORDON J
DATE OF ORDER: 25 FEBRUARY 2010
WHERE MADE: MELBOURNE

UPON THE UNDERTAKINGS OF THE FIRST DEFENDANT SET OUT IN ANNEXURE C TO THIS ORDER:

AND UPON THE UNDERTAKINGS OF PETER RHYS BATE, A DIRECTOR AND SHAREHOLDER IN THE SEVENTEENTH DEFENDANT, SET OUT IN ANNEXURE D TO THIS ORDER.

THE COURT DECLARES THAT:

1. Save for the schemes numbered 2 (Healesville Walk Shopping Centre Joint Venture), 3 (Howleys Road Joint Venture), 10 (National Boulevard Joint Venture) and 11 (Simms Investment Project) listed in Annexure A to this Order, the schemes listed in Annexure A (the **Schemes**) are managed investment schemes which are and were required to be registered under the *Corporations Act 2001* (Cth) (the **Act**) but were not registered.

THE COURT ORDERS THAT:

2. The service of the Interlocutory Process filed on 17 February 2010 and the amended Originating Process filed on 23 February 2010 be dispensed with and it be made returnable *instanter*.
3. Pursuant to s 1323(1)(h)(ii) of the Act, and subject to paragraph 21 of these Orders and any further or other order of the Court, Mr Damian Templeton and Mr Phillip Hennessy of KPMG (the **Receivers**), be appointed, without giving security, as joint and several receivers and managers of the Property (as defined in Annexure A to these Orders) of each of the second to sixteenth and eighteenth to forty-fifth defendants (the **Corporate Defendants**) (other than Property that also constitutes Property of a Scheme as defined in Annexure A to this Order) with all of the powers provided in ss 420(1) and (2) of the Act, except the power of sale, for the purposes of identifying and securing all of the assets of the Corporate Defendants.
4. Save for the schemes numbered 2 (Healesville Walk Shopping Centre Joint Venture), 3 (Howleys Road Joint Venture), 10 (National Boulevard Joint Venture) and

11 (Simms Investment Project) in Annexure A to this Order, the Schemes be wound up pursuant to s 601EE(1) of the Act.

5. Pursuant to s 601EE(2) of the Act, alternatively ss 1323(1)(h) and (3) of the Act, and Order 26 of the Federal Court Rules, and subject to paragraph 21 of these Orders and any further or other order of the Court, the Receivers, be appointed, without giving security, as joint and several receivers and managers of the Property of the Schemes (as defined in Annexure A to this Order) to:

- (a) identify, collect, and secure the Property;
- (b) identify, and secure the Property in the possession, custody or control of each of the Corporate Defendants;
- (c) protect the Property in the interests of persons to whom the Corporate Defendants are liable, or may be or become liable, to pay money, whether in respect of a debt, by way of damages or compensation or otherwise, or to account for securities, or other Property;
- (d) ascertain the amount of the funds received, or paid out, by each of the Corporate Defendants in consequence of promoting, offering and/or operating the Schemes;
- (e) identify any dealings with, payments of, or distributions by or uses made of the funds referred to in (d) of this paragraph by each of the Corporate Defendants;
- (f) identify any Property purchased or acquired with the funds referred to in (d) of this paragraph;
- (g) recover funds referred to in (d) of this paragraph;
- (h) provide reports to the Court as referred to in paragraph 11 of these orders;

- (i) commence the orderly winding up of the Schemes ordered to be wound up pursuant to paragraph 4 of these orders.
6. For the avoidance of doubt, to the extent that Property of the Schemes referred to in paragraph 5 of these Orders is held by any of the Corporate Defendants, the appointment of the Receivers under paragraph 5 of these Orders includes the appointment of the Receivers as receivers and managers of any such Property of each of the Corporate Defendants.
7. For the further avoidance of doubt, subject to paragraph 21 of these Orders and any further or other order of the Court, the Receivers shall have the power to conduct the business and management of the Schemes in such manner as they think appropriate in the winding up of the Schemes.
8. Subject to these Orders, including paragraph 21 of these Orders and any further or other order of the Court, the Receivers shall have:
 - (a) all powers necessary to identify, and secure the Property of each of the Schemes;
 - (b) all powers necessary to collect the funds referred to in paragraph 5(d) of these Orders;
 - (c) without limiting sub-paragraph (a) and (b), the powers set out in ss 420(1) and (2) of the Act, provided that the Receivers may not exercise the power to dispose of any Property of the Schemes;
 - (d) the power to apply to the Court for directions or further orders, including orders varying the terms of these Orders.
9. The Receivers may not, until the first directions hearing following the filing of the reports referred to in paragraph 11 and subject to any directions by the Court, determine the timing of the payment of any:
 - (a) debts as between the Schemes; and

- (b) distributions to Investors (as defined in Annexure A of these Orders) in the Schemes.
10. During the period of receivership and management, subject to paragraphs 3 and 21 of these Orders and any further or other order of the Court:
- (a) the Receivers shall assume the management of the Corporate Defendants and shall perform the duties, and may perform any of the functions and exercise any of the powers, of the directors of the Corporate Defendants;
 - (b) the provisions of the Act relating to the keeping of accounts, the appointment and re-appointment of auditors and the rights and duties of auditors shall continue to apply in relation to the Corporate Defendants, and in the application of those provisions to and in relation to the Corporate Defendants a reference to the directors of any one of the Corporate Defendants shall be read as a reference to the Receivers as receivers and managers of that company; and
 - (c) there shall be no stay of any action or other civil proceedings by or against any of the Corporate Defendants in any court or other tribunal nor shall there be any restraint upon the commencement or prosecution of any action or other civil proceedings by or against any of the Corporate Defendants in any court or other tribunal. In all or any of such actions or civil proceedings or otherwise the Receivers shall have authority to bring or defend such actions or civil proceedings in the name of any of the Corporate Defendants.
11. On or before 12 April 2010 or such other date as the Court allows, the Receivers prepare and file with the Court a separate report in relation to each of the Schemes (the **Disclosure Reports**) and provide a copy of the Disclosure Reports to the parties to the proceedings as to the following matters:
- (a) the nature and identity of the Property of the Scheme;

- (b) the claims (actual, contingent and other) of third parties in relation to the Property of the Scheme including, but not limited to, whether the Property of the Scheme has been given as security for any debt or liability and if so, the nature of the security and the debt or liability so secured;
 - (c) in relation to the Investors:
 - (i) the identities of the Investors and the nature and extent of their interests;
 - (ii) any payments made to or by Investors in relation to the Scheme;
 - (iii) any money owing to the Investors;
 - (d) the nature and identity of the liabilities of the Scheme including, but not limited to, liabilities to the Investors;
 - (e) the solvency of the Scheme;
 - (f) the most appropriate manner and timing of managing and realising any assets or Property of the Scheme so as to most benefit the Investors; and
 - (g) a recommendation as to the process for recovering all money owing to the Scheme, whether by way of loan or otherwise.
12. The Receivers have such powers as may be necessary to enable them to carry out and complete the inquiry and report referred to in paragraph 11 of these Orders. In particular, they shall be entitled to inspect at any reasonable time any books (as defined in s 9 of the Act) in relation to the Schemes or any of the Corporate Defendants (saving all just exceptions).
13. The Receivers have access to the documents held by the Plaintiff (ASIC) in relation to the Schemes (saving all just exceptions).

14. Each of the defendants (except the 17th defendant) by its officers, agents and / or employees immediately:
 - (a) make available to, and allow inspection by, the Receivers during business hours of any books (as defined in s 9 of the Act), records and other papers relating to the Schemes not delivered to ASIC including, but not limited to, all books (as defined in s 9 of the Act), records and other papers relating to the Schemes in the possession of any one of the defendants (saving all just exceptions); and
 - (b) allow the Receivers to copy any such books, records or other papers.
15. Each of the defendants (except the 17th defendant) by their directors, officers, servants and agents answer such questions as the Receivers may reasonably require them to answer as to any of the matters under inquiry (saving all just exceptions).
16. Within five working days of the date of these orders, the Receivers notify those named in confidential exhibit GC-59 to the affidavit of Glenn Childs sworn on 17 February 2010 (the **Investor Schedules**) as to the making and form of these Orders.
17. Within five working days of receipt from the first defendant, pursuant to paragraph 23 of these Orders, of the details of the names and addresses of all current and past Investors in each Scheme, the Receivers notify those so identified by the first defendant and who are not named in the Investor Schedules.
18. Within five working days of finalising the Disclosure Reports in accordance with paragraph 11 of these Orders, the Receivers provide on a "strictly confidential basis: for personal use only" a copy of the Disclosure Reports in respect of a Scheme to the Investors in such Scheme and to each Secured Lender (as defined in Annexure A).
19. Within 30 days of the Receivers providing copies of the Disclosure Report pursuant to paragraph 18 of these Orders, any party or any Investor may file and serve on the Receivers and on each party to the proceedings any application they wish to make in

relation to the future of any of the Schemes. The Receivers shall provide notice of any application filed in accordance with paragraph 19 of these Orders to any Secured Lender.

20. Subject to paragraph 21 of these Orders, the Receivers shall be entitled to reasonable remuneration and reasonable costs and expenses properly incurred in the performance of their duties and the exercise of their powers as receivers and managers over the Property of each Scheme, as may be fixed by the Court on the application of the Receivers, such sum to be calculated on the basis of the time reasonably spent by the receivers and managers, their partners and staff, at the rates specified in Annexure B to this Order, such fees to be paid out of the assets of the Scheme provided that the Receivers' remuneration and reasonable costs and expenses must not be paid in priority to any debt the payment of which is secured by the Property of the Scheme (including by any floating charge) without the consent in writing of the relevant Secured Lender.
21. Nothing in these Orders is to affect the rights of any prior encumbrancers of the Property of the Schemes or the Property of the defendants, including the rights of any Secured Lender.
22. Each Secured Lender has liberty to apply to the Court in relation to any matter arising in connection with these Orders upon giving reasonable notice to the parties and to the Receivers.
23. Within 7 days of the date of these Orders, the first defendant provide to ASIC, the Receivers, and the Secured Lenders, details in respect of each of the Schemes, of:
 - (a) The Scheme name;
 - (b) The Scheme property;
 - (c) The names and addresses of the corporate managers of the Scheme; and
 - (d) The names and addresses of all current and past investors in the Scheme.

24. ASIC has leave to give notice of the undertakings set out in Annexure C and D of these Orders to the Land Titles Office, any bank, building society or other financial institution with which the first defendant operates any accounts and any other person or entity holding or controlling property belonging to the defendants:
 - (a) in the case of the Land Titles Office, by delivering a copy of these Orders to a person apparently in its employ at its premises, in Bourke Street, Melbourne;
 - (b) in the case of any bank, building society or other financial institution by delivering a copy of these Orders to a person apparently in the employ of that bank, building society or other financial institution; and
 - (c) in the case of any person or entity, by delivering a copy of these Orders to a person apparently in the employ of that person or entity.
25. Until further order, confidential exhibit GC-59 to the affidavit of Glenn John Childs sworn on 17 February 2010 be placed in a sealed envelope and marked "Confidential: No access without leave of a judge of the Court".
26. Until further order, pursuant to s 50 of the *Federal Court Act 1976* (Cth), there be no publication of the contents of confidential exhibit GC-59 to the affidavit of Glenn John Childs sworn on 17 February 2010 other than to ASIC and its legal representatives, the defendants and their legal representatives, judges of the Court, judges' associates and executive assistants and the Receivers and their staff.
27. The hearing of the amended originating process in relation to the 17th Defendant be otherwise adjourned until 9.30am on 4 March 2010.
28. The proceedings otherwise be adjourned for further directions at 9.30am on 21 May 2010.
29. All parties and the Receivers ^{and Mr Bates.} have liberty to apply.
30. Costs reserved.

Note: Settlement and entry of orders is dealt with in Order 36 of the Federal Court Rules.
The text of entered orders can be located using Federal Law Search on the Court's website.

The Companies detailed at Annexure A (Receivers and Managers Appointed) (“the Letten Companies”) and associated Investment Schemes detailed at Annexure B (“the Letten Schemes”) (collectively “the Group”)

Authorised Signatories

Purchase orders – Unlimited value

Damian Templeton

Signature:



David Willis

Signature:



Simon Vertullo

Signature:



Purchase orders up to the value of \$20,000

Daniel Cawthorne

Signature:



David Hardy

Signature:





ASIC

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Insolvency Practitioners Association (IPA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

List of information sheets

- INFO 41 *Insolvency: a glossary of terms*
- INFO 74 *Voluntary administration: a guide for creditors*
- INFO 75 *Voluntary administration: a guide for employees*
- INFO 45 *Liquidation: a guide for creditors*
- INFO 46 *Liquidation: a guide for employees*
- INFO 54 *Receivership: a guide for creditors*
- INFO 55 *Receivership: a guide for employees*
- INFO 43 *Insolvency: a guide for shareholders*
- INFO 42 *Insolvency: a guide for directors*
- INFO 84 *Independence of external administrators: a guide for creditors*
- INFO 85 *Approving fees: a guide for creditors*

Getting copies of the information sheets

To get copies of the information sheets, visit ASIC's website at www.asic.gov.au/insolvencyinfosheets. The information sheets are also available from the IPA website at www.ipaa.com.au. The IPA website also contains the IPA's Code of Professional Practice for Insolvency Professionals, which applies to IPA members.

Important note: The information sheets contain a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.