



KordaMentha

Fincorp clean-up over – now for head-kicking

CREDITORS of the Fincorp property investment group yesterday signalled the end of the clean-up of a major part of its failed operations, clearing the way for its liquidators to concentrate on legal action to raise more money for its 8000 investors.

Deeds of arrangements were approved for several Fincorp group companies, allowing the sale of its 10 property assets to go ahead for \$204 million, while the remaining businesses will be wound up by administrator KordaMentha.

Sandhurst Trustees, the representative of Fincorp's secured and unsecured note holders who between them stand to lose \$115 million, voted to accept a plan to dispose of the group's various properties and undeveloped land to Becton Property Group and housebuilder AV Jennings.

The sale allows KordaMentha to pursue its investigations into the group's collapse at the end of March this year which could lead to legal action against former Fincorp directors and claims for compensation.

Speaking after yesterday's creditors meeting in Sydney, Mark Korda, senior partner of the insolvency expert, said it was difficult to avoid the human element of the company's failure, particularly as it affected many thousands of self-funded retirees.

"This is a great tragedy that a lot of people have lost so much money," he said. But the outcome was much better than KordaMentha had first expected: the initial investigation of Fincorp's finances indicated investors might only receive 30c in the dollar.

"Three months later we're at 50c plus a fighting fund, so I think in the circumstances it's a very good outcome," he said.

KordaMentha and Ferrier Hodgson have held back \$5 million to fund any legal actions which could be launched sometime next year.

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