

# Herald Sun

## Deal boosts Westpoint return

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More compensation has been unlocked after the collapse of the Westpoint property empire.

Source: News Limited

**THOUSANDS of investors stung by the Westpoint empire collapse will claw back more of their cash under the terms of an agreement announced yesterday.**

The corporate watchdog has settled its legal action against auditor KPMG and five directors of the Westpoint Group of companies, ending a long-running dispute over investor compensation.

An extra \$67 million will be recovered for investors, taking the total return to about \$165 million from the \$388 million lost in the 2006 collapse of the property empire founded by Norm Carey.

Australian Securities & Investments Commission chairman Tony D'Aloisio said the settlement would "avoid the delays associated with conducting the proceedings through to a trial".

The case was not due to go to trial until September.

Because of the "age and circumstances of the investors" -- mostly retirees -- a settlement was preferable to a lengthy litigation process, Mr D'Aloisio said.

About 4000 people invested in Westpoint through a series of so-called mezzanine companies and most are expected to share in the payout.

Not all of the companies were covered by the corporate watchdog's legal action, however, and the carve-up of the funds among liquidators of the companies is yet to be determined.

The mezzanine-investment structure was used to fund the West Australian property group's developments.

ASIC's legal action and ensuing settlement involved Mr Carey and three other directors: Richard Beck, Graeme Rundle and John Dixon.

The regulator had previously settled with a fifth director, Lynette Schifftan.

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