

<Name>  
<Street>  
<Suburb>  
<City>  
<Postcode>  
<country>

<date> December 2007

Dear <salutation>

**Five Star Consumer Finance Limited (In Receivership)**  
**Vintage Finance Limited (In Receivership)**  
**Vintage Rentals Limited (In Receivership)**  
**Beverage Rentals Limited (In Receivership); together “the Companies”**

Investor number <client no>

## 1. Introduction

We last wrote to you on 4 October 2007 to provide you with an update as to the receiverships and our preliminary estimate of the amount and timing of returns to secured debenture investors. Since then we have prepared our first report on the receiverships in accordance with Section 23 of the Receiverships Act, 1993. If you would like a copy of that report, it can be downloaded from our website, [www.pwc.com/nz/fivestarfinance](http://www.pwc.com/nz/fivestarfinance).

We now take this opportunity to update you on various matters.

## 2. Recovery Strategies

Throughout the receivership to date, we have been focussed on –

- Identifying and securing the Companies’ assets and determining the best realisation strategies for the assets identified;
- Identifying and securing the Companies’ financial and other records;
- Communications with secured debenture investors and other stakeholders; and
- Investigating the activities of the Companies and other parties leading up to the appointment of receivers.

In our report dated 29 October 2007 we provided a breakdown of the loan books, according to the Companies’ draft, unaudited management financial statements, as set out below:

The Companies Summary of Loan Books Draft and Unaudited	Number of loans	Total Value of loans \$000
Commercial	72	40,965
Consumer	9,267	19,436
Vineyard	72	3,971
Other	1,783	1,148
<b>Total value of Loan Book</b>	<b>11,194</b>	<b>65,520</b>

Source: Management Information

As a result of our further work conducted on these loan books, we comment as follows : -

### **Commercial Loan Book**

We can now confirm our preliminary view that the majority of these loans were outside normal commercial lending practices. Furthermore, as a result of now having analysed each loan, we can confirm that many of the loans were made without security, or were made without satisfactory security.

### **Consumer, Vineyard and Other Loan Books**

Our aim has been to realise the value of these loan books by continuing to operate the business, while marketing the loan books for sale, a process that is currently underway. By marketing these loan books for sale we can determine whether a better value can be extracted from a sale, as opposed to the Companies in receivership collecting the loans over time.

### **3. Amount and Timing of Dividend to Secured Debenture Investors**

It is our intention to write to secured debenture investors in the first quarter of 2008 with an update on the expected recovery range and the timing and amount of a first distribution.

To ensure that the first distribution and future distributions are made as cost efficiently as possible, we intend to pay out distributions by direct credit.

### **IMPORTANT – ACTION REQUIRED**

It is necessary that we confirm the bank account details of all secured debenture investors. Accordingly, we ask that you provide us with a **pre-printed bank deposit slip for a New Zealand bank account** or other printed advice from your bank in the enclosed reply paid envelope. Please note that the account must be in the name of the investor. Please also print your investor number (shown above) on the deposit slip for identification purposes and sign. If your investment is held jointly, we require signatures for all joint investors. If signing under a Power of Attorney or Enduring Power of Attorney, please attach a copy of this document for our records.

If you do not operate a New Zealand account please advise by return and we will make alternative arrangements for any future payments. We have included a reply paid envelope for this purpose

**4. Investigations**

Upon our appointment, all records of the Companies held at their premises were secured and a full electronic back up of computer records was obtained. We are conscious of not only what we have discovered in relation to the commercial loan book, but also of a number of concerns raised by investors and other parties in respect of the activities of the Companies prior to the receiverships. Accordingly a thorough investigation continues into the activities of the Companies and other parties leading up to the receiverships.

Any potential breaches of legislation that have been identified during the course of our initial investigations have been referred to the appropriate Government authorities. Those authorities may take such actions as they deem appropriate.

Furthermore, where our investigations have resulted in the identification of actions which may be taken by the receivers directly, such actions will only be pursued upon an assessment of the legal position and available remedies, including but not limited to, any potential recoveries for secured debenture investors through court action.

**5. Other Matters**

We will continue to keep you updated on a regular basis. In the meantime, should you wish to contact us with regard to any of the above matters, please do so in writing, to either our postal, facsimile or website addresses previously given.

Yours faithfully



R D Agnew  
Receiver



A D K Boswell  
Receiver