

**FEA Growers Group Update No 26**

Dear Growers,

We attach a copy of the Administrator's response (prepared by DLA Piper acting for the Administrators) sent to the Receivers of FEA on the 21<sup>st</sup> of September 2011.

The letter is in response to the Receiver's 8<sup>th</sup> of August letter demanding the payment of rent purportedly due by Growers to FEA (sent to growers in pre-2000 schemes). The Receiver's act on behalf of secured creditors Commonwealth Bank of Australia and the ANZ.

It is the Administrator's view that FEA has no right to invoice Growers for rent and that FEA is not entitled to invoice Growers for the payment of rent.

The letter points out that the Receiver's letters are intentionally misleading and have caused Growers further confusion and anxiety. The Administrators have demanded that the Receiver's retract the letters by writing to the growers directly and publishing a letter of retraction on their website.

Further details are included in the attached letter.

We understand that the Receivers have since sent letters advising Growers that their leases are terminated. The Administrators have advised us that it will be responding to Receivers and will publish its letter on their website. The Administrators are also preparing legal action with the purpose of the securing Growers rights under the leases.

**Grower Meetings held on 4<sup>th</sup> of October 2011.**

Between early August 2011 and to as recent as last week, the Receivers of FEA have caused notices of termination to be issued to Growers.

In addition, on last Friday 30 September 2011 the Receivers of FEA commenced legal proceedings in the Supreme Court of Victoria seeking amongst other things declarations that the leases are at an end.

FEAGG considers that Growers require further time to consider the potential implications for the Black Tree proposal in light of these recent developments.

The meetings resumed on Tuesday the 4<sup>th</sup> of October 2011 have been adjourned to date to be notified to growers of not more than 16 weeks.

**General**

The Receivers are taking an aggressive approach and have avoided any meaningful negotiation. BRI Ferrier believe there are strong grounds to defend grower's rights.

The FEAGG is concerned that the letters put forward the Receiver's view and ignore a number of other issues that the FEAGG and the Administrator have put forward.

We understand that BRI Ferrier will put forward a detailed report shortly and will be vigorously defending the proceedings.

We believe there is room to achieve a sensible outcome for all parties and in spite of the Receiver's actions will continue to use our efforts to achieve a suitable outcome for all parties.

Regards,

FEA Growers Group

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