

## Sean Butler

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**From:** Sean Butler <sbutler@inet.net.au>  
**Sent:** Monday, 27 February 2012 8:54 AM  
**To:** Brian Benari  
**Subject:** please confirm complied with duties as a director and business partner

Dear Brian,

Thank you for finally responding last Wednesday to my many, many many attempts to contact you.

As is explained below I do not accept my email was defamatory. I did not make the statement that you attribute to me.

Could you please confirm that in your dealings with Bankwest (and others) in relation to the Lighthouse Beach Resort and the National Hotel you have at all times complied with your common law and statutory duties as a director and business partner.

I reserve all of my rights in relation to the matters set out in this email.

Regards

Sean Butler

*This question was asked as advised by my lawyer  
Brian Benari has provided no answer!*

**From:** Sean Butler [mailto:sbutler@inet.net.au]  
**Sent:** Wednesday, 22 February 2012 7:03 PM  
**To:** 'Brian Benari'; 'Brian & Natasha Benari'  
**Cc:** Philip Pullinger (PPullinger@allionlegal.com); Hugh McLernon (hmcclernon@imf.com.au)  
**Subject:** Please read my email to clarify issues

Brian,

Thanks for your reply. If you read the email below again you will see no one has said you have acted dishonestly.

I was not aware that you were in negotiations with Bankwest to buy the Lighthouse and my emails below and repeated questions to the Selling Agents, Receivers and Bankwest indicate that.

My repeated requests for discussions and answers to questions on the matters raised below were with a view preserving value as has always been my intention.

Can you respond to the questions below and let me know what price you are offering or at what price you would sell? This information may help us get a higher price. I am prepared to sign a Deed of Restraint if required to get a better price as discussed previously. Personally I think selling the Lighthouse at this time is un-necessary as it could be refinanced as discussed before and sold ourselves or sold when the market picks up.

If you want to discuss this please let me know.

Regards,

Sean Butler

**From:** Brian Benari [mailto:bbenari@challenger.com.au]  
**Sent:** Wednesday, 22 February 2012 5:05 PM

*No response to this*

To: Sean Butler

Subject: FW: Are you trying to destroy value and buy things cheap?

Sean

Let me open by saying that I take great exception to the statement I have acted dishonestly or that I have tried to buy the Lighthouse at less than market value and reserve my rights in respect of defamation, given I see your statement has been published to at least 2 other parties.

Let me be very clear. It is certainly not in my interests for the assets to have been placed in the hands of a third party. The Receivers are continuing to clock up costs which ultimately we are both responsible for. As to the quantum of costs that they have clocked up... I just shudder to think. In addition, the penalty rates that Bankwest are charging are also eating away at both our equity.

With regard to the Lighthouse, you are aware that Simon and I have put in a bid for the Lighthouse and are in negotiations with Bankwest. My understanding is that the bid is higher than any 3<sup>rd</sup> parties bid resulting from the public offering

Sean you need to remember that any shortfall in the price paid for the Lighthouse and National and the amount due to Bankwest including costs and interest will be subject to the joint and several guarantee and that it is not in my interests to have a claim under the guarantee.

Regards

Brian

Brian Benari  
Challenger Limited  
+61 2 9994 7025

*I was not aware of this !!*

**From:** Sean Butler [<mailto:sbutler@iinet.net.au>]

**Sent:** Tuesday, 14 February 2012 3:39 PM

**To:** Brian Benari; 'Brian & Natasha Benari'

**Cc:** Philip Pullinger; Hugh McLernon

**Subject:** Are you trying to destroy value and buy things cheap?

Brian,

I have left 14 phone messages since 31 January 2012 requesting you phone me

I have also spoken personally to Michelle and Natasha requesting you do so.

I have sent numerous emails requesting a reply.

To date I have had no response to any of my messages except your one liner below.

I will continue to send you emails keeping you informed as you need to be aware of what's going on for your benefit as well as mine.

You are still a director of the companies involved.

We have owned the Lighthouse Beach Resort since 2003 and built it to be a good business.

It was last valued by you at \$14m mid last year and the last valuation I had done for the National Hotel was \$7.05m.

I have at all times acted in your interests in our dealings and the only thing we disagree on is the value of the goodwill of my company in Bunbury but the market can determine that.

You have ended up with a half share of the Lighthouse hotel for no net capital contribution... a very good deal in most peoples opinion. The capital you contributed to the National Hotel could have been returned if I had some help from you in dealing with the bank and receivers. If your capital is now lost you will have only yourself to blame as you have made no effort to contact me on this.

← NOTE

The Lawyers and Accountants I have spoken to have asked have you deliberately acted in a way so as to put our companies into receivership in order to pick up the assets cheap? If this has been your game plan (which I am not saying it is) it's extremely unethical and dishonest. The very fact that you are avoiding any discussion or correspondence on things raises serious concerns.

If it turns out you or related parties have picked up the assets in an underhanded way then I will make it very public and take legal action against the parties involved. I am now in discussions with Hugh McLernon of IMF and Jackson McDonald on that.

The case with Bankwest is building with literally hundreds of other businesses having similar stories. There will probably be a Senate Inquiry and there is legal action building against Bankwest including class actions.

Brian I would much sooner work things out amicably and maintain value in the assets we have. Your refusal to return phone calls and communicate has caused all sorts of problems for me in this partnership and it got to the stage where others involved just got pissed off and walked away. I have tried and tried to be patient with you but this last episode makes it really hard.

If you continue to ignore me and I find out you are acting against my interests I will make it very public.

I have considered you as a friend until now however that is rapidly becoming strained

Regards

Sean Butler

**From:** Sean Butler [<mailto:sbutler@iinet.net.au>]

**Sent:** Thursday, 2 February 2012 7:45 AM

**To:** 'Brian Benari'

**Subject:** Bankwest

Brian,

Please just call me on the phone

I have had no responses to any emails sent to you since November.

I have cut and pasted just some of the items below.

There is a chance we can get the administrators out and get a better result but you need to call me to discuss  
Sean

Have you heard anything from Bankwest or Taylor Woodings as to what's happening with the properties at the National and Lighthouse Hotels and Bunbury houses?

I want to either sell things for the highest price or to sort things out with Bankwest do you?

Bankwest have backed down on other businesses as a result of the media attention or legal pressure, they may do the same here.

Do Taylor Woodings keep you informed ?



Things can still be worked out so we can get the best result if you want to sell or buy but it would be a lot better if you could discuss things openly with me.

I would like to discuss a number of issues to do with the properties, bank interest rates, and the receivership.

If you want any of this work at the National done let us know asap

You mentioned the other day words to the effect that you put your offer in at the debt level as a back stop. I may be able to better that and give you the same cash out result plus more? Previously I had tried to work on a higher price and at short notice, that's now changed now perhaps. I would also stay to assist any buyer of the National if needed in a consulting capacity to help maximise the price there. The Valuer was talking a valuation of up to \$8.1m in February if certain things were done.

You mentioned that you didn't expect to be the buyer at that price (9.5m) and just put that price in as it was the debt level.

**So would you sell your share at that price if I can get someone to take it at that price?**

Regards

Sean

*I understand He bought it at that  
No answer ever received*

**From:** Brian Benari [<mailto:bbenari@challenger.com.au>]  
**Sent:** Thursday, 2 February 2012 5:00 AM  
**To:** 'Sean Butler'  
**Subject:** Bankwest

Sean

I have received your messages however given my movements / timing etc maybe easiest via email. Let me know what your chasing from me.

Regards

BB  
**Brian Benari**  
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