



Article from:

Timbercorp trust tussle

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December 18, 2009

DISGRUNTLED Timbercorp shareholder Fred Woollard has joined a crack team of legal and corporate heavyweights to mount a takeover bid for debentures in the failed Timbercorp Orchard Trust.

The team has poured \$500,000 into a fighting fund to ensure debenture holders gain a fair share of the trust's assets as the receivers carve up its citrus, table grape and water holdings.

Mr Woollard's Hamilton Securities is due to announce today that it intends to make an off-market takeover bid for all the debentures of the failed Timbercorp Orchard Trust, which owns 11,971 megalitres of permanent entitlement, Renmark citrus and Euston tablegrape blocks.

Under the takeover offer the trust's debenture holders would receive 30 A Class Shares in Hamilton Securities for each debenture they hold, which have a face value of \$100. There are 567,737 debentures on issue.

The Timbercorp Orchard Trust debentures were suspended from trading on April 23 this year and went into receivership on October 22.

Hamilton Securities was founded in October this year by Mr Woollard and fellow directors Steven Pritchard, Giles Craig and Gordon Elkington.

Hamilton executive chairman Steven Pritchard said debenture holders had the choice of accepting the offer or waiting until the receivership runs its course.

"As a debenture holder, your asset is effectively in the hands of the receivers, and your debentures are virtually unsaleable," he said.

Mr Pritchard said that Hamilton Securities directors were not charging fees for their role as directors.

"Unlike the receiver, Hamilton Securities has been structured so that its directors will only make money from managing the debentures if the value of the debentures improves," he said.

"Unlike the receiver, each of Hamilton Securities directors will have capital indirectly invested in the debentures via their shareholding in Hamilton Securities, so that they will share in both the gains and losses with other debenture holders who accept the offer.

"Furthermore, Hamilton Securities has the ability and incentive to fight for a better position for debenture holders who accept the offer.

It remains unclear what proportion of the total Hamilton Securities shareholding the directors would hold if the takeover were successful.

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