



Timbercorp liquidators seek to remove Andrew Wily as bankruptcy trustee for Peter Holt

By [Adele Ferguson](#)

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Timbercorp's liquidators have applied to the court to remove Sydney insolvency specialist Andrew Wily as bankruptcy trustee of banned financial adviser Peter Holt. It is the latest twist in the already-complex saga of Timbercorp, post-collapse.

At a directions hearing in the Federal Court today, Korda Mentha, the liquidator of Timbercorp, will also seek an "inquiry" into Wily's conduct as Holt's bankruptcy trustee. It has made similar applications seeking Wily's removal as the trustee of 10 other Holt Norman clients and Craig Baker, a former director of Holt Norman.

Holt was one of the biggest spruikers of Timbercorp, an agribusiness operator that collapsed in April 2009 owing debts of \$750 million and leaving thousands of investors holding massive loans. KordaMentha is sending dozens of writs a week to victims of Timbercorp, including customers of Holt, as it seeks to recoup money for creditors including ANZ Bank.



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A recent Business Insider Australia article by James and myself revealed Holt raked in millions of dollars from selling Timbercorp's timber, olive, almond, mango and other managed investment schemes.

More than 100 of his victims set up an action group, the HNAB Group, which meets monthly in Melbourne's Coburg. One of the members, Susan Henry, told a recent Senate inquiry the group had written letters to ANZ and Korda Mentha about Holt and their plight.

Intriguingly, in light of today's proceedings, she also mentioned Holt, in the senate hearing, in the context of a "fake debt bankruptcy fraud ring".

Holt has been variously described by Senator Sam Dastyari as a "crook, a criminal and a fraudster" in parliament. Federal MP Tony Smith recently asked 'What do you have to do to get banned for life?' He was referring to the three-year ban imposed on him, which was at the "lowest end of the range".

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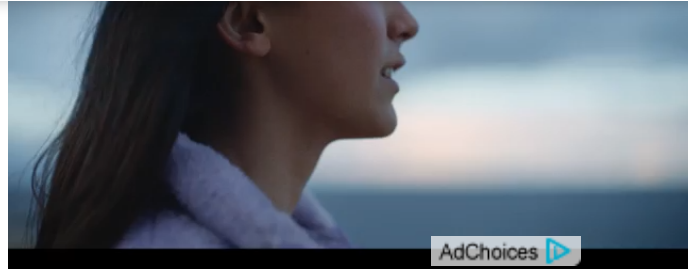


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Holt was banned by ASIC in September 2012 for three years for inappropriate advice to his retail clients, including gearing them up with margin loans and investments including Timbercorp, which culminated in their financial ruin.

An application filed in the federal court says the removal of Wily as bankruptcy trustee is because "the connection of [Wily] with [Holt] is likely to make it difficult for him to act with impartiality in the interests of the creditors generally". Affidavits supporting Wily's removal have been filed with the application.

Wily has been Holt's bankruptcy trustee since Holt requested bankruptcy in June 2011 with debts of \$26.9 million, including \$2.5 million to Timbercorp Finance and \$14.7 million to a company called Dapal Ltd, registered in Hong Kong, which according to the banning order, had agreed to lend the money to Holt and his business partner William Norman for a "proposed agribusiness project" in the Goulburn Valley. Holt still lives in a big house and drives a European car.

In June, Senator Sam Dastyari told the Senate that Peter Holt had engaged the services of Graeme Watters of law firm Bentley Watters, who assured Holt he could provide him with "legal bulletproofing" telling customers and clients "you can't go after this guy".

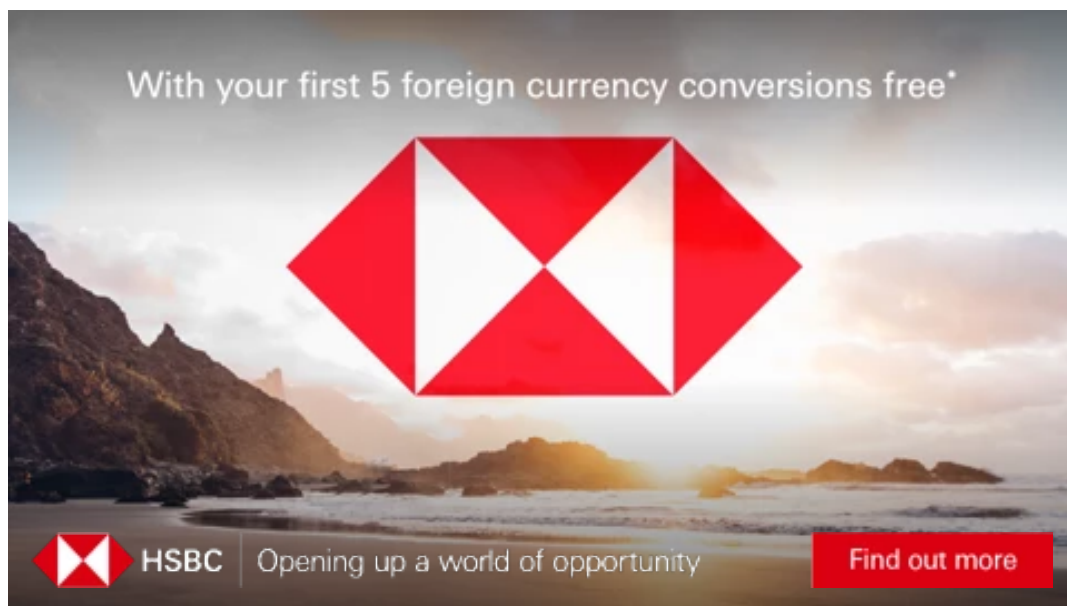
There's clearly more going on here than meets the eye.

Wily says he will not contest the application. "It is all friendly, they

through his files saying they were looking for more funding for him. They then told Wily they wanted a new trustee.

He said Holt was a high-profile case and as his bankruptcy trustee he had given him a good "shake-up" and a thorough investigation. "There were no assets found anywhere on Holt." He said the house was in Holt's wife's name and "there were no assets anywhere".

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Wily was suspended for four months in 2003 by the Companies Auditors and Liquidators Disciplinary Board for breaching his duties as a liquidator. The case, which was mounted by the corporate regulator ASIC, included failing to "detect a fraud committed" in certain six external administrations by a staff member and failing "to detect the conduct undertaken by that staff member to cover up that fraud in those and other external administration. He "agreed" to pay nearly \$125,000 to unpaid creditors arising from the fraud.

Holt's many victims want justice. In ASIC's 24-page banning order, it said "by reason of Mr Holt's failure to have a reasonable basis for the advice provided to clients ... his conduct falls into the three-to-10-year category."



reflect on his conduct I am of the view the banning should be at the lowest end of the range".

It raises so many questions about what criteria ASIC uses when it decides how long someone should be banned. Given the application currently before the court, it is interesting that ASIC took Holt's bankruptcy into account as a reason for a reduced ban period.

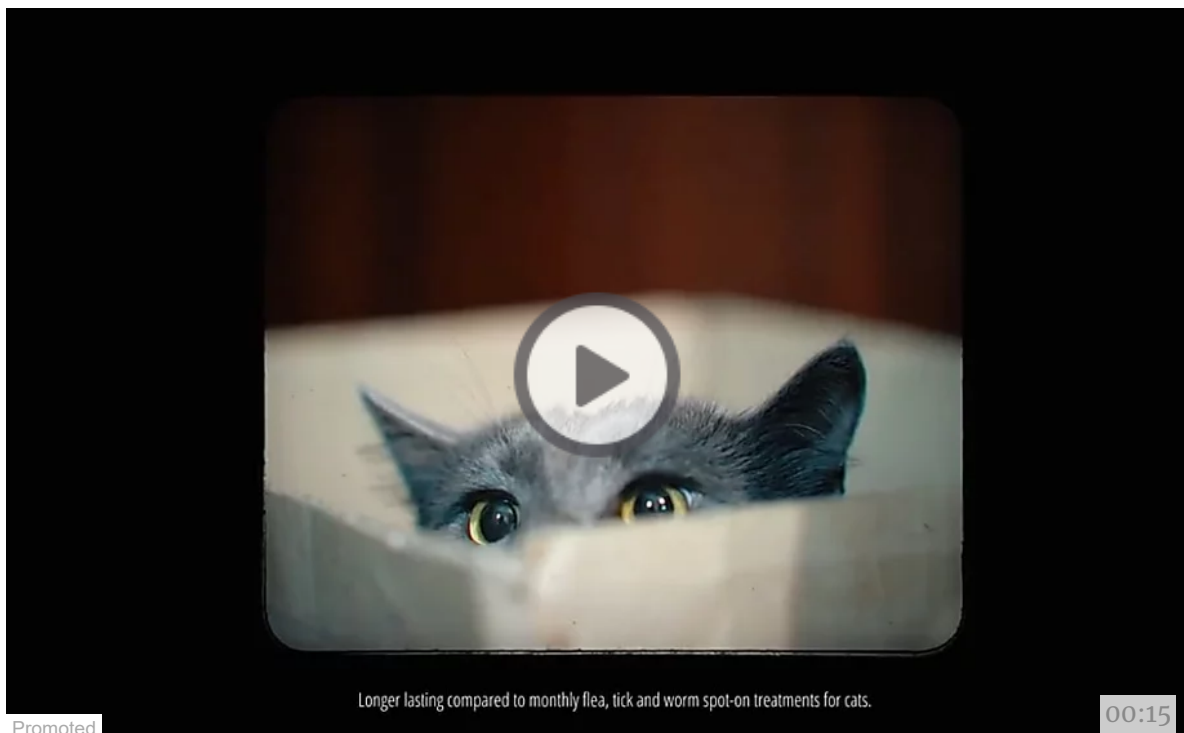
For Holt, who will be able to flog financial products again next year, it is cold comfort to some of his victims who are still trying to pick up the pieces of their broken lives.



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