



KordaMentha

### **Liquidators appointed to WA retirement village company**

Following an application by the Australian Securities and Investments Commission (ASIC), Justice Finkelstein of the Federal Court of Australia today appointed Mr Brian McMaster and Mr Mark Mentha of KordaMentha, liquidators of Western Retirement Village Management Pty Ltd (Western). ASIC alleged that Western was involved in the promotion and operation of an unregistered managed investment scheme, known as the Mews Scheme, which was established by Western and others for the purpose of constructing and operating a retirement village facility in Upper Swan, Western Australia. ASIC sought to wind up Western because it was concerned that Western:

- had been involved in the operation and promotion of an illegal unregistered managed investment scheme and there was no evidence that it had ever or would ever conduct any other legitimate business;
- had entered into transactions that 'encumbered' the land (being the only asset of the Mews Scheme) but the land remained undeveloped;
- failed to provide books and records that sufficiently explained what had happened to investors' contributions to the Mews Scheme and money borrowed by it; and
- was in possession of documents that would assist the receivers in the task of identifying assets and liabilities of the Mews Scheme and assessing the validity of claims made on the Mews Scheme's assets.

Justice Finkelstein found, among other things, that Western paid the purchase price for, and became the registered proprietor of the land on which the village was to be built and was involved in marketing the scheme to investors, which raised approximately \$6 million. In appointing Messrs McMaster and Mentha, Justice Finkelstein concluded that an investigation by a liquidator into the affairs of Western was necessary to complete the winding up of the Mews Scheme.

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