

## Piper Alderman Response

Piper Alderman, the legal firm acting for Council in the Lehmann Brothers Australia matter, responding to a MossVag email concerning the April 30<sup>th</sup> WSC EGM

“ We refer to the email from the Moss Vale Action Group (the Action Group), that was circulated to various people within the Wingecarribee Shire Council (WSC) community on Tuesday 29 April 2008 regarding the Extraordinary Council Meeting to be held on 30 April 2008.

We advise that we act for WSC.

The Council and its elected representatives are in a difficult position in that they are unable to comment on a number of the allegations, as to do so may jeopardise the Council's case against Lehman Brothers Australia Limited (Lehmans).

Accordingly, set out below are responses, where possible, in relation to allegations made in the email of 29 April 2008:

1. The email alleges that the Council secretly placed \$58.3 million dollars in the hands of a one-stop investment shop. The Council retained Lehman Brothers in an open and transparent manner by seeking expressions of interest for investment advisers and comparing those particular investment advisers. The Council's decisions in relation to the investment advisers were discussed at Council meetings, documented in meeting minutes and are now a matter of public record. In no way did Council secretly place funds with any investment adviser.
2. In relation to the comment regarding release of documents to the public, we note that the Council will be making a press release regarding why those documents have not been released in the coming days. Please refer to that press release.
3. In relation to the proposed leisure centre that the Council can allegedly not afford, Council does not propose to comment on such an allegation here given that it has released reports on the subject. Council cannot provide a substantive response as to the remainder of the issues as to do so may adversely affect the litigation currently on foot against Lehmans, including the allegations that:
  1. the Financial Committee's handling of public money has been disastrous;
  2. some Finance Committee members did not know that the investments had been made until six months after the event;
  3. minutes or notes of critically important meetings were not circulated to each Councillor;
  4. the Chairman of the Finance Committee was unaware of the investment terms; and
  5. \$11 million has disappeared down the current fiscal black hole.Council denies the allegations in paragraphs 1 to 4 above. Furthermore, the Council, for the reasons above, cannot make public statements about its position on the losses or estimated legal fees for the action against Lehmans.

## **Comments**

Any person wishing to make comments/allegations on any issue, including Council investments or development projects, should direct those comments/allegations to WSC. Given the potential for any response by the Council to jeopardise the case against Lehman Brothers, WSC will respond to any allegations and make full disclosure of the events and circumstances in relation to allegations at the appropriate time so as not to adversely effect the legal proceedings.

Christopher Martin  
Lawyer  
Piper Alderman “