

15 December 2010

<Name>
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Dear <Salutation>

Five Star Consumer Finance Limited (In Receivership) ("Five Star or the Company")

Investor Number <0000>

We last wrote to you on 14 December 2009 and now take this opportunity to update you on progress since that last update.

All secured debenture investors ("Investors") have received repayments totalling 22.5 cents in the dollar. We continue to estimate that Investors could receive up to a further 2.5 cents in the dollar of their outstanding investment, bringing the total possible repayment up to 25 cents in the dollar (excluding potential recoveries from the legal action discussed below).

In November 2009 the Ministry of Economic Development ("MED") laid criminal charges against the Company's directors and an alleged shadow/de facto director for breaches of the Securities Act 1978 and Financial Reporting Act 1993. Guilty pleas were entered recently, and sentencing is due to take place on 21 December 2010.

In August 2010 the Serious Fraud Office ("SFO") also laid charges against those same individuals concerning related party lending that took place between 2003 and 2007. Two of the Company's directors have pleaded guilty to those charges and are due to be sentenced on 21 December 2010.

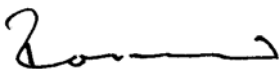
Given that the subject matter of the MED's criminal proceedings were similar to the Company's civil proceedings, the Court exercised its discretion in the usual way and adjourned the Company's civil proceedings until after the criminal proceedings have been heard. At present the Court has rescheduled the Company's civil proceedings for a trial commencing on 12 March 2012. Similar issues arise with the SFO's criminal proceedings, but at this stage, it is not clear what (if any) further impact those criminal proceedings might have on the civil fixture currently allocated for March 2012.

At this stage, and while the subject matter is before the Courts, it is not appropriate to comment further on the merits and likely outcome of the various proceedings. It is difficult to quantify both the quantum and timing of any further distributions to Investors as they are dependent on the outcome of the abovementioned litigation proceedings.

We are continuing to investigate potential further actions against other parties in respect of their conduct prior to receivership. Such actions will only be pursued with ongoing assessment of the legal position and available remedies, including (but not limited to) any potential recoveries for Investors through Court action. Potential quantum of litigation costs, risks and timeframes will also be assessed.

We will provide you with a further update prior to 31 December 2011, or earlier should there be significant development in the legal action that may warrant an update. In the meantime, should you wish to contact us please do so via our website, telephone, facsimile, or private bag address, as detailed above.

Yours faithfully



R D Agnew
Receiver



C T McCloy
Receiver