

Your Ref:
Our Ref: SP:151000

2 September 2015

Ms Rosemaree Prendergast
Australian Securities and Investments Commission
Level 7 120 Collins Street
MELBOURNE VIC 3000

By email

Dear Rosemaree

**ASIC V JAMIE NEVILLE MCINTYRE & ORS – FEDERAL COURT PROCEEDING
VID407/2015**

We refer to recent correspondence in relation to this matter.

We are instructed by the Respondents to make the following proposal to ASIC to resolve both the interlocutory orders which ASIC is seeking on 8 October 2015 and the final relief which is sought against the Respondents in this proceeding:

1. The corporate respondents who are the subject of these proceedings agree to provide refunds to option investors who have acquired options in our clients' projects as follows:
 - a. Botanica project – the corporate respondents are prepared to refund all options holders who have acquired options in this project from our client within 120 days of the date of this letter. There are 17 investors in that project who have paid a total of \$372,175. As you are aware, our client issued options to 91 investors from the previous developer of the land of the Botanica project for no additional consideration. As our client was not the developer in relation to those 91 investors, it will accordingly not refund any monies to those investors and we are of the view that the Court would not be likely to compel our client to provide those investors with refunds;
 - b. Melbourne Grove – the corporate respondents are prepared to refund the investors in that project who have acquired options totalling \$127,000. Refunds would be provided within 120 days of the date of this letter;
 - c. Oak Valley Estate – the investors have paid a total sum of \$677,698 to acquire options. The corporate respondents are prepared to fully refund those investors within 12 months' from the date of this letter. We note that the Affidavit of Mr McIntyre gives a figure of \$623,000 but we are now instructed that the correct figure is \$677,698;
 - d. Secret Valley Estate project – the investors have paid a total sum of \$2,704,365.00. Our clients will make a formal proposal, once it is determined if settlement on the sale of land occurs. If it does not occur, the corporate respondents are prepared to provide full refunds to all investors

in this project by way of payments of \$112,681 per month over 24 months. If settlement does occur, the Respondents' intention is, subject to obtaining Federal Court approval, to enter into a contract of sale to sell the land to Macro, as per the affidavit of Veronica Macpherson in this matter.

- e. Bendigo Vineyard Estate Project – it is the Respondents' intention to, subject to obtaining Federal Court approval for this process, enter into a contract of sale to sell the land relating to the Bendigo Vineyard project to Macro.

We are instructed that it is Macro's intention to prepare product disclosure statements for each of the existing investors in the Wallan and Bendigo projects, apply to register those projects as managed investment schemes and offer each existing investor the opportunity to subscribe for an interest in the scheme at no consideration. Those existing investors who request refunds would be provided with full refunds, which would be paid by Secret Valley Estate Pty Ltd and Bendigo Vineyard Estate Pty Ltd (whichever is relevant) from the purchase price obtained from Macro for those developments.

2. The above refund offers are strictly subject to and conditional upon ASIC not seeking or obtaining the interlocutory or final relief which it is seeking against the Respondents, particularly with respect to the appointment of provisional liquidators/receivers to the corporate respondents and projects, or appointment of official liquidators to the corporate respondents and projects pursuant to s 461(k) of the Corporations Act. The offers are also subject to and conditional to appropriate terms of settlement being entered into by ASIC and the Respondents.

Yours faithfully

PARKSTON LAWYERS



Sanin Pasagic
Principal