

IN THE FEDERAL COURT OF AUSTRALIA
VICTORIAN DISTRICT REGISTRY

No. VID 386/11

IN THE MATTER OF WILLMOTT FORESTS LIMITED (RECEIVERS AND MANAGERS
APPOINTED) (IN LIQUIDATION)
ACN 063 263 650

WILLMOTT FORESTS LIMITED (RECEIVERS AND MANAGERS APPOINTED)
(IN LIQUIDATION) ACN 063 263 650
IN ITS PERSONAL CAPACITY AND IN ITS CAPACITY AS RESPONSIBLE ENTITY OF EACH
OF THE MANAGED INVESTMENT SCHEMES LISTED IN SCHEDULE 1 AND IN
ITS CAPACITY AS MANAGER OF THE UNREGISTERED MANAGED INVESTMENT
SCHEMES LISTED IN SCHEDULES 2 AND 3
FIRST PLAINTIFF

CRAIG DAVID CROSBIE
SECOND PLAINTIFF

IAN MENZIES CARSON
THIRD PLAINTIFF

Interlocutory process

(rules 2.2, 15A.4, 15A.8 and 15A.9)

A. DETAILS OF APPLICATION

This application is made under Order 2.13 of the *Federal Court (Corporations) Regulations 2000*.

On the facts stated in the supporting affidavit(s), the applicant, WILLMOTT ACTION GROUP INC (Reg No A0055149L), applies for the following relief:

1. Leave be granted to be heard in the proceeding;
2. That the Orders sought by the Second Plaintiff and the Third Plaintiff (collectively "the Respondents" in this Application) be set aside on the basis that:

Filed on behalf of WILLMOTT ACTION GROUP INC (Reg No A0055149L) seeking leave under
Order 2.13 Federal Court (Corporations) Rules 2000

Name: Lloyd & Lloyd Solicitors
Address for service: Level 6 131 Clarence Street
SYDNEY NSW 2000

Tel: 02 801452245
Facsimile: 02 9279 3792
Ref: PS:KR:10500

- (a) The Respondents are not justified in seeking to disclaim the leases in the Project Documents of the schemes in Schedule 1, Schedule 2 and Schedule 3 which currently benefit the growers/investors and which lease interests created proprietary rights of the growers/investors;
- (b) There has been a failure by the Respondents to provide growers/investors in the schemes listed in Schedule 1, Schedule 2 and Schedule 3 with proper information concerning viability or the opportunity for consultation;
- (c) The Orders sought by the Respondents are premature and the Respondents ought first consider the wishes of the growers/investors;
- (d) The Respondents are not justified in seeking powers of sale in relation to the assets of the schemes listed in the Schedules;
- (e) There are currently a number of proposals and alternatives to either appoint a new Responsible Entity/Manager or to continue to the schemes listed in Schedule 1, Schedule 2 and Schedule 3;
- (f) The Poyry Report upon which the Respondents rely to demonstrate that the schemes listed in Schedule 1, Schedule 2 and Schedule 3 are unviable, has insufficient basis and is flawed;
- (g) There were substantial flaws in the Expressions of Interest Campaign conducted by the Respondents;
- (h) There is a dispute about whether the Bombala land constitutes "scheme property" under the schemes listed in Schedule 1, Schedule 2 and Schedule 3; and
- (i) The Orders sought by the Respondents fail to comply with and/or to properly take into account the provisions of the Consent Deed executed on 17 March 2009 by Willmott Forests Pty Ltd, Willmott Forests Investment Manager Pty Ltd in its capacity as trustee under the CBA Security Trust, CBA Corporate Services (NSW) Pty Ltd in its capacity as trustee under the Willmott Security Trust and William Subscriber Pty Ltd.

3. Costs be paid by the Respondents.

Date: 22 June 2011

A handwritten signature in black ink, appearing to read 'P. Christopher See', written over a horizontal dotted line.

Solicitor for the applicant

This application will be heard by Justice Dodds-Streeton at 305 William Street at 10:15 am on 28 June 2011.

Patrick Christopher See
Solicitor
6/131 Clarence Street
SYDNEY NSW 2000
Ph: 02 8014 5225

B. NOTICE TO RESPONDENT(S) (IF ANY)

TO:

Willmott Forests Limited (Receivers and Managers Appointed) (In Liquidation), ACN 063 263 650
in its Personal Capacity and its Capacity as Responsible Entity of each of the Managed
Investment Schemes Listed in Schedule 1 and in its Capacity as Manager of the Unregistered
Managed Investment Schemes listed in Schedule 2 and 3
c/o Allens Arthur Robinson Lawyers
530 Collins Street
Melbourne Victoria 3000

Craig David Crosbie
c/o Arnold Bloch Leibler
Level 21
333 Collins Street
Melbourne Victoria 3000

Ian Menzies Carson
c/o Arnold Bloch Leibler
Level 21
333 Collins Street
Melbourne Victoria 3000

Willmott Growers Group Inc
c/o Clarendon Lawyers
Level 17, Rialto North Tower
525 Collins Street
Melbourne VIC 3000

If you or your legal practitioners do not appear before the Court at the time shown above, the application may be dealt with, and an order made, in your absence.

Before appearing before the Court you must, except if you have already done so or you are the plaintiff in this proceeding, file a notice of appearance, in the prescribed form, in the Registry and serve a copy of it on the plaintiff in the originating process.

Note Unless the Court otherwise orders, a defendant that is a corporation must be represented at a hearing by a legal practitioner. It may be represented at a hearing by a director of the corporation only if the Court grants leave.

C. FILING

This interlocutory process is filed by Lloyd & Lloyd Solicitors for the applicant.

D. SERVICE

The applicant's address for service is:

WILLMOTT ACTION GROUP INC

C/- Lloyd & Lloyd Solicitors, Level 6, 131 Clarence Street, Sydney NSW 2000.

SCHEDULE ONE
REGISTERED MANAGED INVESTMENTS SCHEMES

- (a) Willmott Forests 1989 – 1991 Project (ARSN 092 516 651)
- (b) Willmott Forests 1995 – 1999 Project (ARSN 089 598 612)
- (c) Willmott Forests Project (ARSN 089 379 975)
- (d) BioForest Dual Income Project 2006 (ARSN 1149 153 535)
- (e) BioForest Sustainable Timber and Biofuel Project 2007 (ARSN 124 135 535)
- (f) Willmott Forests Premium Forestry Blend Project (ARSN 131 549 589)
- (g) Willmott Forests Premium Forestry Blend Project – 2010 (ARSN 142 722 585)
- (h) Willmott Forests Premium Timberland Fund No. 1 (ARSN 136 768 520)

SCHEDULE TWO
UNREGISTERED MANAGED INVESTMENTS SCHEMES: PROFESSIONAL INVESTOR
SCHEMES

Professional Investor Schemes

- (a) Willmott Forests – Professional Investor – 2001 Project – 2001 Information Memorandum;
- (b) Willmott Forests – Professional Investor – 2002 Project – 2002 Information Memorandum;
- (c) Willmott Forests – Professional Investor – 2003 Project – 2003 Information Memorandum (2003) and 2003 Information Memorandum (2004);
- (d) Willmott Forests – Professional Investor – 2004 Project – 2004 Information Memorandum and 2004 Information Memorandum (2005);
- (e) 2005 BioForest Wholesale Project No. 2 – 2005 Wholesale Forestry Memorandum (BioForest);
- (f) Willmott Forests – Professional Investor – 2006 Project – 2006 Information Memorandum.

SCHEDULE THREE

UNREGISTERED MANAGED INVESTMENT SCHEMES: CONTRACTUAL SCHEMES AND PARTNERSHIP SCHEMES

Contractual Schemes

- (g) 1983 (No project);
- (h) 1984 (No project):
- (i) 1985 (No project);
- (j) 1986 (No project);
- (k) 1987 (No project):
- (l) 1989 (No project);
- (m) 1990 (No project) Interest only offer;
- (n) 1991 (No project):
- (o) 1995 (No project) (Custom);
- (p) Sharp/Reed Plantation Project – 1998 Information Memorandum;
- (q) 2001 (No project).

Partnership schemes

- (r) McKenzie & Partners – Forestry Partnership No. 1 (1993);

- (s) Grimsey & Associates Pty Ltd Forestry Partnership No. 1 (1994);
- (t) Grimsey & Associates Pty Ltd – Forestry Partnership No. 2 (1994);
- (u) Grimsey & Associates Pty Ltd – Forestry Partnership No. 3 (1994);
- (v) McKenzie & Partners – Forestry Partnership No. 2 (1994).