



Frequently Asked Questions (FAQ)

This document is intended for use by creditors, investors, shareholders and affected parties of the statutory management of the relevant Du Val group entities – and is not intended for general circulation, publication, reproduction or any other use than to assist creditors. This document is not legal advice, and we recommend you seek your own legal advice regarding the consequences of statutory management in your specific situation. This FAQ addresses general queries and those specific to different groups.

10 December 2024

Will PwC prepare financial statements &/or income tax returns for the following investment funds: <ul style="list-style-type: none">• Du Val Mortgage Fund Limited Partnership• Du Val Opportunity Fund Limited Partnership• Du Val Build to Rent Limited Partnership	The Statutory Managers are currently reviewing both the historical financial statements issued / prepared by the Du Val Group, alongside more recent financial accounting records, for each of the funds and will provide the associated Limited Partners with an update as soon as we are in a position to do so.
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23 August 2024

Background – receivership	<p>John Howard Ross Fisk, Stephen Robert White and Lara Maree Bennett, Licensed Insolvency Practitioners (NZ), were appointed as joint and several receivers and managers of the individuals, companies and limited partnerships listed here effective from 2 August 2024 at 5.50am by order of the High Court at Hamilton pursuant to sections 522 and 523 of the Financial Markets Conduct Act 2013.</p> <p>The Court orders required the receivers to report to the Court within 10 working days of their appointment, outlining, among other things, their opinion as to whether any alternative form of administration is appropriate for the relevant Du Val group entities. The receivers' report was filed with the Court in that timeframe, on 16 August 2024.</p>
Receivers' report	Following consideration of the receivers' report, the Financial Markets Authority ("FMA") made a recommendation for the companies and limited partnerships listed at the above link to become subject to statutory management under section 38 of the Corporations (Investigation and Management) Act 1989 ("CIMA").
Is the receivers' report publicly available?	The receivers' report is not publicly available at this time.

Statutory management	<p>On 21 August 2024 at 6.00pm the companies and limited partnerships listed here (the “Du Val group”) became subject to statutory management under the Corporations (Investigation and Management)(Du Val Group) Order 2024 under section 38 of the CIMA. John Howard Ross Fisk, Stephen Robert White and Lara Maree Bennett were appointed as joint and several statutory managers of each of those companies and limited partnerships.</p> <p>The receivership of, and the receivers’ appointment over, each of the relevant entities automatically ceased at that time, under section 61 of the CIMA.</p>
Which entities in receivership have not been placed into statutory management?	<p>The following entities or individuals remain in receivership until otherwise ordered by the Court:</p> <ul style="list-style-type: none"> • Du Val HC Clubs Limited • Du Val HC GP Limited • Du Val Health Clubs Limited Partnership • Charlotte Clarke • John Kenyon Clarke • Karapiro Corporate Trustee Limited
What is statutory management?	<p>Statutory management is a mechanism provided under the CIMA. It allows the government to appoint a statutory manager to take control of a corporation’s affairs in specified circumstances. The general objective of statutory management is:</p> <ul style="list-style-type: none"> • preserving the interests of members and creditors of the corporation, beneficiaries under any trust administered by the corporations or the public interest; and • Limiting or preventing any further financial deterioration of the entities’ financial affairs, or the carrying out of any fraudulent activity. <p>In the present circumstances statutory management will enable the affairs of the Du Val group to be dealt with in a more orderly and expeditious way. It will reduce the risk of action being taken by individual creditors and others that may be detrimental to the interests of other creditors. It will also reduce the risk of inefficiency caused by multiple insolvency processes and enable full investigations to be completed in an orderly way in respect of the Du Val group.</p> <p>Our intention is that we would continue to work with stakeholders, including secured lenders, in order to protect value and maximise outcomes for all parties.</p>
What are the powers of a statutory manager	<p>The CIMA confers expansive powers on statutory managers, with the intention that they have sufficient powers to manage and reconstruct the affairs of the relevant entities with limited interference. This includes the power to carry on the business with all such powers, rights, and authorities as may be necessary.</p> <p>The effect of the appointment is that the statutory managers have custody and control of the Du Val group’s assets and the directors, while remaining in office, cease to have powers of management.</p> <p>While the statutory managers’ primary powers are granted under the CIMA, the statutory managers also have powers pursuant to the Companies Act 1993.</p>
Statutory moratorium	<p>The receivers’ report is not publicly available at this time.</p>
Statutory management	<p>On 21 August 2024 at 6.00pm the companies and limited partnerships listed here (the “Du Val group”) became subject to statutory management under the Corporations (Investigation and Management)(Du Val Group) Order 2024 under section 38 of the CIMA. John Howard Ross Fisk, Stephen Robert White and Lara Maree Bennett were appointed as joint and several statutory managers of each of those companies and limited partnerships.</p> <p>The receivership of, and the receivers’ appointment over, each of the relevant entities automatically ceased at that time, under section 61 of the CIMA.</p>

Which entities in receivership have not been placed into statutory management?	<p>Under section 42 of the CIMA a statutory moratorium is in place in respect of the Du Val group entities which restricts the exercise of rights and claims against the corporation or against property owned by or in the possession of the corporation upon the commencement of statutory management.</p> <p>Among other restrictions, no person shall commence or continue any proceedings, enforce any judgment or order obtained, or apply to put any entity into liquidation or voluntary administration.</p> <p>While the moratorium restricts the ability of secured creditors to deal with assets subject to their security without the consent of the statutory managers, secured creditors do retain certain rights in the assets.</p>
What happens next?	<p>The statutory managers will continue with their investigations into the affairs of the Du Val group. They continue to have custody and control of the Du Val group's assets, and anticipate continuing to operate certain parts of the business</p>
When can we expect the next update?	<p>Updates will be provided as the statutory managers progress their work.</p>
When will the statutory management end?	<p>We are unable to provide an estimated date for the completion of the statutory management at this time.</p>
I am an investor / shareholder	<p>A letter will be issued to you. If you do not receive a letter by 29 August 2024, please contact us at nz_duval@pwc.com</p> <p>The term shareholder refers to parties who were previously Du Val Opportunity Fund Limited Partnership ("Opportunity Fund") or Du Val Mortgage Fund Limited Partnership ("Mortgage Fund") investors and recently agreed to exchange units in either the Opportunity Fund or the Mortgage Fund for shares in Du Val Property Group Limited (subject to statutory management).</p>
I am a creditor	<p>If you have not already completed and returned a Creditor Confirmation Form, please do so by sending to: nz_duval@pwc.com</p> <p>If you have provided a Creditor Confirmation Form when the relevant entity was in receivership, we do not require a further form unless the position has changed.</p>
If I continue to supply the Group in statutory management, will I be paid?	<p>At this stage the statutory managers anticipate continuing to operate certain parts of the business.</p> <p>This may involve suppliers being asked to continue providing goods and services during the statutory management period. Please note you should ensure that you have received written authorisation from a PwC statutory manager or authorised team member, before supplying goods or services.</p>
I have entered into a sale and purchase agreement that has a future settlement date	<p>The statutory management (and previous receivership) does not affect your client's purchase. Sale and purchase agreements are intended to settle as anticipated. Your deposit is secure and continues to be held in a trust account pending settlement.</p> <p>If you have specific queries, we encourage your lawyer to contact the vendor's lawyers.</p>
I am a landlord	<p>There are no changes to lease arrangements. Please continue with your current arrangements. If you have any property management related queries, please contact your usual contact at Du Val group.</p> <p>A letter will be issued to you. If you do not receive a letter by 29 August 2024, please contact us at nz_duval@pwc.com</p>
I am a tenant	<p>There are no changes to tenancy arrangements. Please continue with your current arrangements. If you have any property management related queries, please contact your usual contact at Du Val group.</p>

IPM LP provides me with building management services	<p>There are no changes to contractual agreements. Please continue with the current arrangements. If you have any building management related queries, please contact your usual contact at Du Val group.</p> <p>We note that tenants of the Du Val Build to Rent Limited Partnership May Road and McKenzie Road properties (the “Build to Rent properties”) had their property management services transferred to Bayleys as part of Calibre Partners’ previous receivership of the Du Val Build to Rent Limited Partnership. Again, for the time being this arrangement will remain in place.</p>
We are a Body Corporate	<p>There are no changes to contractual agreements. Please continue with your current arrangements. If you have any property management related queries, please contact your usual contact at Du Val group.</p>
Build to Rent properties	<p>Calibre Partners were appointed receivers to Du Val BTR GP Limited and Du Val Build to Rent Limited Partnership on 2 August 2024. Their appointment ceased upon the entities becoming subject to statutory management.</p> <p>The statutory managers are in discussion with the funder and former receivers and will provide an update when available.</p>
Media inquiries	<p>For media inquiries please contact – Louise Poppelwell (louise.j.poppelwell@pwc.com) of PwC New Zealand.</p>