

10 January 2006

The Hon. Philip Ruddock MP,
PO Box 1866
Hornsby Westfield
NSW 1635

**RE: The failure of Westpoint Mezzanine Companies –
Fraudulent Fund Raising Allegation**

We, my wife and I, are one of the small investors, now Westpoint Victims, would like to bring the abovementioned matter to your kind attention and help.

We attended the first meeting of creditors held by PriceWaterHouseCoopers on 13 December 2005 for Bayshore Mezzanine Pty Ltd in Port Melbourne and Mount Street Mezzanine Pty Ltd where we invested our money.

We are extremely angry and worried that we were deliberately deceived by the Westpoint Group based upon the following observations:-

- The Bayshore (Port Melbourne) project prospectus stated to raise max. fund of \$20,000,000, but total fund in fact was raised up to \$35,000,000 before voluntary administration. According to the information memorandum, construction is 78% completed on 28 February 2005 and expected completion on late 2005. However now it is delayed to complete. Via a financial planner of Kebbel (NSW) Pty Ltd, we funded to this project in June 2005 and received monthly interest up to October 2005. Then, PWHC sent us Notice to appoint administrators on 7 December 2005. We are led to believe that \$35,000,000 fund raised were utilised in some where.
- The Mount Street (North Sydney) project prospectus similarly stated to raise \$20,000,000, however total fund of \$42,000,000 were accepted before voluntary administration. According to the information memorandum, DA was lodged. Same financial Planner later advised DA approval and construction will be commenced in early 2006. Now it is not started. Via same financial planner of Kebbel (NSW) Pty Ltd, We sent our cheque to the Westpoint mezzanine company via Kebbel on the 11 November 2005 and application was accepted immediately on 17 November 2005. However, we were horrified to be advised of the voluntary administration on the 7 December 2005 before we even do not receive any interest due in November 2005. We are led to believe that the \$42,000,000 raised were utilised in some where though the site construction is not commenced yet.
- At the first meeting held by the administrator, Pricewaterhouse Coopers, we **are shocked** to learn that there are **total Seven Mezzanine Pty Ltd** to be involved in Westpoint Group project. We talked to other victims of the Westpoint Group investment that they all shared the same view on the alleged fraudulent activities in respect of raising equity. Investors contributed fund from minimum \$50,000 up to some \$900,000 for Westpoint projects.

- Seven Mezzanine companies are as follows. – all now were forced into voluntary administration. :-
 - Ann Street Mezzanine P/L in Brisbane
 - Bayshore Mezzanine P/L in Port Melbourne (**approx.: 380 investors**)
 - Bayview Mezzanine P/L in Melbourne
 - Market Street Mezzanine P/L in Melbourne
 - Market Street (No.2) Mezzanine P/L in Melbourne
 - Mount Street Mezzanine P/L in North Sydney (**approx: 430 investors**)
 - York Street Mezzanine P/L in Sydney (in provisional liquidation).
- How can Westpoint group set up itself as many mezzanine companies to fund their project without ASIC regulatory supervision?
- Does Westpoint Management comply with ASIC regulations and Trades Practice Act ?
- Can one director of Kebbel Investment Group be also a director of the Westpoint Mezzanine Companies against conflict of interest?

Therefore, we would like to seek your kind assistance and representation on this matter which affected numerous small investors like ourselves. Some may be retirees investing their superfund, saving, 'mum & dad' money, or loan on house mortgage. Now some victims receive no payment of interest due in hardship.

We strongly want equal treatment for all investors for the return of capital and interest with our Government support.

We also hope to raise such issues to encourage more stringent and prudent regulations to protect investors and restore investor confidence, especially in an environment where big corporations such as Henry Kaye scandal, HIH and OneTel had created concerns.

We do hope to meet you to express our concern to discuss further at your convenience. Please feel free to contact Sam Lee on mobile 0411 848 933, (02)9476 0222 or Email address: Centaland@people.net.au.

Your kind attention is very much appreciated.

Yours sincerely,

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Westpoint victims

XX/XXX

Waitara NSW 2077