

## Prime trust on ASIC's radar

PUBLISHED: 21 Oct 2010 12:13:53 PRINT EDITION: 21 Oct 2010

### Nick Lenaghan

The corporate regulator is taking a closer look at Prime Retirement and Aged Care Property Trust since its collapse last week.

Lenders, led by Suncorp, lost patience with the property trust, which was founded by Bill Lewski and chaired by former federal health minister Michael Wooldrige.

Investors in the trust have also been expressing their frustrations with Prime, which had been in turmoil for some months.

The Australian Securities and Investments Commission is now having a careful look at the trust, although it does not yet amount to a formal investigation.

Investors have raised a series of complaints over the past two years about the management of Prime.

The issues relate to concerns over the trust's disclosures and whether distributions have been paid out of unrealised profits.

As well, investors have questioned the amount of fees collected by the responsible entity, Australian Property Custodian Holdings – both the level of its management fees and especially a listing fee collected when the trust went public in 2007.

Meanwhile, the administrators, Stirling Horne and Peter Vrsecky of Lawler Draper Dillon, have been appointed to a total of 20 corporate entities related to the trust, including the APCH.

The administrators have called creditors meetings in Melbourne and Brisbane next week.

Prime's troubles worsened after it failed to raise the money to fund a \$45 million call option it had to buy back the operational management rights to its villages from Lend Lease Primelife.

Earlier this year, Mr Lewski regained control of the responsible entity, which he had sold to Kidder Communities, an offshoot of Melbourne corporate advisory house Kidder Williams, in 2006.

Mr Lewski took back management of the trust after Kidder Communities failed to meet a vendor loan facility supplied by Mr Lewski's Daytree Pty Ltd.

Suncorp, Members Equity Bank and a syndicate between National Australia Bank and Bank of Scotland International are owed about \$300 million.

The banks have appointed separate receivers over the 12 villages controlled by the trust.

The Australian Financial Review

### Related News

Companies [Prime Retirement](#), [Suncorp-Metway](#), [Lend Lease Primelife](#), [National Aust. Bank](#)

Topics [Property - Commercial/Property Trusts](#), [Courts & Legal](#)



### Create an alert

Click on the links below to create an alert and receive the latest news as it happens

Companies [Prime Retirement](#) , [Suncorp-Metway](#) , [Lend Lease Primelife](#) , [National Aust. Bank](#)