



McGrathNicol

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**CIRCULAR TO GROWERS IN TFS SANDALWOOD PROJECT 2002 AND TFS SANDALWOOD PROJECT 2003 (THE "2002 AND 2003 MIS")**

We refer to our previous correspondence in relation to meetings held for the TFS Sandalwood Project 2002 and the TFS Sandalwood Project 2003 (the "**2002 and 2003 MIS**") on 12 March 2018 (the "**Meetings**") which purported to pass a resolution to appoint a new manager of the 2002 and 2003 MIS (the "**Resolutions**").

We are of the view that the steps taken to replace Sandalwood Properties Limited (Administrators Appointed) (Receivers and Managers Appointed) ("**SPL**") as manager were ineffective and SPL remains as the manager of all the Quintis managed investment schemes (including the 2002 and 2003 MIS).

We have today lodged an application with the Federal Court of Australia under section 424 of the *Corporations Act 2001* (Cth) seeking directions in relation to the exercise of our powers and functions as receivers and managers of SPL.

We enclose a copy of the originating process and supporting affidavit for your information. These documents as well as the exhibit referred to in the affidavit are also available in the "Administration and Receivership News" section of the Quintis website and in the "Assignments" section of our website ([www.mcgrathnicol.com/assignments](http://www.mcgrathnicol.com/assignments)) (under "Quintis Group"). Alternatively, if you would like us to email you a copy of the exhibit, please contact Marina de Grys at Quintis ([marina@quintis.com.au](mailto:marina@quintis.com.au)) (cc [quintis@mcgrathnicol.com](mailto:quintis@mcgrathnicol.com)).

As set out in the originating process, the directions we are seeking in relation to the Meetings and the Resolutions are as follows:

- a direction that the Receivers treat the notices which purported to terminate the appointment of SPL as manager of the 2002 and 2003 MIS as having no legal effect;
- a direction that the Receivers treat the Resolutions as having no legal effect; and
- a direction that SPL is to continue to perform the role of manager of the 2002 and 2003 MIS and provide the services contemplated by the Lease and Management Agreements relating to the 2002 and 2003 MIS.

Receivers letter to 2002 and 2003 MIS Growers re FC directions\_

In association  
with



Liability limited by a scheme  
approved under Professional  
Standards Legislation

Advisory  
Forensic  
Transactions  
Restructuring  
Insolvency



Please note the following:

- we are providing these documents to all Growers in the 2002 and 2003 MIS;
- you are not a party to the proceeding (the Receivers are seeking directions from the Federal Court and have not joined any other person to the proceeding);
- you may wish to seek legal advice in relation to whether you wish to seek leave to be heard in the proceeding; and
- the matter is listed at 9.15am in the Federal Court in Perth on Monday 26 March 2018. At that time we will be asking the Federal Court to make procedural directions including listing the matter for a final hearing (i.e. substantive orders will not be made on Monday 26 March 2018).

We have asked the Federal Court for an expedited hearing of this matter. We hope to have this matter listed for a final hearing within the next three (3) weeks however this will depend on the availability of the Federal Court. We will provide a further update after the initial procedural hearing on 26 March 2018.

Should you require any information, please contact Alison Wong of my team on + 61 2 9338 2645.

**Shaun Fraser**

*Joint Receiver and Manager of Sandalwood Properties Limited (Administrators Appointed) (Receivers and Managers Appointed)*