Cut price could have solved issue

The Australian
October 23, 2024 Wednesday
Australian Edition

Section: BUSINESS; Pg. 14

Length: 976 words

Byline: YONI BASHAN & NICK EVANS, MARGIN CALL

Body

There's no bigger story in town than Richard White's legal feud with Linda Rogan. The latest development saw both of them abandon their torrid legal beef on Tuesday after White buckled and agreed to pay an undisclosed settlement amount in the millions of dollars.

For that price, Rogan withdrew the raft of unpalatable allegations that she's levelled at the WiseTech founder, namely that he invested in her wellness -business in exchange for sexual relations.

Spurred by that glowing cinder of scandal, a parade of women have stepped forward to accuse White of ungentlemanly conduct, including on social media.

Instead of Instagram, White used LinkedIn to slide into the DMs of the women he fancied. One woman he met, Jenna Riches, told The Australian that he presented her with a bunch of flowers, which is sweet enough â€¦ except there was a dildo sticking out among the chrysanthemums. Or perhaps they were roses? Riches never confirmed the genus of flower.

More material here is that the staggering drop in WiseTech's share price, the $2bn wipe-out to White's net wealth, and the reputational whacking he's received (top of low, bottom of medium on the public shaming scale) could have all been buried beneath a pile of NDAs for a fraction of the sum he's now agreed to pay.

Margin Call has established with impeccable authority that Rogan made an attempt last year to settle her feud with White for a bargain basement price of about $400,000, or what White probably spends restringing his rare guitars each year.

It was an offer extended during the early months of 2023, at which point Rogan had been locked out of the Vaucluse mansion that White had purchased for her - and at a time when Rogan was alleging that White owed her more than $91,400 for the furnishings she had bought. It's that amount that she later successfully sought months later to garnish from his bank account, setting the fuse on this palaver between them.

A Sydney solicitor (referred to Rogan by someone in the Cranbrook parent network) -approached White's camp with the offer, which was refused, and which must now be regarded as one of the worst decisions ever made by a man with much, much more to lose than $400,000.

White, clinging for life to what remains of his good name, chose not to comment on that.

Change of address If British corporate regulators ever need to write to ***Fortescue***, it's very important that they know the company owns its own building.

That's the only conclusion that can be drawn from a bizarre little update to the company records in the UK this week of ***Fortescue*** Zero, which noted a change of address for the miner's UK subsidiary.

Another management shake-up? Or have they moved? Curious if so, given they only bought the Ã‚Â£16m ($31.1m) building a year ago, and moved in in April.

But no! On closer examination the address change is little more than a missive to Companies House to announce a rebrand had officially arrived in the village of Kidlington, just outside Oxford.

In future, rather than writing to ***Fortescue*** Zero at Oxford Spires Business Park, correspondence should be addressed ***Fortescue*** Zero, The ***Fortescue*** Building.

Still, it cost the company a cool Ã‚Â£8.8m to pay out the lease on its former HQ, according to its financial statements, so you'd probably want to make sure you get full value from the branding where you can.

Fortescue Zero's annual accounts, released at the end of August, show a Ã‚Â£22m loss for the year - on revenue up 45 per cent to Ã‚Â£112.6m.

The improvement, its directors say, is due to extra business coming in from ***Fortescue***'s own decarbonisation programs in Australia. But the extent of ***Fortescue*** Zero's remaining outside business is, alas, not clear - the company has taken advantage of UK rules that allow it to duck reporting related-party transactions in wholly owed British subsidiaries of offshore companies.

Blackwattle spray The danger of spraying your opinion around in the name of publicity is that you're always in danger of making yourself look like a bit of a goose.

Take Sydney investment house Blackwattle Partners. After launching in 2023 with $60m in seed capital, the fund manager has done a nice job of getting its name in the financial press.

Calling on Rio Tinto to abandon its dual-listed structure in June was met with a shrug by the mining giant, but sparked a new round of discussion about Rio's listed structure.

And then there is Rio's $US6.7bn takeover offer for lithium play Arcadium. Blackwattle mid-cap fund manager Tim Riordan rushed out a statement decrying the deal as soon as it hit the market, saying it would never, ever vote for the bid without a substantial bump and expressing "disappointment" that the board and management had agreed to the deal.

That, as an aside, was given short shrift by Arcadium chairman Peter Coleman, who told a Perth newspaper he'd never heard of Blackwattle, hadn't received its letter, and was only taking it on faith that it was a shareholder. Arcadium wasn't in Blackwattle's top five mid-cap fund holdings in September, by the way, according to its latest fund statement.

But then the weekend press brought out Blackwattle's Ray David on the subject of lithium, talking up Rio's offer as potentially one of the company's finest acquisitions.

"Buying low-cost lithium assets such as Arcadium at current lithium prices makes total sense to us as Rio Tinto shareholders," David said.

David manages a different Blackwattle fund, to be fair, so there's no suggestion of Takeovers Code breaches. And investment managers are entitled to their own opinions.

But, as David reminded Margin Call when asked about the disparity of views, there are a lot of distressed lithium companies on the market and not many buyers - which you might think would also resonate with his colleagues across the hall.

INSIDE MARGIN CALL ***Fortescue*** Zero's bizarre update to UK company records

Load-Date: October 22, 2024