

Westpoint link to debt

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A FORMER director of collapsed property investment empire Westpoint being sued for millions of dollars by the corporate watchdog has emerged as a major investor in failed managed investment scheme spruiker Timbercorp.

BusinessDay has learned that Perth businessman Cedric Richard Beck, his wife Anna Beck, nee Harris, and a company they jointly owned have loans with collapsed managed investment scheme promoter Timbercorp collectively worth more than \$11 million. The loans are now about \$4 million in arrears.

Melbourne-based Timbercorp entered administration in late April with debts of more than \$900 million amid flagging sales of its tax-effective forestry products. Thousands of its 18,000 "growers" — people who bought Timbercorp wood lots as tax-deductible investments — borrowed to buy the products, and still owe money on their loans.

But BusinessDay believes that the loans given to Mr and Ms Beck are bigger than any others currently outstanding to Timbercorp investors, as is the amount in arrears on the Becks' loans.

Mr Beck has been the subject of asset tracing and preservation orders by the Australian Securities and Investments Commission, which is suing the couple as part of wide-ranging compensation action.

ASIC is suing Mr Beck, Ms Beck, several companies linked to them, and other former Westpoint directors in the hope of recouping up to \$273 million for 4000 former investors of Westpoint, which fell over in late 2005 owing \$329 million. Many lost their life savings and family homes in the collapse.

The former Westpoint directors, including Mr Beck, are accused of breaches of directors' duties and breaches of trust, while Ms Beck and companies associated with the couple are accused of unlawful receipt of commissions. The parties are contesting ASIC's claims.

It is unclear whether the Becks' debts to Timbercorp — which is under control of administrators KordaMentha — affects ASIC's action. ASIC declined to comment yesterday.

BusinessDay tried to contact Mr Beck through a public relations firm he once employed in Perth, and at the offices of what was once Keibel Funds Management, now known as Finchley Central Funds Management. Keibel, which was co-founded by Mr Beck and Simon Bell, had channelled investors into Westpoint products.

Mr Bell is also an investor in Timbercorp through a company called Jase Nominees.

Documents from ASIC's database show at least one of the Becks' Timbercorp loans was established in July 2004, when Westpoint was still selling its investment products.

ASIC obtained orders in January for a "global mediation" of all the parties it is suing in connection to Westpoint, including the former Westpoint directors, a trustee company, Westpoint's auditors KPMG and various financial planners. The mediation is due to take place on June 15.

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