

IN THE SUPREME COURT OF VICTORIA AT MELBOURNE  
COMMERCIAL AND EQUITY DIVISION  
COMMERCIAL COURT

SCI 2010 398

IN THE MATTER OF TIMBERCORP SECURITIES LIMITED  
(IN LIQUIDATION)

ACN 092 311 469

TIMBERCORP SECURITIES LIMITED (IN LIQUIDATION)  
ACN 092 311 469 IN ITS CAPACITY AS RESPONSIBLE ENTITY  
OF THE 2005 TIMBERCORP CITRUS PROJECT (ARSN 114 091 299)  
AND ORS

Plaintiffs

CERTIFICATE IDENTIFYING EXHIBIT

Date of document: 8 February 2010  
Filed on behalf of: the Plaintiffs

Prepared by:  
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This is the exhibit marked "**MAK-9**" now produced and shown to **MARK ANTHONY KORDA**  
at the time of swearing his affidavit on 8 February 2010.

Before me: 

CATHERINE HELEN MACRAE  
Arnold Bloch Leibler  
Level 21, 333 Collins Street  
Melbourne 3000

An Australian Legal Practitioner within the  
meaning of the Legal Profession Act 2004

**Exhibit "MAK-9"**  
**Email from Kerree Bezencon to Advisers**  
**dated 1 February 2010**

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**From:** Kerree Bezencon [mailto:kerree@siger.com.au]  
**Sent:** Monday, 1 February 2010 11:44 PM  
**To:** Kerree Bezencon  
**Subject:** FW: IMPORTANT - DO NOT IGNORE - COURTESY LETTER TO ADVISERS - Meeting to change the Responsible Entity

COURTESY LETTER TO ADVISERS - Meeting to change the Responsible Entity

Meeting to change the Responsible Entity (RE)

**Your Vote is Vital**

This is your growers chance to vote about who controls their future – and appoint an entity that will **defend them, and protect and maximise grower returns**. They do not have to remain powerless - they still have control and choice – it's their vote.

Not voting is also a choice - please, inspire them, as many of you tirelessly have already. If there is no response, - growers projects will be wound-up without any regard to enhancing and maximising growers interests – it's their choice, either way – you will have done all you could

**PLEASE ENCOURAGE YOUR GROWERS TO TAKE THIS LAST POSITIVE CHANCE OF ACTION**

**Please ensure that if you cannot attend you send in a proxy voting in favour of the resolutions.**

Situation To Date

- To date, growers have been told their schemes are “hopelessly insolvent”
- There is substantial evidence to show that this is not the case – the assets have been sold at a price substantially below replacement costs, to the detriment of the growers
- The committee believe that, had the sale process been handled differently by Korda Mentha, the growers benefits would have been dramatically improved.

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- The purchasers of these projects, however, have reaped the benefits and enhanced their profits as
  - water costs are coming down
  - world demand is effectively increasing prices
  - fertiliser costs has been reducing
  - Australian dollar eases back to a more realistic values
- In addition, profitability will be further increased once excessive Timbercorp costs are removed (some 25 to 30% of costs).
- Korda Mentha are “hopelessly conflicted” - as they try to act for both banks/secured creditors as liquidators, as well as taking on the role of RE for growers. The result is that the growers interests have taken second place.
- Changing the RE is not a futile exercise – an unbiased RE can maximise protection of growers interests.

#### Why a new RE?

The purpose for changing the RE is to have an independent and unconflicted representative having only grower/ investor interests at heart and pursuing all available options to financially secure the best outcome to growers. By replacing the RE, we are not trying to overturn any sale of land – we are simply maximising growers interests.

#### What can the RE achieve?-

1. Maintain a check on Korda Mentha charges- both to date and going forward
2. Liase and check with farm managers on their charges and actions to date – the RE should and does have extensive experienced consultants in the Almond industry to be able to query these costs – Korda Mentha do not..
3. Seek to protect those leases still intact and an effectively keep all options open for the RE to negotiate the best outcome for growers using this leverage
4. Pursue any legal arguments on growers behalf
5. Protect and maximise the financial benefit derived from the growers “rights” in these projects – land, water, capital works, infrastructure. All these assets have been established and built from growers financial contributions.
6. Obtain and get access to necessary information to benefit growers – to date it’s been very difficult to obtain pertinent information as an individual grower. An RE can do so.
7. As substantial fees have been paid to Korda Mentha to act as the Responsible Entity, and since it is taken out of growers funds proceeds irrespective, we to represent growers, and growers only (without any conflict of interest) and achieve a legal standing for the grower group should have someone of our choice - acting only for growers
8. Establish a strong united presence that individual growers on their own cannot achieve.
9. Respond and react quickly to issues that arise - to the financial benefit of growers
10. Be paid the same way as Korda Mentha, so not costing more. This RE is conversant with Timbercorp projects so there would be no added costs to familiarize themselves with the issues
11. Including arranging prompt payment of harvest proceeds to growers -which is vital for growers with loans.
12. Where projects had an independent responsible entity replace Korda Mentha, those projects had continued operating successfully with a positive future outlook. – Timbercorp Avocados, Mangoes.
13. Other agri schemes, such as Great Southern, have very recently just improved the position for investors substantially by appointing Gunns as their new Responsible Entity (RE)

## Why this RE?

The TGG Almond Committee Incorporated is proposing the appointment of Mediterranean Olives Ltd as the RE (Responsible Entity)

This along with independent consultants in the various farming sectors, brings a number of skills and benefits. This includes:-

- Substantial farming experience and technological innovation derived from leading world research in the farm production and water irrigation
- A wealth of Legal experience and skills - willing and able to argue legally with Korda Mentha
- Extensive MIS experience to enable them to understand the legislation, as they run their own MIS schemes
- Familiarity with the Timbercorp schemes – cashflows, constitution, leases, licences, agreements and other documentation
- Been involved from the onset of Timbercorp administration and been present and familiar with court cases and issues
- Transparent fees;

## Unable to Attend the Meeting? - Appointing A Proxy

In the event that you are unable to attend the meeting, you are urged to provide your proxy.

You may appoint a proxy of your choice to attend the meeting on your behalf, or appoint the Chairperson at the meeting.

## Further Information

For further information, please

- contact Michael Pointer 0418 391 820
- visit our website with all the meeting information and proxy forms
- email [almonds@litigationoz.info](mailto:almonds@litigationoz.info); or [olives@litigationoz.info](mailto:olives@litigationoz.info)

Kerree Bezencon  
For TGG Almond Olive & Citrus Committees

Kerree A Bezencon, Director  
B.Ec (Accounting & Finance),  
ASIA (Gr Dip Applied Finance & Investment),  
CPA (Certified Practising Accountant) PFP (Specialist in Financial Planning),  
CFP (Certified Financial Planner),  
SSA (Specialist SMSF Advisor)



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