


# The Australian



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## Ashington assets targeted by Sam Alter

- Bridget Carter
- From: **The Australian**
- February 04, 2010 12:00AM

**MELBOURNE businessman Sam Alter is moving to gain control of high-profile assets held by the troubled fund manager and property developer Ashington, in a deal believed to be worth less than half their \$220 million boom-time purchase price.**

According to industry sources, Mr Alter, who runs Pacific Group, is in talks with the insolvency firm advising Ashington regarding a recapitalisation plan.

Mr Alter, who did not return calls to The Australian yesterday, is understood to be carrying out due diligence on a proposal to inject less than \$100m of equity into the Ashington Development Fund No 2, which owns the controversial Double Bay Stamford Plaza hotel site in Sydney, the Stonington Mansion development property in Melbourne and a 50 per cent stake in the Sheraton Noosa in Queensland. As part of the proposal, Mr Alter would also take over the management of the fund, which would no longer have any link to Ashington.

Ashington did not return calls yesterday.

Insolvency firm PPB partner Brett Lord said he could not comment.

Mark Bouris, The Apprentice host and Wizard Home Loans founder, stepped down as chairman of Ashington in August, but retains a minor interest.

Sources said the fund's investors consulted PPB last year after losing confidence in the management.

Superannuation funds that are believed to have poured more than \$100m into the Ashington Development Fund No 2 include Sunsuper, LUCRF, Military Super and HESTA.

The Ashington Development Fund No 2 had plans for projects worth \$500m, with the hope of a 20 per cent return. The group purchased the Stonington Mansion development in June 2008 for \$47m with the intention of creating a 76 luxury home development.

Ashington is also believed to have paid about \$80m for the Double Bay Stamford Plaza site in 2007.

The Sheraton Noosa was purchased for almost \$94m in July 2008, of which Ashington holds a 50 per cent stake.

Industry analysts say the assets would fetch substantially less if they were sold in the current market.

The fund's highly contentious Double Bay twin tower proposal at Stamford Plaza hotel, where singer Michael Hutchence met his death, was rejected last year by the NSW government, even though the project had been scaled back from an initial \$300m proposal to a planned development worth about \$146m.

Sources say the fact that the development faced a powerful local lobby group would add to the challenge of selling the property, while banks remain reluctant to offer finance for residential developments.

Mr Alter took over the management of Pacific Group, which owns a stable of properties including retail assets, from his father Maurie Alter.

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