



## September 2011 Report

On Friday 23<sup>rd</sup> of September Anthony Malpass met with Almudena on behalf of the SARC membership and the matters discussed and the information given by Almudena are as follows:

### **SJI / El Pinet:**

It was explained that a cleanup of the site had begun in preparation of Elche town hall issuing the licence for section M1 and the resumption of construction very shortly.

Also that the apartments in Orihuela are having their purchases completed and an article in a free local paper was shown by Almudena (a copy of which has been scanned and attached)

Almudena explained how they are looking at the figure projections of the properties and how much money needs to be paid on top of any deposits to ensure viability of the projects, to enable repayment of SJI creditors' money and to repay the finance. Also the more money that they raise through sales the easier it would be for others to consolidate purchasers etc as the company could offset some of the fixed costs (E.G. mortgage) with this income.

### **HdT / SADM**

The first things discussed regarding SADM was the ongoing delay of the Madrid Supreme court to sit and review the paper work and licences given to the court at the end of last year. Anthony explained that SARC had contacted a MP who was now raising this with his counterparts in the European Parliament and that SARC were also sending a letter (in Spanish) to the Spanish body that overviews the actions of the Spanish courts plus various government officials asking for the court to sit ASAP and remove the temporary hold.

Almudena said that HdT had also been trying to get this problem resolved and the company solicitor had communicated with the "clerk of the court" and been told that the case would be listed in October 2011. Anthony welcomed this news but he and Almudena thought it a good idea to for SARC to send its letter and to push for the case to be heard.

Anthony asked that if the case was heard in mid October and the temporary hold removed what the projected time frames might be:

Firstly the Court would have to officially inform HdT and the Jumilla Town Hall that the temporary hold has been lifted.

Then the town hall would take one month or so to finalise and release the necessary documents for SADM to proceed.

Upon receipt of the documents HdT would then finalise and sign the finance for SADM that can take another month or so.

It is anticipated that all of this would take until February when the construction of the infrastructure may commence. After that the UK meetings would take place and HdT would explain the various options that purchasers have and then meet with them individually to discuss their compensation etc and which property that they would wish to have.

### **Deposit Transfers**

HdT are going through cash flow permutations to enable them to facilitate the transfer of deposits between the two companies of HdT and SJI. It was mentioned that this has to be done in a way that is legally correct and would be acceptable to the share holders and creditors of both companies.

Anthony asked for Almudena to explain how this can be done and why, in a way that would be clear and logical to purchasers. Almudena said that some SADM purchasers had upon seeing El Pinet said that they preferred SADM and just wanted it to be built ASAP.

### **Arriba Home / Third party purchase contracts:**

Some purchasers of both HdT and SJI do not have their purchase contracts with either of the companies but with a third party company. Anthony asked Almudena about the position of these purchasers, who may wish to continue with a purchase or consolidate their deposits. Legally the credit is still owned by these companies and they can prevent or agree to the consolidation of deposits.

Almudena said that they will do all possible to help these purchasers who wish to continue with a purchase. A meeting is being held with Arriba Homes in the next few weeks and it is hoped that this will be of help to those who purchased through this company.

## **SARC members questions:**

### ***When will I get my money back?***

The time frame that was given in HdT's proposal states that the full 65% will be paid back within 5 years of the agreement. (HdT will endeavour to pay the money back sooner but this will depend on the income that they generate from SADM. (The projected date for repayment is in just over 4 years' time).

### ***Will they compensate me for my legal costs?***

Unfortunately, the legal costs that we all incurred during the administration process were done so at our own expense and some paid significantly more than others to their legal representatives.

### ***Why have we not had a company communication?***

Almudena explained that they are busy preparing for the shareholders meetings for both companies but have written draft letters for both HdT and SJI purchasers. However they are delaying in sending them out as they are anticipating receiving some news for both companies soon and wish to give purchasers this information in these letters. Anthony said that although members wanted news, what they wanted the most was for things to start happening.

### ***Why have HdT asked to know who SARC members are?***

HdT realise that their database may be incorrect and that the contact details that SARC have for their members may be more up to date and help them to contact purchasers. SARC have also asked for HdT to consider meeting with our members first at the UK meetings, as the members fought hard for their properties and/or money and together had a significant vote in the administration process.

## **Comment /Opinion**

At long last it looks like there is light at the end of the tunnel. The atmosphere in the office at Orihuela was busy and optimistic and it could be felt that the staff now had a sense of direction and were busy preparing for construction work to recommence.

Regarding communications please remember that SARC share information not only with its membership but also make the information available to all via the website. One of the reasons that we do this and why SARC was formed is to improve communication between purchasers and HdT.

SARC will keep in contact with HdT and as soon as there is news about the court ruling in Madrid we will immediately email our members and get the news onto our website ASAP.

SARC Oct 2011