

7 June 2013

Group Credit Structuring
BankWest – a division of Commonwealth Bank of Australia
Level 13
300 Murray Street
PERTH WA 6000

Attention: Mr Greg O'Brien and Mr David Gilbert

By Email: greg.o'brien@bankwest.com.au
david.gilbert@bankwest.com.au

Dear Sirs

Lighthouse Beach Holdings Pty Ltd (Receivers and Managers Appointed) ("LBH")
Butler Constructions Pty Ltd (Receivers and Managers Appointed) ("BC")
(together "the Companies")

We refer to our appointment as Receivers and Managers of the above Companies on 18 July 2011 and provide our Report under the following headings:

1. **LIGHTHOUSE BEACH RESORT ("THE RESORT")**
2. **DIRECTORS**
3. **RELATED/PARTY LOANS**
4. **ESTIMATE FINANCIAL POSITION**
5. **FEES AND COSTS**

1. **THE RESORT**

Since our last Report, we have continued to attend to the outstanding post settlement issues similar to those listed in our previous Reports – primarily;

- Collection of trade debtors; and
- Finalisation of the Company's Income Tax Returns ("ITR's") via Nexia.

We expect, subject to comments and/or queries raised by Nexia, to complete the 2012 ITR's by 30 June 2013.

In relation to trade debtors, \$23,444.19 remains outstanding of which we believe \$11,470.69 is collectable. We have written to all debtors demanding payment on or before 14 June 2013. Subject to the outcome of the demands, a commercial decision will be made as to the continuation of recovery.

2. DIRECTORS

As previously advised, Mr Butler's conduct throughout the Receiverships has been problematic and troublesome, in some instances increasing the work involved and time spent by this office in dealing with correspondence received in relation to the Receiverships.

We continue to receive periodic correspondence from Mr Butler regarding allegations made against the Receivers (to which the Receivers have continued to strongly deny) and matters previously addressed by the Receivers in consultation with Minter Ellison.

In responding to Mr Butler's correspondence, we have limited the quantum of correspondence issued and also provided our responses by post, not email.

3. RELATED / THIRD PARTY LOANS

No recoveries have been made to date in relation to the Related/Third Party Loans set out in Table 6 of our Second Report to you of 28 September 2011.

We have not sought to pursue these matters further.

4. ESTIMATED FINANCIAL POSITION

We estimate the financial position of the various entities to be as follows, allowing for fees and various costs incurred, noting that the analyses are fluid and may need to be updated.

4.1 *Lighthouse*

The estimated final position has not materially changed since our report of 18 April 2013.

4.2 *Butler Constructions*

The estimated final position has not materially changed since our report of 18 April 2013.

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5. FEES AND COSTS

We enclose our fees and disbursements for the period 1 April 2013 to 30 April 2013 in relation to LBH and BC for your review and approval.

We set out below our actual costs (excluding GST & disbursements) for the month of April 2013 and our estimated costs (excluding GST and disbursements) for the month of May 2013 and June 2013:

Table 1: Schedule of Fees (excluding GST and disbursements)				
	April \$ (actual)	May \$ (estimate)	June \$ (estimate)	Total \$
LBH	2,893.50	2,500.00	2,000.00	7,393.50
BC	5,606.50	5,000.00	2,500.00	13,106.50
Total	8,500.00	7,500.00	4,500.00	20,500.00

* We refer to our previous correspondence and meetings with the Bank in relation to fees and costs incurred attending to the Senate Inquiry. We have not yet invoiced for the Receivers time in relation to attending the Senate Inquiry however we attach and set out below for the Bank's consideration payment invoices relating to unpaid costs:

Table 2: Summary of Costs incurred	
Details	Amount \$ (Excl GST)
Receivers and Managers fees and costs to 31/12/12 (WIP)	49,326.31
Brahma Dharmananda SC	24,323.89
Legal fees and costs 3/9/12 to 24/9/12	39,217.50
Legal fees and costs 29/9/12 to 30/10/12	47,066.20
Legal fees and costs 31/10/12 to 31/10/12	300.00
Total	160,233.90

We would appreciate confirmation from the Bank as to when payment will be effected. *

Sean Butlers note:

It appears Bankwest paid the receivers legal costs for the receivers appearance at the 2012 Senate inquiry. Why was this done?

If you have any queries in relation to the above please contact the writer in the first instance.

Yours faithfully

**Lighthouse Beach Holdings Pty Ltd
(Receivers and Managers Appointed)
Butler Constructions Pty Ltd
(Receivers and Managers Appointed)**



**Mark Englebert
Joint and Several Receiver and Manager**

Encs.