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TO THE INVESTOR AS ADDRESSED

Our ref 11905966\_1

10 June 2011

Dear Sir/Madam

**The Unregistered Managed Investment Schemes detailed at Annexure A and associated Companies detailed at Annexure B (“the Letten Schemes”)  
(All Receivers and Managers Appointed)**

I refer to previous correspondence regarding the Letten Schemes and now provide all Investors with a further update.

**Realisation Update**

*Low Head Tourist Park (“LHTP”)*

Investors were previously advised of my application to Court to seek approval for the sale of LHTP. Following this application the Court ordered on 13 May 2011 that the Receivers’ application be approved, and that settlement of the sale of LHTP, and a transfer of additional land to the secured creditor, as mortgagee in possession, occur. In accordance with the orders of the Court, settlement of the sale of LHTP took place on 2 June 2011.

As previously advised, the sale price achieved in relation to LHTP was insufficient to meet the debt owing to the secured creditor. Accordingly, no surplus funds from the sale of this property will be available for contribution to the Common Fund for distribution to Investors.

*Yarra Valley Golf Pty Ltd and Yarra Valley Golf Joint Venture (“YVG”)  
Glenbelle Pty Ltd and Glenbelle Project (“Glenbelle”)  
(All Receivers and Managers Appointed)*

Investors were previously advised of my application to Court to seek approval for the sale of the property and business of YVG and selected assets and property of Glenbelle. Following a hearing on 13 May 2011, the Court ordered on 17 May 2011 that the Receivers’ application be approved. The Receivers are working with the purchaser to finalise the settlement date. Investors will be notified in due course following settlement.

I have previously advised Investors that the Management Lot (being an asset of Glenbelle) was sold by public auction earlier this year. There are a number of conditions precedent to this contract of sale that must be achieved before settlement can occur. One of these matters is Court approval of the sale.

The Receivers are continuing to work with the purchaser of the Management Lot to meet certain other conditions precedent to the contract, and will make the required application for Court approval of the sale after these conditions are finalised. I will notify all Investors of this application once it is filed with the Court.

### **Liquidation of certain entities**

At a Court hearing on 13 May 2011, the Australian Securities and Investments Commission sought and obtained an order of the Court that certain companies subject to the receivership be placed into liquidation, and that Philip Hennessy and I, to be appointed Official Liquidators of those companies. Attached at Annexure C is a schedule of the companies that have been placed into liquidation pursuant to that Order.

This was a delay of approximately 2 months compared to previous expectations. The Liquidators have now commenced the winding up of these entities.

### **Distribution to Proper Trust Creditors**

Two of the companies placed into liquidation on 13 May 2011 are Twinview Nominees Pty Ltd (“**Twinview**”) and The Glen Centre Hawthorn Pty Ltd (“**The Glen**”). During the receivership of those companies, the Receivers realised sufficient assets to allow for a distribution to any proper trust creditors of the Companies, to the extent that those companies have enforceable claims for indemnity against the sale proceeds.

Accordingly, the Liquidators have today notified all known and potential creditors of Twinview and The Glen of their intention to declare a dividend on **28 July 2011**. This is for creditors of Twinview and The Glen only. All proper trust creditors must submit their formal proof of debt or claim by **5 July 2011** or they will be excluded from any distribution in respect of the windings up of those companies.

Further details of the distribution process are available at [www.kpmg.com.au/lettenschemes](http://www.kpmg.com.au/lettenschemes).

Following any distribution to proper trust creditors of Twinview and The Glen, all surplus funds from those entities will form the Common Fund for distribution to Investors, in accordance with the pooling orders of the Court made on 11 November 2010.

### **Distribution to Investors**

The Receivers expect to be in a position to call for formal proofs of claim from Investors in all of the Letten Schemes shortly following the completion of any distribution to proper trust creditors of Twinview and The Glen. All Investors will be provided appropriate notice to allow them to submit their claims (including all substantiation) in advance of any distribution.

There are a number of assets and matters that remain the subject of the Receivers' investigations and recovery actions. The Receivers anticipate that it will take up to 12 months to resolve these investigations, although, given the nature of the issues being investigated, it is difficult to estimate a timeframe. Therefore, we intend on making an interim distribution to Investors.

Subject to the outcome of the creditor adjudication process for The Glen and Twinview, the interim Investor distribution process is expected to commence in August 2011, with appropriate notice being provided to allow Investors to submit full details their claim (to the extent they have not already submitted). The amount of any interim distribution will depend on a number of factors including the level of creditor claims for The Glen and Twinview.

Subject to any issues that may arise, an interim distribution is now expected to be paid in October 2011.

Should you have any further queries in relation to this matter please send an email to [lettenschemes@kpmg.com.au](mailto:lettenschemes@kpmg.com.au) or call the Investor hotline on 1800 882 944 (Australia) or +613 9838 4238 (International).

Yours faithfully



Damian Templeton  
Receiver and Manager

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

<b>Scheme</b>	<b>Description of property</b>
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
SY21 Retail Complex Project	The Court has found that the asset of the SY21 Scheme is the 50 percent shareholding in SY21 Retail Pty Ltd together with moneys owing by SY21 Retail Pty Ltd to LGH Holdings Ltd.
Tomasetti House Joint Venture	277-279 Flinders Lane, Melbourne, Victoria
Aurora Park Project	443-447 Warringah Road, Frenchs Forest, New South Wales
Moorhouse Shopping Centre Project	343-359 Moorhouse Avenue, Christchurch, New Zealand
Cass Bay Spur Project	60 Governors Bay Road, Cass Bay, Lyttelton Harbour, New Zealand
Mount Hutt Project	McLennans Bush Road, Methven, New Zealand

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

LGH Holdings Limited ACN 077 191 943	Glenbelle Pty Ltd ACN 097 306 646
211 Wellington Road Pty Ltd ACN 092 663 860	Glenvale Way Pty Ltd ACN 088 287 021
Bluemist Holdings Pty Ltd ACN 097 306 922	Greenview Lane Pty Ltd ACN 093 505 312
Dellwood Holdings Pty Ltd ACN 098 505 803	Hallmark Corporation Pty Ltd ACN 083 180 812
Enmore Enterprises Pty Ltd ACN 082 158 487	Moorleigh Holdings Pty Ltd ACN 088 287 058
Firbank Arch Pty Ltd ACN 059 464 381	Norton Ridge Pty Ltd ACN 078 821 066
Glenline Pty Ltd ACN 098 532 364	Raleigh Glen Pty Ltd ACN 088 204 380
Gerling Holdings Pty Ltd ACN 091 726 457	Redcrest Holdings Pty Ltd ACN 100 836 486
LGH Administration Pty Ltd ACN 077 165 069	Suri Corporation Pty Ltd 093 505 321
LGH Finance Pty Ltd ACN 078 859 248	Sutton Rise Pty Ltd ACN 088 204 399
Low Head Village Pty Ltd ACN 091 731 958	The Virtual Mlmer Pty Ltd ACN 065 374 665
Nicholson Street Pty Ltd ACN 069 104 089	Tivendale Pty Ltd ACN 093 505 349
Holloway Crest Pty Ltd ACN 091 731 967	Tulloch Downes Pty Ltd ACN 078 895 048
Rosebery Enterprises Pty Ltd ACN 091 826 229	Mainking Pty Ltd ACN 100 790 485
Simms Investments Pty Ltd ACN 093 504 511	Topglen Pty Ltd ACN 096 857 564
The Glen Centre Hawthorn Pty Ltd ACN 089 906 543	Maywood Investments Pty Ltd ACN 091 599 218
Castello Holdings Pty Ltd ACN 088 204 175	Aranbay Pty Ltd ACN 098 532 319
Twinview Nominees Pty Ltd ACN 097 307 278	Melville Corporation Pty Ltd ACN 091 911 045
Yarra Valley Golf Pty Ltd ACN 066 632 479	Tilley Lane Pty Ltd ACN 086 136 361
Adina Rise Pty Ltd ACN 083 181 122	Allblue Pty Ltd ACN 100 836 388
Albright Investments Pty Ltd ACN 088 204 166	Acetrain Pty Ltd ACN 100 820 282
Ashfield Rise Pty Ltd ACN 093 504 806	Sage Bay Pty Ltd ACN 097 306 628
Bradfield Corporation Pty Ltd ACN 088 204 371	Tobago Holdings Pty Ltd ACN 093 504 520
Copeland Enterprises Pty Ltd ACN 093 504 824	HPSC Pty Ltd ACN 059 930 139
Devlin Way Pty Ltd ACN 088 264 813	Jensdale Pty Ltd ACN 098 367 974

**Annexure C: KPMG Partners Damian Templeton and Philip Hennessy have been appointed Joint and Several Liquidators to the following companies:**

LGH Holdings Limited ACN 077 191 943  
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  
Enmore Enterprises Pty Ltd ACN 082 158 487  
Gerling Holdings Pty Ltd ACN 091 726 457  
LGH Administration Pty Ltd ACN 077 165 069  
Simms Investments Pty Ltd ACN 093 504 511  
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  
Melville Corporation Pty Ltd ACN 091 911 045  
Tilley Lane Pty Ltd ACN 086 136 361  
HPSC Pty Ltd ACN 059 930 139  
Jensdale Pty Ltd ACN 098 367 974  
Oakdale Rise Pty Ltd ACN 091 598 908  
Maywood Investments Pty Ltd ACN 091 599 218  
Acetrain Pty Ltd ACN 100 820 282  
Sage Bay Pty Ltd ACN 097 306 628  
Tobago Holdings Pty Ltd ACN 093 504 520  
(All Receivers and Managers Appointed) (All In Liquidation)