

**Senate Select Committee on
Superannuation and Financial Services**

**Main Inquiry
Reference (a)**

Submission No. 133

Submittor: **Name withheld**
(Attachments held by the
Committee, available on request)

7th May 2001

The Secretary
Senate Select Committee on
Superannuation and Financial Services
Parliament House
CANBERRA ACT 2600

Dear Sir,

McCulloch & McCulloch Solicitors' Mortgage Scheme

We wish to make the following submission:

In August 1993, we approached Alistair McCulloch with a view to making an investment. We were encouraged to do so and told that we would receive attractive rates of interest, that our money would be available on call, although it might take a couple of days to a week to organise. We were told that the investment was absolutely secure, as his fund only lent 60% of the value of the property on which the loan would be secured. We were further told that we were doubly secure because solicitors' funds were guaranteed by their own insurance.

Because of the above assurances, on 16th August 1993, we invested \$100,000 and, on 25th March 1994, we invested another \$100,000. We made both these investments in the name of Coopers Lane Investments P/L ATF The Brown Family Trust.

Over the next few years, we received quarterly interest statements and notification when any of the funds were allocated.

In April 1995, at Mr. McCulloch's request, we signed and returned an Acknowledgement to cover the new investment rules (copy enclosed).



In February 1997, we received advice from another source that all was not well with solicitors' mortgage funds and that we should withdraw our money immediately. We promptly wrote to Mr. McCulloch seeking withdrawal of \$100,000, with the idea of requesting the withdrawal of the remaining \$100,000 shortly afterwards. We felt it would be unfair to ask for the full amount immediately because of the strain it would put on his office.

To date we have \$80,000 outstanding.

We have enclosed some correspondence from February 1997 to March 2001 which, we believe shows that there has been little genuine attempt to retrieve our money. We feel also that the valuations on which the loans were granted were inflated. We feel that Mr. McCulloch has been very casual and obstructive and we also feel that the profession has closed ranks to protect its members.

Yours faithfully,

[REDACTED]

[REDACTED]

McCULLOCH & McCULLOCH

(A legal practice under Management by virtue of an Order made under section 119 of the Legal Profession Act 1993)

27 March 2001

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Dear [REDACTED]

**Re: McCulloch & McCulloch Mortgage Fund
Loan to AW Noye (Loan No. 940154)**
Our Ref: PJJ/jd/992623

I am writing to you, in relation to your investment of \$80,000.00 in the above mortgage loan.

The mortgaged property was put to public auction on 26 November 1999, and has been on the market, ever since, with no interest at the initial auction, or in relation to the For Sale sign on the property, or advertisements placed by the Agent, since that date.

The total principal sum secured by the mortgage is \$125,000.00. I had the property valued in October 2000. The Valuer's estimate of the market value of the property, at that time, was \$117,000.00.

Attached is a photocopy of the Agent's last written report to me, of 8 January 2001, for your information. Unfortunately, there is still no interest in the property.

I have examined, and re-examined the transaction, but apart from recovering funds from the sale of the mortgaged property and/or pursuing Mr Noye (and I do not know where he is) I am not aware of any other way to recover your moneys.

It is my belief that the Solicitors Trust cannot be made liable for any loss of principal moneys that you may suffer. The Solicitors Trust can only be made liable, if a Legal Practitioner breached the Rules of Practice 1994, which commenced on 31 December 1994. An example of a breach of the Rules, would be lending without obtaining a Valuation Report, or lending where the amount lent, was greater than 66.66% of the value of a property.

C/- Butler McIntyre & Butler
20 Murray Street
HOBART Tas 7000
Phone: 6221 8444
Fax: 6223 6321

This mortgage loan comprised two parts –

- An advance of \$80,000.00 on 12 April 1994 (that is before the commencement date of the Rules of Practice), and,
- A further advance of \$45,000.00 on 17 May 1996.

At the time of the advance in May 1996, the Legal Practitioner obtained a Valuation Report from a Registered Valuer. The Valuer indicated, that in the Valuer's opinion, that the market value of the mortgaged property, for security purposes, at that time was \$190,000.00.

As the total amount advanced (which was \$125,000.00) did not exceed 66% of the security valuation ($\$190,000.00 \times 66\% = \$125,400.00$), there was no breach of the Rules of Practice, by the Practitioner.

I think the above figures show that the Practitioner was aware of the requirements of the Rules of Practice, and was careful to lend, so that there was no breach of those Rules. Additionally, the lending of \$125,000.00, against a value of \$190,000.00 would usually be regarded as safe.

I am not able to say if the Valuation report, obtained by Mr McCulloch was overstated, or in order, at that time, though it was from a reputable Valuer and my expectation is that it was in order.

The mortgaged property continues to be offered for sale. I will advise you if any offer is received for it, or if I receive any more information, in relation to the matter.

Yours faithfully
McCULLOCH & McCULLOCH

Per:

Peter Joyce
Appointed as Manager under Section 119 of the *Legal Profession Act*

12/7/99.

Alfred 133

B. Broadby phoned. He said that his search on Premaydene property revealed that \$80,000 mortgage had been registered as first mortgage on date close to when we had notification. They would argue that proceeds of sale of this property should not go to ~~discharge~~ pay us back rather than into a common pool. There had been a later mortgage of \$40,000 registered against this property. Search also revealed 9 other properties in his name.

He would write to Butler McLutye saying we had given him (B.B.) instructions to act & they would deal directly with him.

Felt Robt. should complete proof of debt for \$40000 in our name.

20-12-99

Rec'd us for \$86,500 less Capital owed by Baron (no interest)

\$80,000 from Noye remains

Steven Chopping / B. Broadby

- phone con. 9/7/99

Had looked at letter Advice was to
lodge a proof of debt for \$40000
against A. McCulloch.

Had spoken to Joyce - \$2000 should come
from Le Kosiński this week.

\$80,000 from Noye. The manager was trying
to sell property. Noye was being obstructive.
Agent would not now go on property
without police protection. They were now
applying for a court order to evict Noye.
Believed our mortgage was first on the
property & we should \therefore be paid out
before others. May not even be a loss.

Advised us they could lodge a proof of
debt on our behalf for \$40000
which would not prejudice ~~us~~ any
future claim we may have on
Querrin.

Would speak to Ken & Robert TenBensel
and report back to Steven Chopping's
office with our instructions.

12/7/99. Phoned R. Tenbensel. Reported
above phone conversation to him.

FAXED 10/6/99

COOPERS LANE INVESTMENTS P/L

A.C.N. 009 569 591

P.O. Box 101
Lindisfarne
Tasmania 7015

Ph/Fax: 03 6242 9299

10th June 1999

NO REPLY

Mr. Tony Davies
The Solicitors' Trust
The Law Society of Tasmania
G.P.O. Box 1133
Hobart
Tasmania 7001

Dear Mr. Davies,

re. McCulloch & McCulloch Mortgage Fund

On the 11th November 1997, we wrote to the Law Society concerning an \$80,000 loan to Mr. Noye through McCulloch & McCulloch (a copy of our letter is enclosed). To date we have not received your reply. We are very concerned about this loan and believe that it may not have been handled in the correct way. Could you please tell us if the Law Society is aware of the failure of Mr. Noye to repay his loan.

Would you please also advise us on what avenues are available to us to recover this and what likelihood we have in recovering the full amount.

Also, a loan of \$2,000 was made to Mr. Le Rosignol and we are now informed that he has stopped paying interest.

We do hope that you are able to help in this matter.

Yours sincerely,

Lynne Martin R Hillmont

McCULLOCH & McCULLOCH

Solicitors

Alistair McCulloch, LL.B.

UNDER MANAGEMENT

5 Heathfield Avenue,
Hobart Tasmania 7000
GPO Box 1096L 7001

Telephone (03) 6234 9022
Fax (03) 6224 0261

Your Ref:

Our Ref:

NOTICE TO INVESTORS

I advise that Ian and the late Glenda Le Rossignol have not paid this quarters interest.

Mrs Le Rossignol tragically died in a house fire at their property at Lake Crescent earlier this month.

All records of the Le Rossignols were lost in the fire.

The property at Lake Crescent was insured and a claim has been lodged by Mr Joyce with the insurance company to have our interest as Mortgagee paid.

Mr Ian Le Rossignol is waiting on further compensation from the insurance company before he can meet the ongoing commitments.

I will keep you informed.

McCULLOCH & McCULLOCH

24th May, 1999

**BUTLER, McINTYRE
&
BUTLER**

Partners

PETER J. JOYCE
GARY R. GRANT
PHILLIP A. KIMBER
ROBERT E. HUDSON
CON TSANASSIROU

Associates

ANNE E. BROWN
DANIEL F. M. ZEEMAN
DAMIEN J. GEASON

Lawyers

ESTABLISHED 1824

OUR REFERENCE:

DIRECT FAX LINE:

DIRECT TEL. LINE:

KKG98 1697

6223 6321

6221 8458

29 MURRAY STREET,

G.P.O. BOX 980 K,

HOBART,

TASMANIA, 7001,

DX: 113 HOBART

FACSIMILE: 03 6223 6321

EMAIL: bmb@trump.net.au

TELEPHONE: 03 6221 8444

19 April 1999

Messrs Coopers Lane Investments Pty Ltd
PO Box 101
LINDISFARNE Tas 7015

BY FACSIMILE : 6243 9299

Dear Sirs

NOYE

Thank you for your letter dated the 5 April 1999.

We advise that we have received valuation reports concerning the two Noye subject to the McCulloch and McCulloch Mortgage Fund. We are presently having Mr Noye evicted from the house situated on one of those properties and we have instructed Roberts Real Estate to then proceed to auction the property.

If the properties sell for the price of the valuation we have obtained, they should clear Mr Noye's debt.

Yours faithfully

Butler McIntyre & Butler

Per:

Kirsten Ganley
Kirsten Ganley

FADATA\KH\KKG\DAI\Y\APRIL\15\APR

COOPERS LANE INVESTMENTS P/L

A.C.N. 009 569 591

P.O. Box 101
Lindisfarne
Tasmania 7015

Ph/Fax: 03 - 6243 9299

5th April 1999

Messrs. Butler, McIntyre & Butler
G.P.O. Box 980K
Hobart
Tasmania 7001

Dear Sirs,

McCulloch and McCulloch Mortgage Fund
Noye and Le Rosignol

We refer to your letter to us dated 20th January 1999 concerning the loan to Mr. Noye.

In that letter you said that you should have some indication on the likelihood of a loss or otherwise on the sale of the property once you received a valuer's report.

We should be pleased to hear from you with regard to the current position.

Yours faithfully,

Lynne & Ken Martin
Directors

COOPERS LANE INVESTMENTS P/L

A.C.N. 009 569 591

P.O. Box 101
Lindisfarne
Tasmania 7015

Ph/Fax: 03 - 6243 9299

17th February 1999

Messrs. Butler, McIntyre & Butler
G.P.O. Box 980K
Hobart
Tasmania 7001

Dear Sirs,

McCulloch and McCulloch Mortgage Fund
Noye and Le Rosignol

Thank you for your letter of 20th January. As you will appreciate, this matter has been of particular concern to us and we appreciate your explanation of the current position.

With regard to our loan to T.P. Baron, we have received correspondence from the Solicitors' Trust, the latest letter being dated 22nd December 1998.

We note your comments regarding the loan to Le Rosignol.

We note the position with regard to Mr. Noye and would appreciate being kept informed of the progress of the sale of the property.

Yours faithfully,

Lynne Martin
(Director)

BUTLER, McINTYRE

& BUTLER

Lawyers

ESTABLISHED 1821

Partners

PETER J. JOYCE
GARY R. GRANT
PHILLIP A. KIMBER
ROBERT E. HUDSON
CON TSAMASSIROS

Associates

ANNE E. BROWN
KIM L. BENNETT
DANIEL F.M. ZEEMAN
DAMIEN GEASON

20 MURRAY STREET,

G.P.O. BOX 980 K,

HOBART,

TASMANIA. 7001.

DX: 113 HOBART

EMAIL: bmb@trump.net.au

FACSIMILE: (03) 6223 6321

TELEPHONE: (03) 6221 8444

OUR REFERENCE

DIRECT FAX LINE

DIRECT TEL. LINE

PJJ: 982731

(03) 6223 6321

(03) 6221 8423

20 January 1999.

The Directors
Coopers Lane Investments Pty Ltd
PO Box 101
LINDISFARNE TAS 7015

Dear Sirs

McCULLOCH AND McCULLOCH MORTGAGE FUND NOYE AND LE ROSIGNOL

The writer has been appointed by the Supreme Court of Tasmania as the Manager of the legal practice of McCulloch & McCulloch.

Mr Alistair McCulloch has passed to me your letter dated 11th January last to McCulloch & McCulloch.

In response to your letter I note as follows;

T P Baron

You have loan funds of \$5,000 in a Baron loan number 930226 and \$31,500 in a Baron loan number 930221. Both of those transactions have been taken over by the Solicitors' Trust. You should have received correspondence from the Solicitors' Trust in relation to the loans, informing you as to what is happening with those loans. If you have not received such correspondence, could you please let me know and I will follow it up.

Le Rosignol

Mrs Le Rosignol has kept interest up to date, and you should have been receiving direct from McCulloch & McCulloch the appropriate interest payments. (If not, please advise me). I have been pressing Mrs Le Rosignol for refinance of the loan, and we are now making demand under the mortgage, to force the issue. Hopefully, Mrs Le Rosignol will now refinance, so that your funds (in full) are returned shortly.

Noye

Since we have taken charge, we have commenced court proceedings against Mr Noye and now have a court order that he vacate the mortgaged property, so that we can offer it for sale. Roberts Ltd have been engaged to market the property, and I expect a sale to be effected shortly. I am waiting upon a valuer's report; I will then be able to give you some indication as to whether or not I expect all monies to be paid or if there is a risk of a loss on the mortgagees sale.

If you have any queries in relation to the above, please do not hesitate to contact us.

Yours faithfully


BUTLER McINTYRE & BUTLER

Per:

Peter Joyce

ALISTAIR McCULLOCH LL.B.
Solicitor

Alistair McCulloch, LL.B.

5 Heathfield Avenue,
Hobart Tasmania 7000
GPO Box 10961, 7001

Telephone (03) 6234 9022
Fax (03) 6224 0261

Your Ref:

Our Ref: AM.AJ.

14th January, 1999

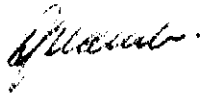
Mr and Mrs K Martin
Coopers Lane Investments Pty Ltd
PO Box 101
LINDISFARNE

Dear Sir and Madam,

I acknowledge receipt of your correspondence of the 11th instant.

I have forwarded your letter on to Mr Peter Joyce of Butler, McIntyre & Butler, the Manager of McCulloch & McCulloch Mortgage register for his response.

Yours faithfully,



ALISTAIR McCULLOCH

COOPERS LANE INVESTMENTS P/L
A.C.N. 009 569 591

P.O. Box 101
Lindisfarne
Tasmania 7015

11th January 1997[↗]

Messrs. McCulloch & McCulloch
G.P.O. Box 10961
Hobart
Tasmania 7001

Your Ref: 930015

Dear Sirs,

re. Mortgage Investments

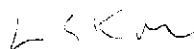
We wish to know what the current position is with regard to our investments with you.

We understand that \$36,500 which had been lent to Mr. Barron, is now in the hands of the Law Society, but there is still \$80,000 which had been lent to Mr. Noye, on which is now owed a considerable amount of interest. There is also \$2000 on loan to Mr. Le Rosignol.

As you will appreciate, since it is now almost two years since we requested repayment of these investments, and there has been little information given to us on the progress being made, we are obviously anxious to know when our request for repayment will be met.

We should be grateful if you would let us know the current position as soon as you are able.

Yours faithfully,



Lynne & Ken Martin

The Solicitors' Trust

The Law Society of Tasmania
28 Murray Street
HOBART TAS 7001
G.P.O. Box 1133

Telephone: (03) 6234 4133
Facsimile: (03) 6223 8240
Ausdoc 111

Our ref: ST5.1#3

22 December 1998

Coopers Lane Investments
PO Box 101
LINDISFARNE TAS 7015

Dear Dear Mr & Mrs Martin

McCULLOCH & McCULLOCH MORTGAGE FUND

The Solicitors' Trust has determined in accordance with Section 114(2) of the Legal Profession Act 1993 that the claim you lodged against the Court fund for \$36,500.00, being the amount of mortgage principal deposited by you with the above firm, be accepted.

Acceptance of your claim does not mean you will now automatically be paid the amount of your claim from the Court fund. The application of the Court Fund is a matter for the Supreme Court. Until all claims have been determined by the Trust the Court will not be in a position to determine the extent of the loss which the Solicitors' Guarantee Fund is required to meet under Section 111(5) of the Act and consequently to determine the amount available to compensate claimants. Further claims are expected.

An application to the Court under Section 112(1) of the Act for an order to compensate claimants accepted by the Trust may be made by any claimant at any time. A claimant may also make an application under Section 116(1) of the Act for an advance payment on the grounds of personal hardship at any time. You should seek your own legal advice if you are considering making an application to the Court.

Yours sincerely


M J CRISP
CHAIRMAN

*FAXED to R. Teaboul
23/12/98*

The Solicitors' Trust

The Law Society of Tasmania
28 Murray Street
HOBART TAS 7001
G.P.O. Box 1133

TO: The Solicitors' Trust
28 Murray Street
HOBART TAS 7000

Telephone: (03) 6234 4133
Facsimile: (03) 6223 8240
Ausdoc 111

CLAIM AGAINST COURT FUND

- McCULLOCH & McCULLOCH -

Pursuant to Sections 111(3) and 114(2) of the Legal Profession Act 1993

WE LYNNE MARIE DOUGLASS MARTIN & KENNETH

(Full name in Block Letters)

HAMPSON MARTIN being directors of COOPERS LANE
INVESTMENTS P/L as trustee for the BROWN FAMILY TRUST
of P.O. BOX 101, LINDISFARNE TAS 7015

(Address in Block Letters)

Telephone (Home) 6 243 9299 (Business) 6243 9299 (Fax)

make claim against the above Court fund for:

- (a) (amount of mortgage principal deposited with the firm) \$36,500 (\$31,500 + \$5,000)
- (b) interest on that principal sum at the rate per annum determined by the firm from time to time until the date of payment

DATED this 9th day of July 1998.

SIGNED by Lynne Marie Martin *KH Martin*
(Signature of Claimant)

In the presence of:

WITNESS B. Cooper
(Signature of Witness)

FULL NAME Christine Carol Cooper
(Block Letters)

ADDRESS 75 South Terrace,
Lauderdale, 7021.

Your Claim form must be lodged by 5.00pm on 31 July 1998

PLEASE NOTE:

The lodgement of this form does not imply an acceptance of your claim.

The Solicitors' Trust

The Law Society of Tasmania
28 Murray Street
HOBART TAS 7001
G.P.O. Box 1133

Telephone: (03) 6234 4133
Facsimile: (03) 6223 8240
Ausdoc 111

3 July 1998

Dear Investor

McCULLOCH & McCULLOCH – MORTGAGE LOANS

I refer to the letter of 10 March 1998 from the Executive Director of the Law Society. You were advised that consideration was being given by the Solicitors' Trust to a formal transfer to the Trust by court order of the mortgages that were the subject of the Default Order made by the Supreme Court. The transfer has now taken place and the Solicitors' Trust is the mortgagee on the mortgages.

The effect of the transfer is that the Trust as mortgagee will be responsible for realising the mortgages by sale of the properties they secure. The proceeds of the sales will be paid into the Court fund from which investors will be paid. The Trust is taking the necessary steps to market the properties and to sell them as quickly as possible, however, it is likely the completion of that realisation will take some considerable time.

As you were advised in previous correspondence from the Law Society, upon the establishment of the Court fund the right of an investor, whose investment is secured by any of the mortgages now transferred to the Trust, to claim against the firm of McCulloch & McCulloch became a right to claim against the Court fund. Under the Legal Profession Act the Trust is responsible for determining claims against the Court fund. Accordingly, it will be necessary for each of the investors in the mortgages that were the subject of the Default Order and which have now been transferred to the Trust to lodge a formal claim with the Trust. Only claims accepted by the Trust will be considered by the Court when the Court fund is distributed.

I have enclosed a claim form for you to complete and return. **Claim forms are required to be lodged with the Trust by 5.00pm on 31 July 1998.** You should note that lodgement of this form does not imply an acceptance on your claim.

Some investors have enquired about making an application to the Court for a hardship payment. The Court does have power under the Legal Profession Act 1993 to order that an advance payment be paid out of the Court fund to a person who, in the opinion of the Court, is suffering personal hardship. Naturally a hardship application can only be lodged after the Trust has considered and accepted a claim. Investors considering an application for a hardship payment should consult their own solicitor and make their own application.

Yours faithfully,



M J CRISP
CHAIRMAN

McCULLOCH & McCULLOCH

Solicitors

Alistair McCulloch, LL.B.

Telephone (03) 6234 9022

Fax (03) 6224 0261

5 Heathfield Avenue,
Hobart Tasmania 7000
GPO Box 1096L 7001

Your Ref:

Our Ref: AM.AJ.

19th May, 1998

NOTICE TO INVESTORS

Unfortunately Mr Noye has failed to meet this quarter's interest instalment and has also failed to contact the writer despite numerous attempts by the writer to contact him.

I will now proceed immediately with a Mortgagee sale of the balance of his properties to recover your investment.

Yours faithfully,
McCULLOCH & McCULLOCH

Per: *Alistair McCulloch*
(Alistair McCulloch)

FOR THE ATTENTION OF **FRASD**
ROBERT TENBENSEL

For your information -

Lynne

McCULLOCH & McCULLOCH

Solicitors

Alistair McCulloch, LL.B.

Telephone (03) 6234 9022
Fax (03) 6224 0261

5 Heathfield Avenue,
Hobart Tasmania 7000
GPO Box 1096L 7001

Your Ref:

Our Ref: AM.AJ.

7th May, 1998

Mr and Mrs K Martin
Coopers Lane Investments Pty Ltd
PO Box 101
LINDISFARNE

Dear Sir and Madam,

Re: T P Baron

I advise the sale of the property known as "The Lodge" Main Road, Brighton was settled on the 23rd March and the sum of \$129,128.20. was paid to the Law Society of Tasmania.

This sum was paid by the Law Society into the Court Fund established by Order of Mr Justice Wright.

Yours faithfully,
McCULLOCH & McCULLOCH

Per: *[Signature]*

(Alistair McCulloch)

THE LAW SOCIETY

O F T A S M A N I A

28 MURRAY STREET, HOBART 7000, G.P.O. BOX 1133
AUSDOC DX111, TELEPHONE: (03) 6234 4133 (03) 6233 3002 FAX: (03) 6223 8240

FOR THE ATTENTION OF ROBERT TENRENSBL

10 March 1998

Dear Investor

McCULLOCH & McCULLOCH - MORTGAGE LOANS

In my last letter to you on 22 December 1997 I advised of the Default Order made by His Honour Mr Justice Wright, the reporting arrangements by Mr Alistair McCulloch on the action being taken by him to realise the mortgages which were the subject of the Default Order and the establishment of the Court Fund and the rights of investors to claim against that Fund.

Apart from the formal orders relating to the finding of default by the Court and the establishment of the Court Fund no other orders have been taken out at this stage.

Mr Alistair McCulloch is continuing to provide a written report to the Law Society each fortnight on action taken by him to realise the subject mortgages. Since my last letter one of the properties secured by the mortgages has been sold, and mortgagee sale action is being pursued on the remaining properties. It would be fair to say, however, that given current market circumstances Mr McCulloch anticipates that realisation of the mortgages is likely to take a considerable time. Upon settlement of the one property sold the proceeds of sale will be paid into Court.

Consideration is being given by the Solicitors' Trust, which administers the Guarantee Fund under the Legal Profession Act 1993 to a formal transfer by court order of the subject mortgages to the Trust. The effect of a transfer is that the Trust would be responsible for the realisation of the mortgages currently the responsibility of Mr McCulloch.

I anticipate a further report being provided to investors in June 1998. I will write to you earlier if there are any significant developments. If you have any queries please do not hesitate to write to me or contact Tony Davis on 018 139 973 on either a Thursday or Friday.

Yours faithfully



JAN MARTIN
EXECUTIVE DIRECTOR

THE LAW SOCIETY

O F T A S M A N I A

28 MURRAY STREET, HOBART 7000, G.P.O. BOX 1133
AUSDOC DX 111, TELEPHONE: (03) 6234 4133 (03) 6233 3002 FAX: (03) 6223 8240

22 December 1997

Dear Investor

McCULLOCH & McCULLOCH - MORTGAGE LOANS

I last wrote to you on 7 November 1997 advising of the judgement handed down that day by His Honour Mr Justice Wright and that the next stage as part of the court process was the drafting and settling of formal orders to be made by the Judge. I stated that I would write to you again as soon as the formal orders had been made.

Orders will be sealed by the Supreme Court in respect of the Judgement and also the establishment of the Court Fund.

Mr Alistair McCulloch, the manager of the Mortgage Fund from which the loans were made to Mr T.P. Baron and his associates is, subject to supervision by the Law Society, pursuing steps to realise the subject mortgages the proceeds from which realisation will be paid into the Court Fund. Mr McCulloch will be providing reports to the Law Society on a fortnightly basis of all action taken to realise the mortgages. The Society has been advised by Mr McCulloch that all statutory steps have been taken by him to enable mortgagee sale action on all the subject properties; that the majority of the properties have been listed with real estate agents and that a number have already have gone to auction. Mr McCulloch has advised the Society that unfortunately to date no sales have been achieved. Mr McCulloch has assured the Society that he will be aggressively marketing all the subject properties to achieve sales at the best prices obtainable.

Upon the establishment of the Court Fund the rights of investors to return of their investments from the mortgage fund were converted as a consequence of the effect of subsection 111(3) of the Legal Profession Act 1993 to a right to claim against the Court Fund. At this stage there is no action required by investors, although, subject to a formal order being made by the Court to this effect, a claim form will be required to be completed by each investor and the claim formally accepted by the Solicitors' Trust. I will be writing to you separately on the claim process when claim forms are required from investors.

I shall be providing a further report to investors in February 1998. In the meantime if any investor has any further queries please do not hesitate to write to me or contact Tony Davis on 018 139 973 on either a Thursday or a Friday.



JAN MARTIN
EXECUTIVE DIRECTOR



*This office will be closed from noon on 24 December 1997
and reopens on 5 January 1998.*

I extend to you the compliments of the season.

P.O. Box 101
Lindisfarne
Tasmania 7015

Ph/Fax: (03) 6243 9299

11th November 1997

Jan Martin
Executive Director
The Law Society of Tasmania
G.P.O. Box 1133
Hobart 7001

Dear Jan Martin

re. McCulloch & McCulloch - Mortgage Loans

Thank you for your recent letters in this matter. We have very much appreciated being kept informed. During the time that the recovery of these loans was in the hands of McCulloch & McCulloch, we were frustrated by the lack of information given to us and the casual approach taken by Mr. McCulloch.

We still have an \$80,000 loan to Mr. Noye through this firm about which we are concerned. We requested repayment of this in March this year. Unfortunately this has not occurred and, as with Mr. Barron, we were informed that this account was "frozen". I wonder if you have any information or are able to help in this matter.

Once again, thank you for keeping us informed.

Yours sincerely,

Lynne & Ken Martin

Ken & Lynne Martin

no reply received
=

THE LAW SOCIETY

O F T A S M A N I A

28 MURRAY STREET, HOBART 7000. G.P.O. BOX 1133
AUSDOC DX111. TELEPHONE: (03) 6234 4133 (03) 6233 3002 FAX: (03) 6223 8240

7 November 1997

Mr & Mrs K Martin
Coopers Lane Investments Pty Ltd
PO Box 101
LINDISFARNE 7015

Dear Mr and Mrs Martin,

McCULLOCH & McCULLOCH - MORTGAGE LOANS

I refer to my previous correspondence to you in this matter.

The application by the Law Society under Section 111 of the Legal Profession Act 1993 was heard in the Supreme Court on 30 October 1997. His Honour Mr Justice Wright reserved his decision. Judgement was handed down on 7 November 1997. His Honour made the order sought by the Society that the firm of McCulloch & McCulloch was in default in respect of some of the loans made by the firm to Mr T.P. Baron and his associates. It follows from His Honour's finding that it is mandatory pursuant to Section 111(2) of the Legal Profession Act that a Court Fund be established and His Honour ordered accordingly. You may have a claim against the Court Fund to recover your investment and, if the Court so directs, to be compensated for any loss of interest which you may suffer.

The next stage as part of the Court process is the drafting and settling of formal orders to be made by the Judge.

I am unable to inform you of the precise steps which are to be taken to realise the mortgages securing the relevant loans (the proceeds from which will be paid into the Court Fund) as this matter will be the subject of the formal orders to be made by His Honour Mr Justice Wright.

The Law Society is concerned to keep you informed and I will write to you again as soon as the formal orders have been made.

If you have any questions about the contents of this letter Mr Tony Davis can be contacted on either a Thursday or a Friday on telephone 018 139 973.

Yours faithfully



JAN MARTIN
EXECUTIVE DIRECTOR

THE LAW SOCIETY

O F T A S M A N I A

28 MURRAY STREET, HOBART 7000, G.P.O. BOX 1133
AUSDOC DX1111, TELEPHONE: (03) 6234 4133 (03) 6233 3002 FAX: (03) 6223 8240

Our ref: D3.9: JM/SH

23 September 1997

Mr & Mrs K Martin
Coopers Lane Investments Pty Ltd
PO Box 101
LINDISFARNE 7015

Dear Mr and Mrs Martin,

We refer to our letter dated 11 September 1997 in relation to the Law Society's application against McCulloch and McCulloch.

Unfortunately when the application came before the Supreme Court on Monday 22nd September for hearing there was insufficient Court time available that day for the application to proceed.

The matter was therefore adjourned until 6th October 1997 at 10.00am at the same location. We expect the application will be heard at that time.

Yours faithfully,



JAN MARTIN
EXECUTIVE DIRECTOR

McCULLOCH & McCULLOCH

Solicitors

Alistair McCulloch, LL.B.

Telephone (03) 6234 9022

Fax (03) 6224 0261

5 Heathfield Avenue,
Hobart Tasmania 7000
GPO Box 1096L 7001

Your Ref:

18th September, 1997

Our Ref: AM.AJ.

Mr and Mrs K Martin
Coopers Lane Investments Pty Ltd
PO Box 101
LINDISFARNE

Dear Sir and Madam,

Re: A W Noye

I wish to advise that I have sold as Mortgagee, the property at Dear Point, Premaydena.


The original valuation of that property was \$175,000.00. and the sale price was \$160,100.00.

The other property auctioned was Kelletts Road, Premaydena. The original valuation on that property was \$190,000.00. and the best offer obtained was \$125,000.00. subject to the sale of another property.

I did not accept this offer at this stage. I have a very strict obligation as Mortgagee, to obtain the best price possible and it was my opinion that that offer was insufficient.

The interest on all properties will be brought up to-date from the sale of the Dear Point property at the end of October, not the end of September as previously advised.

Yours faithfully,
McCULLOCH & McCULLOCH

Per: 
(Alistair McCulloch)

THE LAW SOCIETY

O F T A S M A N I A

28 MURRAY STREET, HOBART 7000, G.P.O. BOX 1133
AUSDOC DX111, TELEPHONE: (03) 6234 4133 (03) 6233 3002 FAX: (03) 6223 8240

Our ref: D3.9 JM/SH

11 September 1997

Mr & Mrs K Martin
Coopers Lane Investments Pty Ltd
PO Box 101
LINDISFARNE 7015

Dear Mr and Mrs Martin,

RE: McCULLOCH & McCULLOCH - MORTGAGE LOANS

I understand that you are an investor in the mortgage register conducted by the above legal firm and that funds deposited by you have been lent to Mr Thomas Baron and/or to his wife or to others associated with him. If that is so, you have probably become concerned recently about whether those funds can be recovered by you.

This letter is to inform you that the Law Society has conducted an investigation into the loans made by the firm to Mr Baron and his associates and, as a result, has made an application to the Supreme Court of Tasmania under s.111 of the Legal Profession Act 1993. If that application is granted, orders will be made which will lead to the establishment of a Court fund with respect to those loans. The effect of this will be that the Solicitors' Guarantee Fund will be called upon in so far as money is available in the Fund, to contribute to the Court fund to the extent that money owed by Mr Baron and his associates cannot be recovered from them and you will have a claim against the Fund to recover your investment and, if the Court so directs, to be compensated for any loss of interest which you may suffer. Regrettably, this may mean that there will be some delay before your money is returned to you, but it is hoped that there will eventually be full recovery.

The application will be heard at the Supreme Court building, Salamanca Place, Hobart. It will be mentioned first on 22nd September, 1997 at 10.00am, on which day it may be finalised or adjourned to another day. Such proceedings are open to the public.

We will keep you informed of developments in the matter and write to you again following the Court hearing on the 22nd September, 1997.

If you have any questions about the contents of this letter, you are invited to telephone Mr Tony Davis on 018 139 973.

Yours faithfully,


JAN MARTIN
EXECUTIVE DIRECTOR

McCULLOCH & McCULLOCH

Solicitors

Alistair McCulloch, LL.B.

Telephone (03) 6234 9022
Fax (03) 6224 0261

5 Heathfield Avenue,
Hobart Tasmania 7000
GPO Box 1096L 7001

Your Ref:

25th August, 1997

Our Ref: AM.AJ.

Dear Investor,

Re: A W Noye

I advise the properties were auctioned on the 1st August and there were no bids.

At the end of August, a family member will enter into an agreement to purchase Dear Point and this will then enable all interest to be brought up to-date once it is settled at approximately the end of September.

Mr Noye will then either continue to market the house and property at Kelletts Road or apply for a subdivision in order to maximize the return.

At this stage those investors whose money is allocated in the Dear Point property will be able to uplift their funds if required.

Investors in Mr Noye's other properties will not be able to uplift their funds as he is still in breach of his covenants under the Mortgages.

Yours faithfully,
McCULLOCH & McCULLOCH

Per: 
(Alistair McCulloch)

*FAXED to
P. Tenbernel*

McCULLOCH & McCULLOCH

Solicitors

Alistair McCulloch, LL.B.

Telephone (03) 6234 9022
Fax (03) 6224 0261

5 Heathfield Avenue,
Hobart Tasmania 7000
GPO Box 1096L 7001

Your Ref:

25th August, 1997

Our Ref: AM.AJ.

Dear Investor,

Re: T P and P D Baron

In July two properties were auctioned by Raine & Horne, Sorell without a bid for either property.

On the 30th August, Mr and Mrs Baron's home and 50 acres in Wolstenholme Drive is to be auctioned together with subdivision allotments at Mercer Court, Sorell.

A waterfront holiday home at Frogmouth Lane, Primrose Sands and the property, 31 Walker Street, Sorell will be auctioned on the 6th September.

The Agents report very little interest in the properties to-date.

If the properties are not sold at auction, they will be marketed.

After the date of auction, I will report further.

Yours faithfully,
McCULLOCH & McCULLOCH

Per: *Alistair McCulloch*

(Alistair McCulloch)

\$ 36,500 on loan

*Forward to
R. Tenbrunsel*

McCULLOCH & McCULLOCH

Solicitors

Alistair McCulloch, LL.B.

Telephone (03) 6234 9022

Fax (03) 6224 0261

5 Heathfield Avenue,
Hobart Tasmania 7000
GPO Box 1096L 7001

Your Ref:

Our Ref: AM.AJ.

4th July, 1997

Mrs L Martin
PO Box 101
LINDISFARNE

Dear Madam,

Re: Mortgage Investment Fund

I acknowledge receipt of your facsimile of even date.

Unfortunately we do not have excess funds to re-allocate against loans you currently have.

Mr H J Dodge, Castray Esplanade, Stratum Titles are believed to be issuing soon. We expect in excess of \$500,000.00. from settlement of that property. From these proceeds it is expected that all outstanding requests for uplifting will be completed.

Mr Noye - Properties are to be auctioned by Roberts Real Estate on the 1st August.

Mr Baron - No progress has been made in the sale of his properties todate.

The auction of two properties due today has been postponed for another two weeks due to lack of interest.

Yours faithfully,
McCULLOCH & McCULLOCH

Per: *Alistair McCulloch*

(Alistair McCulloch)

COOPERS LANE INVESTMENTS PTY. LTD.

A.C.N. 009 569 591

P.O. Box 101
Lindisfarne
Tasmania 7015

Ph/Fax: 03 6243 9299

4th July 1997

Messrs. McCulloch & McCulloch
GPO Box 1096L
Hobart
Tasmania 7001

Your Ref: AM.AJ

Dear Sirs,

re. Mortgage Investment Fund

On 3rd March this year, I advised that I wished to withdraw all of my investment with you. You acknowledged this in a letter on 6th March.

I note from your letter of 17th June that this has not been done in the loans to H.J. Dodge (\$19,000), I. Le Rossignol (\$2,000) and Mr. and Mrs. Piper (\$13,000).

I feel that I have been very patient in the intervening four months and now ask that you facilitate my request without delay.

With regard to the frozen funds with Messrs. Noye and Baron, will you please advise on the progress of the sale of the properties. Has a date been set for auction? Have the properties been advertised? What, in your opinion, is the likelihood of me recovering the \$116,500?

Yours faithfully,

Lynne Martin

Lynne Martin

FAXED TO
~~AM.AJ~~ McCulloch

McCULLOCH & McCULLOCH

Alistair McCulloch, LL.B.
Quentin McCulloch, LL.B.

Solicitors

Telephone 6234 9022
Fax (03) 6224 0261

5 Heathfield Avenue,
Hobart Tasmania 7000
GPO Box 1096L 7001

Your Ref:

Our Ref: AM.AJ.

17th June, 1997

Coopers Lane Investments Pty Ltd
PO Box 101
LINDISFARNE

Dear Madam,

Re: Mortgage Investment Fund

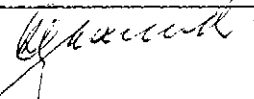
I refer to your correspondence of the 12th instant and advise that your investment with this firm currently stands at \$150,500.00.

This sum is invested as follows:

1. H.J. Dodge - the sum of \$19,000.00. secured on Castray Esplanade, Hobart.
2. Mr I Le Rossignol - the sum of \$2,000.00. secured on Lot 2, Mornington Road, Mornington.
3. Mr and Mrs Piper - the sum of \$13,000.00. secured on Lot 18 Mercer Court, Sorell.
4. Mr Baron - the sum of \$5,000.00. secured on Lot 1 Back River Road, New Norfolk and the sum of \$31,500.00. secured on Walker Street, Sorell and "The Lodge" Brighton.
5. Mr Noye - the sum of \$80,000.00. secured on Kellets Road, Premaydena.

In relation to Messrs Noye and Baron, we are currently marketing the properties and will keep you informed as to progress.

Yours faithfully,
McCULLOCH & McCULLOCH

Per: 
(Alistair McCulloch)

COOPERS LANE INVESTMENTS P/L
A.C.N. 009 569 591

P.O. Box 101
Lindisfarne
Tasmania 7015

Ph/Fax: 03 6243 9299

12th June 1997

Messrs. McCulloch & McCulloch
G.P.O. Box 1096L
Hobart
Tasmania 7001

Your Ref: AM.AJ.

Dear Sirs,

re. Mortgage Investment Fund

To enable me to provide my accountant with the information he requires, would you please let me know the amount of the investment which is still outstanding.

Also, would you please inform me of the progress in relation to the recovery of the loans to the Noyes and the Barons.

I note from your recent extract from your Trust Ledger that it appears that Mr. Dodge, Mr. LeRossignol and Mr. and Mrs. Piper still have loans. Is this the case?

Yours faithfully,

Lynne Martin

Lynne Martin

FAXED

12/6/97

McCULLOCH & McCULLOCH

Alistair McCulloch, LL.B.
Quentin McCulloch, LL.B.

Solicitors

Telephone 6234 9022
Fax (03) 6224 0261

5 Heathfield Avenue,
Hobart Tasmania 7000
GPO Box 1096L 7001

Your Ref:

Our Ref:

21st May, 1997

Dear Investor

Re: T P and P D Baron

This is to inform you that our Solicitors, Messrs. Wallace, Wilkinson & Webster have issued the required Notices for Mortgagee sales.

Messrs. Wallace, Wilkinson & Webster are now applying to the Supreme Court for Orders for possession of the properties.

We will be proceeding to sell the properties after the Order has been obtained.

Yours faithfully,
McCULLOCH & McCULLOCH

Per: 

(Alistair McCulloch)

McCULLOCH & McCULLOCH

Alistair McCulloch, LL.B.
Quentin McCulloch, LL.B.

Solicitors

Telephone 6234 9022
Fax (03) 6224 0261

5 Heathfield Avenue,
Hobart Tasmania 7000
GPO Box 1096L 7001

Your Ref:

Our Ref:


NOTICE TO INVESTORS

T P and P D BARON

We advise the interest payment has not been forthcoming and accordingly have issued a Notice of Demand for repayment of all principal and interest outstanding.

Failure to pay such moneys will result in the issue of Notice of Intention to sell the properties, such Notices to issue on the 21st March, 1997.

Yours faithfully,
McCULLOCH & McCULLOCH

Per: 
(Alistair McCulloch)

*FAXED to R. Tenbence
18/3/97*

COOPERS LANE INVESTMENTS P/L
A.C.N. 009 569 591

P.O. Box 101
Lindisfarne
Tasmania 7015

Ph/Fax: 03 6243 9299

9th March 1997

Messrs. McCulloch & McCulloch
G.P.O. Box 1096L
Hobart
Tasmania 7001

Your Ref: AM.AJ.

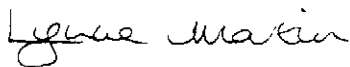
Dear Sirs,

re. Mortgage Investment Fund

Thank you for your letter of 6th March enclosing a cheque for \$58,000.

I very much appreciate your taking the time to explain what is happening with the mortgage investment funds and look forward to hearing from you when some more money becomes available.

Yours faithfully,



Lynne Martin
Director

McCULLOCH & McCULLOCH

Alistair McCulloch, LL.B.
Quentin McCulloch, LL.B.
Telephone 6234 9022
Fax (03) 6224 0261

Solicitors

5 Heathfield Avenue,
Hobart Tasmania 7000
GPO Box 1096L 7001

Your Ref:

Our Ref: AM.AJ.

6th March, 1997

Mrs L Martin
Coopers Lane Investments Pty Ltd
PO Box 101
LINDISFARNE

Dear Madam,

Re: Mortgage Investment Funds

Thank you for your letter of the 3rd instant.

I refer to your letter of the 12th February last and due to the unfortunate circumstances which have recently occurred with our investment borrowers, we were putting together your withdrawal of \$100,000.00.

I enclose herewith my cheque for \$58,000.00. made up as follows:

Investment uplifted from Graham-Driessen	\$51,000.00.
Repayment of Mortgage by Harback	\$7,000.00.

The further funds to make up the withdrawal of \$100,000.00. is subject to a settlement taking effect in early April, and will then be available.

I also note your request that all investments are to be withdrawn.

As with all clients I am endeavouring to keep everyone informed as to the payment or alternatively mortgagee proceedings with Mr Noye and Mr and Mrs Baron.

Yours faithfully,
McCULLOCH & McCULLOCH

Per: *Alistair McCulloch*

(Alistair McCulloch)

Enc.

chg. received 7/3/97

COOPERS LANE INVESTMENTS P/L
A.C.N. 009 569 591

P.O. Box 101
Lindisfarne
Tasmania 7015

Ph/Fax: 03 6243 9299

3rd March 1997

Messrs. McCulloch & McCulloch
G.P.O. Box 1096L
Hobart
Tasmania 7001

Your Ref: AM.AJ.

Dear Sirs,

re. Mortgage Investment Funds

I refer to my letter of 12th February, where I informed you of my wish to withdraw \$100,000. I am concerned that I have received no acknowledgement of this. I now wish to inform you that I want to withdraw all my investment except, of course, that which you have "frozen".

You advised that if Mr. Noye and Mr. and Mrs. Baron do not make payment shortly, you will institute mortgagee proceedings. Would you please be more specific and tell me when this will occur.

I would appreciate it if you would give this your earliest attention and keep me informed.

Yours faithfully,



Lynne Martin
Director

McCULLOCH & McCULLOCH

Alistair McCulloch, LL.B.
Quentin McCulloch, LL.B.

Solicitors

Telephone (03) 6234 9022
Fax (03) 6224 0261

5 Heathfield Avenue
Hobart Tasmania 7000
GPO Box 1096L 7001

Our Ref: AM.AJ.

27th February, 1997

Dear Investor

Re: Mortgage Investment

I advise that Mr T P and Mrs P D Baron have failed to make their interest payments.

At this stage I am unaware of the time when interest will be paid.

If not paid shortly, I will institute mortgagee proceedings and at this stage your investment has been frozen.

Should you have any queries concerning this matter, please do not hesitate to contact the writer.

McCULLOCH & McCULLOCH

Per: 

(Alistair McCulloch)

McCULLOCH & McCULLOCH

Alistair McCulloch, LL.B.
Quentin McCulloch, LL.B.

Solicitors

Telephone 6234 9022
Fax (03) 6224 0261

5 Heathfield Avenue,
Hobart Tasmania 7000
GPO Box 1096L 7001

Your Ref:

Our Ref: AM. AJ.

25th February, 1997

Mr and Mrs K Martin
PO Box 101
LINDISFARNE

Dear Sir and Madam,

Re: Mortgage Investment

I advise that Mr Noye has failed to make his interest payment and at this stage I am unaware of the time when it will be paid.

If not paid shortly, I will institute mortgagee proceedings and at this stage your investment of \$80,000.00. is frozen.

Should you have any queries concerning this matter, please do not hesitate to contact me.

Yours faithfully,
McCULLOCH & McCULLOCH

Per: 

(Alistair McCulloch)

COOPERS LANE INVESTMENTS P/L
A.C.N. 009 569 591

P.O. Box 101
Lindisfarne
Tasmania 7015

Ph/Fax.: 03 -6243 9299

12th February 1997

Messrs. McCulloch & McCulloch
GPO Box 1096L
Tasmania 7001

Your Ref: AM.AJ.

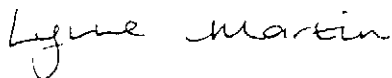
Dear Sirs,

re. Mortgage Investment Funds

Please be advised that, due to a change in circumstances, I wish to withdraw the sum of \$100,000 which is part of a larger investment with you.

I understand that you require notice for this withdrawal and should be obliged if you would ~~let me~~ forward a cheque to me at your earliest convenience.

Yours faithfully,



Lynne Martin
Director

McCULLOCH & McCULLOCH

Solicitors

Alistair McCulloch, LL.B.
Martin McCulloch, LL.B.

Telephone 34 9022
Fax (002) 24 0261

5 Heathfield Avenue,
Hobart Tasmania 7000
GPO Box 1096L 7001

Your Ref:

Our Ref: AM.AJ.

29th March, 1995

Mr. and Mrs. K. Martin
Coopers Lane Investments Pty Ltd
PO Box 101
LINDISFARNE 7015

Dear Sir and Madam,


On the 31st December last new investment rules were introduced by the State Government for mortgage investments.

These new rules require all investors to sign the Conditions of Investments, a copy of which is enclosed herewith.

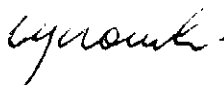
I look forward to receiving the signed Acknowledgement.

Should you have any queries please do not hesitate to contact the writer.

Yours faithfully,
McCULLOCH & McCULLOCH

Per: 

(Alistair McCulloch)

Per: 

To: McCULLOCH & McCULLOCH

I/We, the person/persons named in the Schedule below have deposited with you the sum set out in such Schedule for investment on my/our behalf, and in consideration of your accepting and continuing to administer my/our money I/We instruct and authorise you to deal with the money herein invested and any money which I/We have lodged or will lodge with your firm for investment on the conditions hereinbefore referred to.

THE SCHEDULE REFERRED TO

Name of Lender: COOPERS LAKE INVESTMENTS P/L

AS TRUSTEE FOR THE BROWN FAMILY TRUST
Mr/Mrs/Miss/Ms (Surname) (Given Names)

Address of Lender(s): P.O. BOX 101

LINDSFARNE

TASMANIA Postcode 7015

Total amount deposited: \$200,000 (TWO HUNDRED

THOUSAND DOLLARS) + INTEREST ACCRUING

Signature of Lender(s): Lynne Martin

K.H. (aunt)

Dated this 12th day of April 1995

(Joint holders - all to sign)

Returned 13/4/95

CONDITIONS OF INVESTMENT

- (a) That we will invest the money on first mortgage and/or collateral second mortgage on your behalf in the name of Alistair McCulloch and Quentin McCulloch.
- (b) The money may be invested on a security or securities chosen by us by way of contributory mortgage
- (c) That if for any reason the money is not invested on first mortgage security at any time as set out in (a) and (b) above we may invest the money on your behalf on deposit at call with the Trust Bank.
- (d) We may deduct from any income earned on the money invested all Federal and State government duties and charges imposed on transactions through financial institutions and such charges as may be imposed by the Bank with whom the said sums may be placed from time to time.
- (e) The security for the investment of money is selected by us.
- (f) The Mortgages negotiated by us may contain both a nominal rate of interest and a reduced rate of interest (both of which rates are determined by us according to market conditions) the reduced rate of interest being up to three (3) per cent less than the nominal rate to encourage the prompt payment of interest.
- (g) That the borrower may pay the reduced rate if he/she makes the interest payment by cash or cheque on the due date for payment of interest.
- (h) That in the event the borrower is late or fails to pay his interest at the reduced rate you will be entitled to the higher rate of interest when paid by the borrower.
- (i) That we may deduct from your interest a fee of .5 per cent per annum each interest payment and that this charge may vary from time to time at our discretion and upon written notice to you

McCULLOCH & McCULLOCH

Per: *Lyrouck*

MCCULLOCH & MCCULLOCH

Allstair McCulloch, LL.B.
Quentin McCulloch, LL.B.

Solicitors

Telephone 34 9022
Fax (002) 24 0261

5 Heathfield Avenue,
Hobart Tasmania 7000
GPO Box 1096L 7001

Your Ref:

Our Ref: QM.AJ.

30th March, 1994

Mr. and Mrs. K. Martin
Coopers Lane Investments Pty Ltd
PO Box 101
LINDISFARNE

Dear Sir and Madam

Re: Investment

Thank you for your investment of \$100,000.00. which has been allocated as follows:

Borrower:	A. W. Noye
Property:	Premaydena - <i>Kelleys Rd.</i>
Mortgage:	\$80,000.00.
Your Investment:	\$80,000.00.
Date:	25th March, 1994.

Borrower:	T. P. Baron
Property:	"The Lodge" Main Road, Brighton
Mortgage:	\$330,000.00.
Your Investment:	\$20,000.00.
Date:	29th March, 1994.

The interest rates and days for payment remain the same.

Yours faithfully,
MCCULLOCH & MCCULLOCH

Per: 
(Quentin McCulloch)

*\$80,000 outstanding loan
details*