

# Shareholders go to war for control of Folkestone

**The corporate spat for control of Folkestone has blown into a full-scale war between former Mirvac boss Greg Paramor and the company's two major shareholders - Pratt family investment vehicle Thorney Holdings and Centro Retail director Bill Bowness.**

**A shareholder meeting to settle the mess was scheduled in Melbourne this week, but was cancelled by company chairman Alister Maitland. There have been grumblings that the meeting was called off when it appeared the Paramor camp had the numbers.**

It's more than a year since Paramor's company, Equity Real Estate Partners, started talks to recapitalise the embattled Melbourne property trust.

Under that deal, EREP would be issued 12.97 million shares in Folkestone at 12¢ each, giving the property company \$1.56 million of much-needed working capital. The Folkestone board initially supported that lifeline, but went cold after a rival offer lobbed from stockbroking firm Bell Potter.

The driving force behind the Bell Potter offer is Alex Waislitz, son-in-law of the late Richard Pratt, who heads Thorney. He has joined forces with Bowness, a veteran property developer. Together the pair control 21 per cent of Folkestone.

KPMG was called in to compare the offers, but the finer details of that report have not been released.

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No wonder Paramor is on the war path, and it has nothing to do with opposing football allegiances - Paramor is a Sydney Swans director, while Waislitz is vice-president of Collingwood.

Paramor this week wrote to Folkestone shareholders, along with his business partners, Adrian Harrington and Jonathan Sweeney, to express their disappointment.

In the firing line are Maitland and another Folkestone director, Michael Parkinson.

"The objecting directors have a personal interest in the Bell Potter proposal succeeding," they write.

"Under the Bell Potter proposal these directors will remain on the board despite their long tenure - 13 and six years respectively - and the destruction of shareholder value in recent years."

The EREP team has also taken a shot at Thorney and Bowness, claiming they will end up with more than 35 per cent of Folkestone, without paying a premium for control.

Paramor wants the result of proxies released, as well as KPMG's findings. Another shareholder meeting is slated for March 9.

An article by Mark Hawthorne from:  
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