



***Ross Asset Management Limited (In Liquidation)
("RAM")***

Bevis Marks Corporation Limited (In Liquidation)

***McIntosh Asset Management Limited
(In Liquidation)***

Mercury Asset Management Limited (In Liquidation)

Dagger Nominees Limited (In Liquidation)

***Ross Investment Management Limited
(In Liquidation)***

***Ross Unit Trusts Management Limited
(In Liquidation)***

***United Asset Management Limited (In Liquidation)
together "the Ross Group Companies" or "the Group
Companies"***

Liquidators' Final Report

***For the Period 17 December 2012 to 16 December
2022***

Company numbers:
455971
372992
455890
377152
431870
652854
652855
647452



Introduction

The Ross Group Companies were placed into liquidation on 17 December 2012 and John Howard Ross Fisk and David John Bridgman were appointed joint and several liquidators. The appointments are pursuant to sections 241(2)(a) and 241(2)(c) of the Companies Act 1993 (“the Act”). On 9 December 2020 David John Bridgman resigned as liquidator of the Ross Group Companies and was replaced by Marcus James McMillan. On 17 August 2021 Marcus McMillan resigned as liquidator and was replaced by Malcolm Grant Hollis.

This report covers the period 17 December 2012 to 16 December 2022.

John Fisk and David Bridgman acted as receivers of the Group Companies within the two years prior to liquidation having been appointed receivers by the High Court on the application of the Financial Markets Authority (“FMA”) under subpart 4 of the Financial Advisors Act 2008. Accordingly they applied for and obtained the consent of the Court to act as liquidators pursuant to section 280 of the Act. On the basis that the Group Companies are in liquidation the High Court brought the receiverships of the Group Companies to an end on 25 March 2013.

Prior updates and reports are available on our website <https://www.pwc.co.nz/services/business-restructuring/liquidations/ross-group.html>

Restrictions

This report has been prepared by us in accordance with and for the purpose of section 255 of the Act. It is prepared for the sole purpose of reporting on the state of affairs with respect to the Ross Group Companies in liquidation and the conduct of the liquidations.

This report is subject to the restrictions set out at Appendix A. In particular, all information contained in this report is provided in accordance with section 255 of the Act. Furthermore, in preparing this report we have relied upon and not independently verified or audited information or explanations provided to us.

Conduct of the liquidation

We set out below a review of matters dealt with during the course of the liquidations:-

Liquidation Committee

Following a meeting of creditors by postal vote, it was resolved that a committee of creditors (“the Committee”) should be formed to assist us in the conduct of the liquidation. The Committee met twelve times over the course of the liquidation. Updates to investors and creditors were sent following each of these meetings.

Vacation of Ross Asset Management business premises

We continued to rent the offices previously occupied by RAM until the end of March 2013. Those offices were subsequently vacated with all physical assets being sold at auction and all records either being removed by the Liquidators or the FMA.

Inland Revenue

We liaised with Inland Revenue and reached an agreed position as to the criteria investors need to satisfy in order to make an application to have prior year income tax returns reassessed on the basis they were submitted based on incorrect information. We calculated the estimated value of the overall



share portfolio at the key historical tax dates. This was done by reviewing the Group Companies' banking records, as the RAM database could not be relied upon. A letter was made available on our website which explained the criteria and what steps investors should take if they wished to have prior year returns reassessed.

Shares held

The Group Companies held a number of shares via various brokers in New Zealand, Australia and other jurisdictions as well as directly at certain registries. We worked with various brokers to realise the share holdings.

Some overseas brokers would not take any steps to realise the shares without a Court order in their local jurisdiction. In some cases the cost of doing so outweighed the value of the shares held. There were also certain shares where there was no market interest in purchasing them. All of the remaining shares in these two categories have now been disclaimed.

We were able to sell shares held for a total of \$4,317,717.63. The breakdown of the share realisations for each company is contained in Appendix B. The liquidators now consider that attempts to realise the small balance of available shares would involve costs to realise and distribute the shares that would exceed any further realisations and therefore no further recovery action will be taken in regard to those shares.

Proprietary Claims

Certain shares held were subject to proprietary claims from investors. We reviewed a large number of proprietary claims and requested further information as required. Where we agreed that valid proprietary claims existed we obtained the approval of the High Court before releasing any claimed shares, while asset preservation orders were in place. Once those orders were released we obtained the approval of the Committee to release any validly claimed shares. This was usually where an investor had previously owned a parcel of shares, transferred those to RAM or Dagger and those same shares were still held at the date of liquidation.

One of these claimants, whose claim we declined, made an application to the High Court to have their claims recognised. This was heard in a week long hearing before the High Court in October 2015 and they were ultimately successful. We appealed the High Court's decision, but reached a settlement with the claimant before the matter was heard.

Shareholder current account

According to the financial statements as at 31 March 2010, David and Jillian Ross were jointly indebted to Ross Asset Management Limited (In Liquidation) in the sum of \$3,491,579.

We agreed a settlement with Mr and Mrs Ross which resulted in a number of assets owned by Mr and Mrs Ross personally, the Chapman Ross Trust and the Woburn Ross Trust into the liquidations for the benefit of investors. These included 50% of the gross proceeds of the family home at 105 Woburn Road, Lower Hutt, 100% of a rental property in Eastbourne, Lower Hutt, 100% of a section of land at Riversdale Beach, 50% of the chattels at 105 Woburn Road, Lower Hutt and all shares held in the name of David Ross, Ace Investment Trust, Vivian Investments and in any of the Ross Group Companies which Mr Ross claimed to be held for him personally. The above settlement arrangement was approved by the High Court in February 2014.



On 28 July 2015 Mr Ross was adjudicated bankrupt by the High Court. Following his bankruptcy, it was necessary to distribute to the Official Assignee any remaining proceeds of sale of shares received into the companies claimed by Mr Ross as holding personal assets. However, the major part of those realisations were returned to RAM as a distribution from Mr Ross' bankruptcy.

Clawback

Pursuant to section 292 of the Act and section 348 of the Property Law Act 2007 transactions entered into with a creditor within a prescribed period and while the company is insolvent, may be voided. The effect of this is to make the monies repayable to the company in liquidation for the benefit of all creditors. We identified a number of transactions as being potentially subject to clawback.

We initially wrote to three RAM investors who received payments in the two years prior to liquidation requesting that those monies be returned to the Liquidators for the benefit of investors and creditors as a whole. This did not occur and we commenced legal proceedings in the High Court.

The first matter was heard in March 2015. The Court held that the investor in question had to return withdrawals he had made from his portfolio which were greater in value than the capital he had initially contributed. The amount ordered to be repaid had a value of circa \$454,000. The investor appealed this decision to the Court of Appeal, where the High Court decision was upheld. The investor appealed this decision to the Supreme Court, where the same result was also upheld.

As a result of this decision and the subsequent appeal, we wrote to further investors requesting that they enter into standstill agreements. The effect of a standstill agreement is that we agreed not to issue proceedings until after the appeal decision in exchange for the investor not challenging those proceedings as time barred. While waiting for the appeal decisions we continued to write to relevant investors requesting that they enter into standstill agreements, on the basis of date of the oldest withdrawal in the preceding six years. Where an investor was unwilling to enter into a standstill agreement we commenced legal proceedings against them to preserve the claim.

Following the Supreme Court decision, we wrote to 160 investors with an offer of settlement of the claims against them. 54 investors settled the claims against them prior to the Supreme Court decision and the general settlement offers being sent.

We commenced proceedings against a number of investors, all of which were settled before trial, other than one, which was heard in the High Court. The High Court found an amount was repayable, consistent with the decision in the Supreme Court in the previous matter.

In total we settled and received payment from 206 investors in relation to clawback claims, which resulted in \$25.7m being received into the liquidation of RAM.

Criminal Prosecution

Mr Ross pleaded guilty to criminal charges laid, by the Serious Fraud Office ("SFO") and FMA in relation to his actions running the Group Companies. It was necessary for us to assist the SFO and FMA in their investigations.



Further Investigation

The available records of the Group Companies were imperfect and incomplete. Many of the transactions recorded in the RAM transaction database are fictitious and accordingly could not be relied on. The Liquidators used forensic accounting techniques to review the records of the Companies to determine whether any further assets could be identified. This included reviewing the Group Companies' electronic and physical records and correspondence, bank statements and third party information, such as documentation obtained from share brokers used by the Group Companies and share registries. This resulted in further shares being located.

Distribution of Assets

We initially wrote to all investors with a statement which detailed any contributions to and withdrawals from their investor portfolio(s) as recorded in the RAM transaction database. The purpose of this was to determine the net contributions position of each investor. Once we received those responses we were able to adjust any reported transactions based on evidence provided. This was also supplemented by a review of the banking records, physical investor files and other available records to determine a more accurate position.

On 12 December 2017, we made an application to the High Court seeking directions regarding the appropriate method and model for distribution. Following consultation with the Committee the application provided details of the two alternatives proposed and their potential impact on investors. This was heard on 22 June 2018.

On 8 August 2018 the High Court issued a judgment making the following orders:

- The assets of RAM and Dagger Nominees Limited (in Liquidation) were pooled so that the assets of both companies were available to pay investor and creditor claims;
- There was one common pool of assets from which both investors' and other creditors' claims were paid;
- An Investor who had already received from RAM more than they had contributed (with both contributions and payments CPI adjusted), was not eligible for a distribution;
- Purported transfers of value between RAM portfolios were recognised for the purpose of a distribution, but limited to the available net contributions balance in the transferring portfolio at the time of transfer, unless we considered that the particular circumstances of the transfer or purported transfer are extraordinary, such that this approach would be unjust or ineffective;
- Investor claims for distribution were to be calculated using the Net Contributions Model. Both Company assets and assets held on trust for investors were distributed according to that model. Contributions and withdrawals were adjusted for inflation (using the Consumer Price Index) to calculate their value at the date of liquidation.
- Our costs were entitled to be paid from the resulting combined pool of funds held. We had to report to the High Court at the end of the Liquidation to obtain final approval of costs deducted.
- Various ancillary orders to assist with the distribution process.

As the decision was not appealed, we wrote to all investors asking them to verify their claim, using the method approved by the Court.



On 29 November 2018 we paid an interim distribution of \$17.508m to investors and unsecured creditors of RAM being a payment of 14.3705 cents in the dollar towards investors' and creditors' agreed claims in the liquidation.

We confirm a further dividend was paid to investors and unsecured creditors of 5.2 cents in the dollar on 4 November 2019 bringing total distributions to 19.5705 cents in the dollar.

As a result of marginally higher asset realisations than had initially been anticipated when the distribution application was approved, it was possible to pay a small, limited, further distribution to certain investors. This was on the basis that any distribution of less than \$100 would not be paid, with those monies being used to increase the amount available to pay distributions above \$100. This was approved by the High Court on 12 September 2022.

On 12 December 2022 we paid a final distribution to 392 investors of \$198,346.67 being 0.1721 cents in the dollar as against their claim. The distribution amount exceeded the amount of \$150,135.84 initially indicated as the expected final distribution from the liquidation. This is due to additional realisations made by the Liquidators in respect of the shares that were sold after the High Court order had been obtained.

Unclaimed Distributions

At the conclusion of the liquidation there remained approximately \$210,642.48 of unclaimed distributions comprised of 40 investors. These monies have been paid to the government unclaimed monies account. If any party believes they are entitled to a share of these monies they should contact Inland Revenue at the below website.

<https://www.ird.govt.nz/unclaimedmoney/claiming-unclaimed-money/search-the-database>

ANZ Claim

A class action was brought by a group of investors against the ANZ Bank on the basis that they considered ANZ should have taken steps which would have potentially brought the Ponzi Scheme to an end sooner. As a result, our ability to retire as liquidators was delayed, as we were required to remain in office to assist the parties with information we held.

The class action investors reached a settlement with the ANZ Bank last year and the settlement amount has now been distributed to the investors in accordance with the court judgment decision.

Statement of Realisation and Distribution

Attached as Appendix B are Statements of Realisations and Distributions for the period of the liquidations.

Liquidators' Fees

Liquidators' fees paid to date for the entire liquidation cover the following areas;

- 50% - investigation and litigation regarding clawback
- 30% - reviewing investor and creditor claims and distribution model and paying distribution
- 20% - all other matters dealt with during the course of the liquidation.

Note this list is not exhaustive and based on approximations, rounded to the nearest 5%, as time spent on some areas overlaps with other areas.



The legal fees which have been incurred in this liquidation reflect the complexity of the matters which have needed to be dealt with, particularly where those matters are without precedent so have required significant legal advice and legal proceedings

Please note section 284 of the Act below which states:

284 Court supervision of liquidation

- (1) On the application of the liquidator, a liquidation committee, or, with the leave of the Court, a creditor, shareholder, other entitled person, or director of a company in liquidation, the Court may—
 - (e) In respect of any period, review or fix the remuneration of the liquidator at a level which is reasonable in the circumstances:

As a part of the distribution application we were ordered report to the Court and obtain approval of our fees. We confirm this approval was obtained on 12 September 2022.

Liquidators' Statement

In accordance with section 257(1) of the Act we state that:

- a) All known assets have been disclaimed, or realised, or distributed without realisation.
- b) All proceeds of realisation have been distributed.
- c) The Companies are ready to be removed from the New Zealand Register of Companies.

Removal from New Zealand Register of Companies

As liquidators, we are obliged to give public notice of our intention to have the Companies removed from the Register of Companies. Attached is a copy of our notice of intention to remove the Companies from the Register of Companies.

The attention of all creditors and shareholders is drawn to section 321 of the Act which provides that, where public notice is given of an intention to remove a Companies from the Register, any person may send or deliver to the Registrar, not later than the date specified in the notice, an objection to the removal on any one or more of the following grounds:

- a) That the Companies are still carrying on business or there is other reason for it to continue in existence; or
- b) That the Companies are a party to legal proceedings; or
- c) That the Companies are in receivership, or liquidation, or both; or
- d) That the person is a creditor, or a shareholder, or a person who has an undischarged claim against the Companies; or
- e) That the person believes that there exists, and intends to pursue, a right of action on behalf of the Companies under Part IX of this Act; or
- f) That, for any other reason, it would not be just and equitable to remove the Companies from the New Zealand Register.



Creditors and shareholders should be aware of section 321(2)(b)(ii) of the Act which provides that a claim by a shareholder or any other person against a Companies is not an "undischarged claim" if a receiver or liquidator has notified the shareholder or that person that the Companies has no surplus assets.

If you wish to object to the removal from the Register you must deliver a written objection to the Registrar of Companies no later than 16 February 2023.

Contact Details

If you have any other queries, please submit your enquiry through the on-line form via our website, by phone on (04) 462 7000, by writing to our mailing address or email nz_restructuring@pwc.com.

Dated: 21 December 2022

A handwritten signature in black ink, appearing to read 'John Howard Ross Fisk', written over a horizontal line.

John Howard Ross Fisk
Liquidator



Appendix A

Restrictions

All information contained in this report is provided in accordance with section 255 of the Companies Act 1993.

The statements and opinions expressed herein have been made in good faith, and on the basis that all information relied upon is true and accurate in all material respects, and not misleading by reason of omission or otherwise.

We have not independently verified the accuracy of information provided to us, and have not conducted any form of audit in respect of the Group Companies. Accordingly, we express no opinion on the reliability, accuracy, or completeness of the information provided to us and upon which we have relied. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever arising from this report.

The statements and opinions expressed in this report are based on information available as at the date of the report.

We reserve the right, but will be under no obligation, to review or amend our report, if any additional information, which was in existence on the date of this report was not brought to our attention, or subsequently comes to light.

We have relied on forecasts and assumptions prepared by the Group Companies about future events which, by their nature, are not able to be independently verified. Inevitably, some assumptions may not materialise and unanticipated events and circumstances are likely to occur. Therefore, actual results in the future will vary from the forecasts upon which we have relied. These variations may be material.

In addition the following should be noted:

- Certain numbers included in tables throughout this report have been rounded and therefore do not add exactly.
- Unless otherwise stated all amounts are stated in New Zealand dollars.



Appendix B

Statement of Realisations and Distributions For the period 17 December 2012 to 16 December 2022

Ross Asset Management Limited (In Liquidation)

Receipts	\$	\$
Asset Sales	9,475.21	
Clawback Recovery	25,725,130.03	
Dividends	41,459.41	
Funds on Hand	31,947.25	
Interest Income	584,644.89	
Management Fees	27,117.49	
Other Income	630.05	
Pooling of Assets from Dagger Nominees Ltd (In Liquidation)	1,147,876.21	
Rental Income	6,404.52	
Reparations from David Ross	1,133,750.59	
Sale of Eastbourne Property	828,000.00	
Sale of Riversdale Property	85,000.00	
Security for Costs	22,509.12	
Share Sales	2,673,798.47	
Transfer from Receivers	40,378.06	
Transfer from the Unclaimed Monies Account	41,471.28	
GST	198,725.33	
 Total Receipts		<hr/> 32,598,317.91

Payments

Advertising	4,127.72
Bank Charges	2,243.75
Brokerage Fees	43,188.66
Sale Commission	28,410.48
Distribution to Investors and Creditors	24,007,391.81
Document Management	48,687.46
DRG Ross Trust Legal Fees	8,533.04
DRG Ross Trust Receivers' Fees	14,055.00
DRG Ross Trust Receivers' Disbursements	4,158.99



Duress Payments	10,095.39	
Employee Preferential Creditors	19,574.83	
Insurance	3,956.04	
IT Support	9,469.53	
Legal Fees	3,845,403.47	
Liquidation Committee Expenses	4,708.74	
Liquidators' Fees	2,385,254.02	
Liquidators' Disbursements	181,126.78	
PAYE	11,142.61	
Petitioning Creditor Costs	1,302.80	
Property Expenses & Other Costs	34,842.07	
Receivers' Fees	172,185.53	
Receivers' Disbursements	12,098.48	
Withholding Tax	158,234.70	
Shares under Valid Proprietary Claim	479,326.57	
Wages	11,104.29	
GST	1,097,695.15	
Total Payments		32,598,317.91
Cash at Bank		0.00



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 December 2022***

Bevis Marks Corporation Limited (In Liquidation)

Receipts	\$	\$
Dividends	12,214.31	
Interest	3,339.73	
Share Sales	218,484.64	
Transfer from Receivers	2,902.15	
ACC Refund	208.19	
GST Payable	0.00	
Total Receipts		237,149.02
Payments		
Bank Charges	90.78	
Brokerage Fees	3,285.36	
Distribution to David Ross' Receivers	217,208.44	
Document Charges	105.00	
Liquidators' Fees	10,750.00	
Liquidators' Disbursement	721.92	
Other Expenses	530.01	
Receivers' Fees	1,485.52	
Receivers' Disbursements	222.83	
Withholding Tax	756.04	
GST Receivable	1,993.12	
Total Payments		237,149.02
Cash at Bank		0.00



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 December 2022***

McIntosh Asset Management Limited (In Liquidation)

Receipts	\$	\$
Funds on Hand	495.60	
Interest	924.70	
Share Sales	28,236.14	
GST Payable	0.00	
Total Receipts		29,656.44
Payments		
Brokerage Fees	444.01	
Distribution to David Ross' Receivers	22,926.88	
Liquidators' Fees	4,919.35	
Liquidators' Disbursements	327.75	
Withholding Tax	251.39	
GST Receivable	787.06	
Total Payments		29,656.44
Cash at Bank		0.00



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 December 2022***

Mercury Asset Management Limited (In Liquidation)

Receipts	\$	\$
Dividends	1,207.06	
Funds on Hand	1,574.15	
Interest	1,494.13	
Share Sales	76,868.40	
GST Payable	0.00	
Total Receipts		81,143.74
Payments		
Bank Charges	30.00	
Brokerage Fees	1,478.36	
Distribution to David Ross' Receivers	71,645.48	
Liquidators' Fees	6,001.42	
Liquidators' Disbursements	388.68	
Other Expenses	273.12	
Withholding Tax	368.16	
GST Receivable	958.52	
Total Payments		81,143.74
Cash at Bank		0.00



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 December 2022***

Dagger Nominees Limited (In Liquidation)

Receipts	\$	\$
Dividends	78,505.72	
Funds on Hand	7,355.59	
Interest	113,972.65	
Management Fees	186.43	
Share Sales	1,171,373.20	
Transfer from Receivers	4,922.65	
GST Payable	5,684.09	
Total Receipts		1,382,000.33
Payments		
Bank Charges	776.96	
Brokerage Fees	14,310.37	
Document Charges	2,248.64	
Liquidators' Fees	18,919.69	
Liquidators' Disbursements	3,951.47	
Pooling to Ross Asset Management Limited	1,147,876.21	
Proprietary Claims	157,766.79	
Withholding Tax	32,451.56	
GST Receivable	3,698.64	
Total Payments		1,382,000.33
Cash at Bank		0.00



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 December 2022***

United Asset Management Limited (In Liquidation)

Receipts	\$	\$
Funds on Hand	17,574.66	
Interest	4,371.84	
Share Sales	132,725.13	
Transfer from Receivers	881.45	
GST Payable	0.00	
Total Receipts		155,553.08
Payments		
Bank Charges	34.20	
Brokerage Fees	2,629.81	
Distribution to David Ross' Receivers	114,025.19	
Document Charges	54.00	
Liquidators' Fees	8,133.55	
Liquidators' Disbursements	569.71	
Withholding Tax	1,185.43	
Unsecured Creditor Distribution	27,615.70	
GST Receivable	1,305.49	
Total Payments		155,553.08
Cash at Bank		0.00



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 December 2022***

Ross Investment Management Limited (In Liquidation)

Receipts	\$	\$
Interest	188.15	
Share Sales	7,923.35	
GST Payable	0.00	
Total Receipts		8,111.50
Payments		
Brokerage Fees	115.71	
Distribution to David Ross' Receivers	4,980.14	
Liquidators' Fees	2,369.35	
Liquidators' Disbursements	207.45	
Withholding Tax	52.33	
GST Receivable	386.52	
Total Payments		8,111.50
Cash at Bank		0.00



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 December 2022***

Ross Unit Trusts Management Limited (In Liquidation)

Receipts	\$	\$
Interest	206.73	
Share Sales	8,308.30	
GST Payable	0.00	
Total Receipts		8,515.03
Payments		
Bank Charges	34.00	
Brokerage Fees	255.09	
Distribution to David Ross' Receivers	6,180.91	
Liquidators' Fees	1,624.84	
Liquidators' Disbursements	166.50	
Withholding Tax	57.53	
GST Receivable	196.16	
Total Payments		8,515.03
Cash at Bank		0.00



***Ross Asset Management Limited (“RAM”),
Bevis Marks Corporation Limited,
McIntosh Asset Management Limited,
Mercury Asset Management Limited,
Dagger Nominees Limited,
Ross Investment Management Limited,
Ross Unit Trusts Management Limited
United Asset Management Limited (All In Liquidation)
together “the Ross Group Companies” or “the Group Companies”***

***Notice of Intention to Remove Companies from the Register
(Pursuant to Section 320 of the Companies Act 1993)***

We, John Fisk and Malcolm Hollis, Liquidators of the Ross Group Companies, hereby give notice that pursuant to section 318(1)(e) of the Companies Act 1993 and having filed with the Registrar our final reports on the liquidations, it is intended to remove the Ross Group Companies from the New Zealand register.

Any objection to the removals pursuant to section 321 of the Companies Act 1993 must be delivered to the Registrar no later than 16 February 2023.

Dated: 21 December 2022

A handwritten signature in black ink, appearing to be "John Fisk", written over a horizontal line.

John Fisk
Liquidator