

Rear Window

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Never too much monkey business

If Prime Minister **Kevin Rudd** is talking about paying peanuts to the finance types then we may not be far off our own simian approach to management.

Chimpanzee scholar **Jane Goodall** has been sharing her insights into what humans and organisations could learn from chimps at a recent series of Australian Graduate School of Management lunches.

Admittedly it's not a great time to be tapping financial types for charitable donations, but at this week's Sydney lunch there was spirited bidding for a painting by Taronga Zoo chimp Lulu with proceeds to the Jane Goodall Institute.

Compre and former fundie turned animal rights campaigner, **Brian Sherman**, egged them on, reminding the crowd that his wife **Gene Sherman** runs Sherman Galleries and it was a rare work. "For the private equity representatives this is part of what you'd call a balanced portfolio," he quipped.

Lulu's dab was finally knocked down for \$10,000 with a second going for \$5000, which included a behind-the-scenes trip to the chimp enclosure at Sydney's Taronga.

It's all in the name

When it comes to churning out recognisable brand names, there's a fine line between unique and just awkward.

So beleaguered telecoms consortium **Terria** discovered yesterday when it found itself on the wrong side of transcribers who thought its dog of a moniker sounded like something else, this time from the mouth of Communications Minister **Steven Conroy**.

After a good joust with the gallery, Conroy's office rushed out a clarification to a transcript it circulated after Terria's name was somehow substituted with the word "charity".

"The charity organisation, as far as I've read, still exists, still intends to put in a tender on their public statements," Conroy's Media Monitors transcript waxed as he tried to reassure punters there was still a contest for the \$4.7 billion National Broadband Network.

Judgement day for Opes

Opes Prime clients will no doubt be delighted by yesterday's turn of events on the sharemarket.

After all, yesterday was the day they finally got to rule a line under their accounts at the collapsed securities lending outfit, having voted on Wednesday to place it in liquidation.

A similar joy awaits the clients of Primebroker Securities, who yesterday voted to do the same, although their agony has been shorter since the company was placed in administration only in May. Opes went down in March.

And what better day to rule off than the day of the fourth biggest points loss since 1992. Be sure and thank

the Lord that it wasn't last Friday, when the market fell more (but only just).

Following a ruling by **Justice Ray Finkelstein** in the Federal Court, Opes administrator **John Lindholm** of Ferrier Hodgson has been unable to rule on the value of the shares held as security against clients' loans. That could not happen because, until a liquidator was appointed at Wednesday's creditors meeting, the broker had not defaulted on its securities lending agreement.

But from the time administrators were appointed on March 27 to yesterday's close, the market has fallen 26 per cent, with clients unable to do a thing about it. That has left

about \$500 million less to go around as security.

According to an ASX warning to brokers to be careful of buyers trying to push up stocks at the close yesterday, the losses are widespread. The warning covered 1000 stocks punted with loans from ANZ and Merrill Lynch.

The granddaddy of them all, a 5 per cent stake in Challenger, has actually outperformed the market since March, down just 13 per cent. API, another of the large positions financed for Sydney criminal lawyer **Chris Murphy** has fallen 60 per cent in the past seven months. Shares of Admiralty Resources, a favourite of Opes directors, are down 82 per cent.

ANZ's chief financial officer...



It's weird, mention childcare and he reverts...



Child's play proves a costly exercise

To the average man, the businesses of securities lending and child-care centres wouldn't at first appear to have much in common.

But then entrepreneurs see things differently from you and me and apparently have little trouble reconciling them.

Certainly that seems to be the case at Primebroker Securities, the stock lender that followed Opes Prime into the abyss earlier this year.

It turns out directors **Ian Pattison**, **Gloria Toaldo** and **Sal Catalano** also

sat on the boards of an unlisted company called Belliaraphon that held 16 child-care centres in Adelaide and Melbourne.

Of course they weren't the first to spot the child-care opportunity amid a mini baby boom and untold millions in government subsidies.

And when you think about it, it was as obvious a business opportunity as securities lending which, until this year, just involved clipping the ticket on an ever rising market.

But when Primebroker hit a spot of

bother in January this year and had to go to ANZ to refinance, the directors used the child-care centres as security.

Or rather it pledged the proceeds of the \$14 million sale of the child-care centres as security. And who was to be the buyer? ABC Learning Centres, of course.

Eddy Groves and co had already paid \$1.5 million for the centres but couldn't follow through after ABC hit the skids.

Now it's ANZ's problem.

Here's to all brokers and fixers

Great to see some of the listed brokers among the better performers in yesterday's market rout, with Bell Financial and Euroz among the handful of stocks in the All Ords finishing in the black.

But over at Tolhurst the banks appear to be playing hardball over last year's acquisition of BrisVegas financial planner Community & Corporate Financial Services.

Shareholders might feel like they are stepping back in time because, a year after approving the issue of \$18 million of shares for part of the acquisition cost, they are going to be asked at this year's annual meeting next month to approve ComCorp providing financial assistance to Tolhurst to finance the acquisition.

That's shorthand for ANZ, after the deal was done last year, demanding security over the assets of ComCorp for the loan that was used by Australia's oldest broker to finance the deal.

If shareholders don't approve the security, ANZ might terminate the loan and force Tolhurst to refinance elsewhere.

But directors think they won't be able to get the finance elsewhere unless they give the security over the assets that ANZ is seeking.

Cutting words

Ford Australia boss **Marin Burela** waded out of his way to avoid uttering the words "job cuts" yesterday as he announced another 450 people would have to go from the company's two Victorian car plants.

Your diarist would love to have been at the communications meeting that dreamed up the alternatives, but will have to settle for the public result.

First up, they were told Ford was "right-sizing" its business as it "moves forward".

Then Burela pulled a few out of the tyre business by explaining the job losses away as "realignment" and "rebalancing".

Then came "down balancing", "balance changes" and even "preference shifting".

Anything but job cuts.