



EQUITITRUST CAPITAL™

Equititrust Limited ABN 74 061 383 944
67 Thomas Drive Chevron Island Queensland 4217
Box 8111 GCMC Queensland 9726 Australia
Telephone 07 5527 5527 Facsimile 07 5527 5900
info@equititrust.com.au www.equititrust.com.au

Continuous Disclosure Statement

Equititrust Income Fund ARSN 089 079 854
Equititrust Limited ACN 061 383 944, AFSL 230471
Issued by Equititrust Limited on 4 May 2011

4 May 2011

Equititrust Response to: **Sydney Morning Herald Article 4th May 2011**

WINDING UP APPLICATION

On Tuesday 3 May 2011, a winding up application was filed against Equititrust Ltd by Rural Security Holdings Pty Ltd ("RSH"), a company associated with Mr Ian Lazar.

Our solicitors have advised us that it is an abuse of process and will be struck out by the Court very shortly.

Mr Lazar and a related entity are borrowers from Equititrust entities and have been in default of their loan obligations for some time. Equititrust commenced legal action against Mr Lazar and his entity for recovery of monies owed. Mr Lazar settled one such action on 20 April 2011 (the day before a trial was due to commence for recovery). A further loan of \$250,000 is currently being pursued. Mr Lazar and his related entities have been represented by the same solicitor in all such proceedings.

There has been other recent litigation between RSH and Equititrust in the NSW Supreme Court, in which Equititrust prevailed and we have the benefit of costs orders against RSH, which are currently being assessed. Equititrust is not indebted to RSH in any way. Instead, RSH is indebted to Equititrust as a result of the recent Supreme Court action.

RSH has not served a statutory demand on Equititrust (which would have been set aside had they done so) and their application primarily relied upon past inaccurate press reports (all of which were exhibited in their affidavit) to support their case. RSH did not divulge any reasons for why they say Equititrust is insolvent. Their alleged debt is approximately \$200,000, which we could satisfy many times over from available cash, however, we are not indebted to them. Interestingly, RSH commenced a District Court action in relation to this alleged debt only one business day prior to their winding up application. RSH are alleging Equititrust are responsible for approximately \$200,000 worth of plant and machinery at a turf farm in relation to which we have appointed Receivers.

This information has been prepared by Equititrust Limited ABN 74 061 383 944 AFSL No. 230471. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. An investment in the Fund is not a bank deposit and carries the risk of investors not getting the return of all or part of their investment. Past performance is not an indicator of future performance and actual distributions may be lower than the Benchmark Rates. In deciding whether to invest in the Equititrust Income Fund ARSN 089 079 854 you should consider the current Product Disclosure Statement, copies of which are available from our website equititrust.com.au or by contacting us on 1800 635 527. Terms defined in this information have the same meaning as where used in the PDS, unless otherwise defined. We welcome your feedback at anytime.



EQUITITRUST CAPITAL™

Equititrust Limited ABN 74 061 383 944
67 Thomas Drive Chevron Island Queensland 4217
Box 8111 GCMC Queensland 9726 Australia
Telephone 07 5527 5527 Facsimile 07 5527 5900
info@equititrust.com.au www.equititrust.com.au

The Receiver informed RSH last year that they could collect the plant and equipment. Further, RSH representatives advised that such plant and machinery would be collected on two separate occasions in November 2010 yet they failed to do so. The equipment remains at the farm, available for collection. Under no possible scenario could Equititrust be directly responsible for the equipment: the turf farm is under the control of a Receiver.

Equititrust were first made aware of the winding up application on the morning of 3 May 2011 (prior to it being made) and immediately sought (and obtained) an injunction from the Federal Court restraining publication of the application on the basis that it was an abuse of process. The case has been adjourned to allow Equititrust to provide further evidence to the Court. Equititrust expects the application to be stayed/dismissed shortly on the grounds of it being a clear abuse of process.

Equititrust advised RSH's solicitors on the morning of 3 May 2011 that an application would be made for an injunction to restrain them from advertising and notifying ASIC of the application, because of the obvious damage that such an application would bring. After receiving our advices, their lawyer filed the notice with ASIC knowing the damage it may cause. The Court has ordered that RSH notify ASIC about the stay application by 10.30am today.

The case is a clear abuse of process and is simply commercial terrorism.

As at today's date the Equititrust Group is in a position to pay all of its debts as and when they fall due.

Wednesday 4 May 2011

EQUITITRUST LTD

This information has been prepared by Equititrust Limited ABN 74 061 383 944 AFSL No. 230471. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. An investment in the Fund is not a bank deposit and carries the risk of investors not getting the return of all or part of their investment. Past performance is not an indicator of future performance and actual distributions may be lower than the Benchmark Rates. In deciding whether to invest in the Equititrust Income Fund ARSN 089 079 854 you should consider the current Product Disclosure Statement, copies of which are available from our website equititrust.com.au or by contacting us on 1800 635 527. Terms defined in this information have the same meaning as where used in the PDS, unless otherwise defined. We welcome your feedback at anytime.