

NOTICE APPROVED BY THE FEDERAL COURT OF AUSTRALIA

CLASS ACTION AGAINST SANDHURST TRUSTEES LIMITED

NOTICE TO GROUP MEMBERS OF SETTLEMENT

Federal Court Proceeding No VID 616 of 2009

1. This Notice is published pursuant to the order of the Honourable Justice Gordon made on 20 May 2011.
2. You should read this Notice if you have lost money through investing in the failed Fincorp group.
3. On 24 August 2009, Mark and Rhonda Harrison (as “Applicants”) commenced a Class Action against Sandhurst Trustees Limited (Sandhurst) in the Federal Court of Australia (being Proceeding No VID 616 of 2009). The Class Action was commenced by the Harrisons on their own behalf and on behalf of certain other people (known as “group members”) who acquired notes in Fincorp Investments Limited (“Fincorp Investments”), described as “debentures”, “first ranking notes” and “unsecured notes”, during the following periods:

7 December 2004 – 30 July 2005
31 July 2005 – 30 October 2005
31 October 2005 – 7 January 2006
8 January 2006 – 29 April 2006
30 April 2006 – 30 May 2006
31 May 2006 – 30 July 2006
31 July 2006 – 23 March 2007

4. In this Notice, the debentures and first ranking notes issued by Fincorp Investments are collectively referred to as “Debentures” while the unsecured notes are referred to as “Unsecured Notes”. The notes acquired during the particular time periods are referred to in this Notice as “Eligible Notes”.
5. Also in this Notice, “roll over” or “rolled over” refers to the circumstance when a Debenture or Unsecured Note reached its maturity date and the amount loaned in respect of that Debenture or Unsecured Note was not repaid to the investor by Fincorp Investments but was retained by Fincorp Investments for a further period of time on behalf of the investor.

Court approval of settlement of the Class Action

6. On 20 May 2011 the Federal Court approved the settlement of the Class Action. Under the settlement:
- (a) Sandhurst shall pay up to \$29 million (inclusive of costs and interest) to Slater & Gordon to be distributed among group members who have not opted out of the proceeding;
 - (b) the amount available for distribution to the Applicants and to group members in respect of Eligible Notes under the settlement after payment of approved legal costs to Slater & Gordon will be referred to as the “Settlement Fund”;
 - (c) the settlement is binding on the Applicants and the group members and neither the Applicants nor any group member may take any further action against Sandhurst in connection with any Eligible Note held by them or in connection with any other Debenture or Unsecured Note issued by Fincorp Investments which they acquired or otherwise held;
 - (d) the Settlement Fund is being administered by Slater & Gordon in accordance with a Settlement Distribution Scheme (the “Scheme”);
 - (e) the approved legal costs of up to \$1.9 million include the amount proposed to be paid to Slater & Gordon for administering the Scheme; and
 - (f) the Proceeding was dismissed.
7. You are a group member in the Proceeding and eligible to receive part of the Settlement Fund if **all** of the following apply to you:
- (a) (except where d(ii) or d(iii) applies) on 23 March 2007, you held a Debenture and/or an Unsecured Note issued by Fincorp Investments;
 - (b) acquired such Debenture and/or Unsecured Note on or after 7 December 2004 (where “acquired” means you first made the investment and were issued with the note on or after 7 December 2004 or you first made the investment and were issued with the note before 7 December 2004 but rolled over the note on or after 7 December 2004);
 - (c) you suffered loss and damage as a result of Sandhurst’s alleged contraventions of s 283DA of the *Corporations Act 2001* (Cth) during the period 7 December 2004 to 1 July 2006;
 - (d) either:
 - (i) continue to hold the Debenture and/or Unsecured Note; or
 - (ii) are the legal personal representative of a person who held the Debenture and/or Unsecured Note as at 23 March 2007; or
 - (iii) are the holder of the Debenture and/or Unsecured Note by reason of the assignment of the note from a person who held the note as at 23 March 2007, other than pursuant to an arm's length transaction for value from an unrelated person; and

- (e) either:
- (i) appear in the Schedule of Group Members that is schedule B to the Deed of Settlement; or
 - (ii) you do not appear in the Schedule of Group Members but lodge a claim which is accepted by the administrator in accordance with the Scheme (as defined in the Deed of Settlement).

8. The amount payable from the Settlement Fund for each Eligible Note is as follows:

Payment Group Date Note Acquired	Cent/Dollar Return
Pre-07.12.04 (Rollover Payment)	\$0.06
07.12.04 – 30.07.05 (No-Transaction Payment)	\$0.10
31.07.05 – 30.10.05 (No-Transaction Payment)	\$0.15
31.10.05 – 07.01.06 (No-Transaction Payment)	\$0.20
08.01.06 – 29.04.06 (No-Transaction Payment)	\$0.50
30.04.06 – 30.05.06 (No-Transaction Payment)	\$0.60
31.05.06 – 30.07.06 (No-Transaction Payment)	\$0.70
31.07.06 – 23.03.07 (No-Transaction Payment)	\$0.75

Full details of the Scheme can be accessed at www.slatergordon.com.au.

WHAT YOU NEED TO DO

9. As part of the opt out process in the Proceeding, Slater & Gordon sent notices to each person whom it considered was a group member. If you did not receive an opt out notice from Slater & Gordon and you believe that you are a group member as defined above, you should contact Slater & Gordon no later than 4 July 2011 and provide your current contact details together with information about why you consider yourself to be a group member.

10. By 18 July 2011, Slater & Gordon will determine the amount that group members are entitled to receive and will write to group members outlining this amount.
11. You will have until 15 August 2011 to object to the amount notified if you think that there has been an error in the calculation of your settlement sum. If you do not receive any correspondence from Slater & Gordon within that time, and believe that you are entitled to a payment, you must contact Slater & Gordon and lodge an objection within this time. Please note that Slater & Gordon will not consider objections to the amount of settlement advised, where the objection is directed to the principles on which the amount was calculated.
12. By 12 September 2011, Slater & Gordon will determine all objections and advise all group members of the final payment amount from the Settlement Fund that they will receive. At this time, group members will also receive a Deed Poll that they will need to sign and have witnessed and return to Slater & Gordon within 28 days in order to receive payment.
13. By 10 October 2011, Slater & Gordon will forward group members who have signed and returned the Deed Poll the settlement amount as notified to them in paragraph 12 above. All payments will be made by cheque.
14. Group members who do not bank their settlement cheque by 5 April 2012 will not receive a payment from the Settlement Fund.
15. If you have any questions, please contact Slater & Gordon on 1800 555 777 or seek your own legal advice.