



21 July 2016

Licensed Insolvency Practitioners

To All Investors by email

12 - 14 Carlton Place Southampton
Hampshire SO15 2EA

t. 023 8023 4222
f. 033 0088 4655
e. recovery@hjssolutions.co.uk

www.hjssolutions.co.uk

Ethical Forestry Group of Companies – in Liquidation

Dear Sir/Madam

I refer to my previous updates and write to provide a further update in relation to the Liquidation. I am aware that it has been some time since my last update, however, I haven't really had anything of merit to report.

Since my last update, I have received the final proposals from the two prospective purchasers and have considered them with my Joint Liquidator and my solicitors. We are now moving forward with the preferred purchaser and legal agreements for the sale are being drafted. However, it is likely to be at least four weeks before any sale will be finalised. Indeed, in view of the delays and difficulties that we have so far encountered, I consider that completion within four weeks would be an optimistic timescale.

I will write to you all again at that time with confirmation of the status of the sale.

My staff and I receive and read all your emails. I would therefore take this opportunity to comment on a number of queries and matters that have been raised.

Submitting a claim

I have received a number of proof of debt forms from Investors indicating that they wish to be listed as creditors and indeed, an Investor has suggested to me that it would be prudent of me and would save time if I invite everyone to submit claims.

Unfortunately, this is not correct. It is premature and a waste of your, and my, time for you to submit any claims at this stage. Currently, you have not suffered any loss. Your loss, if any, will only be established in the fullness of time.

As you are all aware, I am working on a solution to seek to mitigate as much as possible any loss to the Investors. If I am successful, the claims that have been already submitted for the full amount of the Investments will be incorrect. Should I not be successful, I will invite all Investors to submit claims at that stage. However, your claims will be limited to the full amount of your Investment, less the value of your trees. Thus, if I invite claims now, the exercise would only be duplicated at a later stage, which would lead to a duplication of costs.

Please be assured, I will provide guidance to you in time in relation to your claims, should my proposed solution fail. But at present, I am sincerely hoping that this course of action will not be necessary.

Calls from solicitors promising to be able to get your money back

I have received a number of enquiries from Investors who have indicated that they have been approached by a firm of solicitors who are offering their services to recover your Investment, similar to the PPI recovery approach. I am not able to advise you as to whether you should sign up with these people and I can only suggest that you seek your own independent legal advice in that regard.

I do not know how these people have obtained your telephone numbers or email addresses but I would, however, categorically state that we have not provided any personal details of any Investors to any party, unless the individual Investor has provided us with authority to do so.

Current position in relation to investigations

The investigations into the conduct of the directors are continuing. I understand that the Financial Conduct Authority have issued a comment in the press concerning the Ethical Group of Companies and I have no desire to appear evasive, but I am now bound by strict confidentiality and legal privilege so that I am not able to provide any comment. I hope that you will understand my position.

I will write to you again in four weeks time with an update in relation to the completion of the sale.

Yours faithfully

A handwritten signature in blue ink, appearing to be 'Shane Biddlecombe', written over a horizontal line.

Shane Biddlecombe MABRP
Joint Liquidator

Enc.