

## **TIMBERCORP GROWERS GROUP STOPS WIND UPS**

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In a deal reached at the Victorian Supreme Court late today, the Timbercorp Growers Group (TGG) reached an agreement with the Administrator, Korda Mentha, to stop the immediate wind up of the Almond and Olive Projects.

The TGG has refuted KM's position in court over the last week and has always argued that the Olive and Almond Projects may be viable under an appropriate recapitalisation or restructure proposal.

The case for TGG was strengthened in court last week, with submission of survey results from the Australian Securities Investments Commission (ASIC). The survey canvassed Growers in the Almond and Olive Projects to determine what their preferred future for the Projects was. An overwhelming majority of 78% of investors wanted an independent Responsible Entity (RE) installed, whilst only 7% considered a "wind up" as desirable.

Chairman and spokesperson for the TGG, Chris Garnaut, expressed his relief that an agreement had finally been reached. "The Timbercorp Growers Group, funded by the nation's Financial Advisers, won a historic victory for investors today. We fought on behalf of a disparate group of individuals and in the process ensured their rights were protected. It is disappointing that it has taken Financial Advisers and the Administrator, who have collectively spent over \$1 million dollars, to reach this outcome," Garnaut said.

Garnaut remains frustrated that it has taken a group of self funded Financial Advisers to highlight how inadequate the current RE laws are in protecting investors. "Obviously, the RE laws need to be changed to protect the best interests of investors. I will be meeting with Minister Chris Bowen this week to discuss this issue in greater detail," Garnaut said.

The Financial Advisory industry has also countered recent criticism leveled at it from numerous parties as a result of certain investments "failing." "We, as Advisors, continue to receive criticism for the failure of fund managers to adequately manage their business and meet basic disclosure requirements. We invest our clients and our own money on the basis of statements made by Fund Managers, however, the current regulatory environment does not hold these parties accountable," Garnaut said. He has called on the regulators to enhance the current disclosure regime for fund managers, particularly when they also act as the RE of an investment.

"Today's agreement now allows interested parties to approach the growers with proposals to restructure or recapitalise the schemes. This will enable growers, the only rightful decision makers, to have the final say on the future of the projects. This is what the TGG has been arguing for the last three months," Garnaut said.

Garnaut noted the outstanding contribution to the case made by the rest of the Timbercorp Growers Group, their legal representatives, Garry Bigmore, QC, and Mark Bland of Clarendon Lawyers. He also thanked Mark Korda, of Korda Mentha, for his transparent negotiations over the past three months. "Mark

Korda did not make the laws, he has had to work within them to try and facilitate a satisfactory outcome for all stakeholders,” he said.

The Timbercorp Grower Group is still seeking funds to underwrite its actions on behalf of growers. Details of how advisers and growers can assist are set out on the website <http://www.timbercorpgrowergroup.com.au>.

#### **ABOUT THE TIMBERCORP GROWER GROUP**

The Timbercorp Grower Group was formed on 29 June 2009. The purpose of the Group is to represent the interests of the members of the 36 managed investment schemes operated by Timbercorp Securities Limited (administrators appointed). The approximately 18,400 members of these registered and unregistered managed investment schemes are known as “Growers”.

The Group replaced the grower representatives on the Timbercorp Securities Limited Creditors Committee, appointed following the calling in of administrators by the directors of that company.

The objective of the Group is to ensure that the Growers of each scheme end up in the best financial position attainable, through co-ordinated advocacy and action.

The executive of the Group includes Kerrie Bezencon (a director of Siger Super Services), Neil White (principal of Neil White Financial Services), Brad Scale (Corporate Legal Manager, PIS), Darren Steinhardt (Managing Director, Infocus) and David Haintz (Shadforth Financial Group) .

#### **CONTACT THE TIMBERCORP GROWER GROUP**

The Chairman and spokesman for the Timbercorp Grower Group is Melbourne Financial Adviser Chris Garnaut.

He can be contacted on (03) 9856 4500.

The website address is <http://www.timbercorpgrowergroup.com.au>