

Senate Select Committee on Superannuation and Financial Services

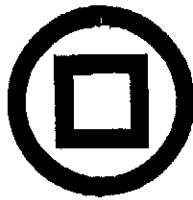
Main Inquiry Reference (a)

Submission No. 206

(Supplementary to Submission Nos. 152, 185)

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GARRISONS



GARRISONS
CORPORATE SERVICES

14 June 2001

Ms Sue Morton
Secretary
Select Committee on Superannuation and Financial Services
Parliament House
CANBERRA ACT 2600

Dear Secretary

Thank you for your invitation to attend the second hearing of the Senate Select Committee on Superannuation and Financial Services in Hobart on 15 June 2001.

Since the last Committee hearing, Garrisons has put in place a rescue plan to assist its effected clients in the failed Solicitors First Mortgage Funds. The details of this plan are contained in page 3 of our submission. We have also attached a copy of the letter sent to Garrisons' clients with defaulting investments in the Solicitors First Mortgage Funds.

To assist the Committee we have produced a detailed submission, addressing the issues raised at the first hearing.

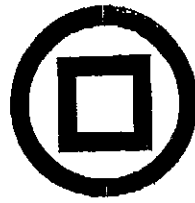
We acknowledge the valuable role played by the Senate Select Committee on Superannuation and Financial Services in investigating this issue.

As the questions raised by the Committee have been detailed in our submission, and a rescue plan is currently being implemented, Garrisons will not be attending the hearing in Hobart on Friday 15th June 2001.

Yours sincerely

JOHN SIKKEMA
Managing Director

GARRISONS

**GARRISONS**
CORPORATE SERVICES

13 June 2001

Dear

Garrisons is concerned about the frustration being felt by some of our clients who have investments in the defaulting Solicitors First Mortgage Funds. We have been liaising with the law firms, ASIC and Government representatives, as well as our own legal advisers, to develop a solution for our clients.

While we believe that the responsibility for this problem clearly lies elsewhere, Garrisons has been developing a practical resolution to the situation for our affected clients.

We are making arrangements for you to receive an amount equal to the capital you have invested which is in defaulting mortgages. Naturally Garrisons will require in return an assignment of your rights to the mortgages in which you invested. Garrisons would also wish to pay to you interest on these investments but would do so only after it has been able to recover the capital and its recovery costs from the borrower or others involved in the transaction.

In order to deal with the combined mortgage interests of our clients, we have assembled a team of experts. This team will aggressively pursue the parties involved to recover the capital with the aim of maximising the chances of returning interest to you.

Please contact Michael Spinks on 6224 9210 to set up a meeting to fully explain the proposal and answer any questions you may have. We anticipate that your defaulting loan capital would be returned to you immediately upon signing an agreement. We would encourage you to seek independent advice in relation to this agreement.

We thank you for your patience and understanding and are pleased to be able to provide this assistance to you.

Yours sincerely

JOHN SIKKEMA
Managing Director

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RECEIVED TIME 14 JUN 14:48

PRINT TIME 14 JUN 14:49