



Ross Asset Management Limited (In Receivership & Liquidation)

Bevis Marks Corporation Limited (In Receivership & Liquidation)

McIntosh Asset Management Limited (In Receivership & Liquidation)

Mercury Asset Management Limited (In Receivership & Liquidation)

Dagger Nominees Limited (In Receivership & Liquidation)

Ross Investment Management Limited (In Receivership & Liquidation)

Ross Unit Trusts Management Limited (In Receivership & Liquidation)

United Asset Management Limited (In Receivership & Liquidation)

together “the Ross Group Companies” or “the Group Companies”

Liquidators' First Report

Company numbers:455971

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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 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.

Introduction

The Ross Group Companies were placed into liquidation on 17 December 2012 and John Howard Ross Fisk and David John Bridgman are the appointed joint and several liquidators. The following companies (together "the Court Appointed Ross Group Companies") were placed into liquidation by the High Court pursuant to section 241(2)(c) of the Companies Act 1993 ("the Act").

Company	Time of Appointment
Ross Asset Management Limited (In Receivership & Liquidation)	1:01pm
Bevis Marks Corporation Limited (In Receivership & Liquidation)	1:02pm
Mercury Asset Management Limited (In Receivership & Liquidation)	1:03pm
McIntosh Asset Management Limited (In Receivership & Liquidation)	1:04pm

The following companies (together "the Shareholder Appointed Ross Group Companies") were placed into liquidation by their respective shareholders pursuant to section 241(2)(a) of the Act.

Company	Time of Appointment
Ross Investment Management Limited (In Receivership & Liquidation)	2:00pm
Dagger Nominees Limited (In Receivership & Liquidation)	2:01pm
Ross Unit Trusts Management Limited (In Receivership & Liquidation)	2:02pm
United Asset Management Limited (In Receivership & Liquidation)	2:03pm

We have acted as receivers of the Group Companies within the previous two years. Accordingly we have applied for and obtained the consent of the Court to act as liquidators pursuant to section 280 of the Act. This was on the basis that, as Court appointed Receivers our role was more limited than that of a creditor-appointed receiver. The role has only been to identify and preserve the assets of the Ross Group. It has not involved managing or realising those assets for the benefit of secured or other creditors. We enclose a copy of the application and orders made as Appendix B.



Section 243 of the Act requires the liquidators to call a meeting of creditors for the purpose of determining whether to confirm the appointment of the liquidators, or instead to:

- make an application to the Court for the appointment of another named liquidator to the Court Appointed Ross Group Companies in place of the appointed liquidators; and
- appoint another named liquidator to the Shareholder Appointed Ross Group Companies in place of the appointed liquidators.

The Notice of Meeting of Creditors is attached as Appendix C and a postal voting form in relation to these matters is attached as Appendix D. While the creditors are free to exercise their vote as they see fit, we consider, given the work that PwC has undertaken to date, and the limited assets of the Ross Group Companies, the most efficient and cost-effective method of conducting the liquidations is to transition from receivers to the appointment of John Fisk and David Bridgman as liquidators.

In this regard we note that, in addition to obtaining the consent of the Court to act as liquidators (as discussed above), the Financial Markets Authority ("FMA") filed submissions in Court in support of the liquidation of the Group Companies. At a meeting of investors on 11 December 2012 an informal resolution was passed supporting our appointment as liquidators.

Given the way in which the Group Companies have operated along with the intermingling of operations we have prepared this single report to cover each of the liquidations of the eight companies comprising the Ross Group Companies.

Ordinarily this report would be accompanied by a list of creditors including their names and addresses. Given the previous confidentiality orders obtained by the FMA in regard to investor details, we applied for, and obtained, a confidentiality order from the High Court which removes the obligation to include this list in the report.

Company structure and operations

Company	Ross Asset Management Limited	Bevis Marks Corporation Limited	McIntosh Asset Management Limited	Mercury Asset Management Limited
Date of incorporation:	22 December 1989	8 December 1987	28 November 1989	17 February 1988
Date ceased trading:	6 November 2012	6 November 2012	6 November 2012	6 November 2012
Trading Address:	Morrison Kent House Level 14/105 The Terrace, Wellington 6011,	Morrison Kent House Level 14/105 The Terrace, Wellington 6011,	Morrison Kent House Level 14/105 The Terrace, Wellington 6011,	Morrison Kent House Level 14/105 The Terrace, Wellington 6011,
Type of business:	Investment Manager	Equity/Investment Owner	Equity/Investment Owner	Equity/Investment Owner
Shareholders:	David Ross – 50% Jillian Ross – 50%	David Ross – 38% Jillian Ross – 37% David Ross & Jillian Ross – 25%	Jillian Ross & David Ross – 100%	David Ross & Gregory Ross – 100%
Directors:	David Ross	David Ross	David Ross	David Ross

Company	Dagger Nominees Limited	Ross Investment Management Limited	Ross Unit Trusts Management Limited	United Asset Management Limited
Date of incorporation:	15 November 1989	24 July 1995	24 July 1995	15 May 1995
Date ceased trading:	6 November 2012	6 November 2012	6 November 2012	6 November 2012
Trading Address:	Morrison Kent House Level 14/105 The Terrace, Wellington 6011,	Morrison Kent House Level 14/105 The Terrace, Wellington 6011,	Morrison Kent House Level 14/105 The Terrace, Wellington 6011,	Morrison Kent House Level 14/105 The Terrace, Wellington 6011,
Type of business:	Equity/Investment Owner	No business identified	No business identified	Equity/Investment Owner
Shareholders:	David Ross – 100%	David Ross - 100%	David Ross – 100%	David Ross – 100%
Directors:	David Ross	David Ross	David Ross	David Ross

Liquidators' observations

David Ross was the sole director of all entities and appeared to have sole responsibility for all funds management, research and investment decisions made by him on behalf of clients or by Ross Asset Management Limited. He was supported by two administrative assistants. We understand that David Ross was also the sole party who liaised with investors to attract new contributions and to inform them of the decisions he had made regarding their investment portfolios.

In late-October 2012 the FMA began receiving complaints from investors that their requests to withdraw funds from their investment portfolios were not being honoured and some customers were experiencing difficulty contacting Mr Ross. Following an inspection of the offices of David Ross by the FMA and Court orders freezing assets being obtained by the FMA on 2 November 2012, John Fisk and David Bridgman of PwC were appointed receivers of David Ross and entities associated with him ("the Ross Group") on 6 November 2012 under the provisions of the Financial Advisers Act 2008. The Court also ordered that Mr Richard Bodman and Mr Kris Renouf of First NZ Capital ("the Advisors") be appointed to assist with the process of identifying, protecting and realising the assets of the Ross Group.

In a report to the High Court dated 13 November 2012, the receivers concluded that of the 1,720 investor accounts holding purported investments totalling \$449.6 million only \$10.241 million of those investments could be verified. Since that date the Advisors have continued to liaise with brokers, share registries and other parties to verify investments held in the name of the Ross Group Companies. As at the date of this report the aggregate value of all assets identified (based on available information) is \$10.52 million. The records of the Ross Group are not of a sufficient standard to immediately and accurately identify all assets and accordingly the schedule of such assets continues to change as the identification process continues and new assets are located and accurate information is obtained.

Some stocks identified do not have publicly available information to support their stated value so we have relied on various other valuation methods (eg. Broker valuations). Furthermore many of the stocks identified are held in what might be considered small high risk companies with irregular and illiquid trading patterns for their issued securities. Accordingly the final realisable value of the portfolio could be materially different (ie. lower) than the current identified value.

Approximately 40% of all stocks identified appear to be held in broker accounts in the names of individual clients and therefore may not be available for the wider pool of investors. We are working with the Advisors and respective investors concerned to determine entitlements to these investments with the assistance of our legal counsel.

The liquidators propose to continue the investigation into the Ross Group Companies to determine if there are any other assets of which we are not currently aware and if there are any other potential avenues for recovery. This will be done in consultation with a liquidation committee as discussed below. However, it is not anticipated that any further investments of a material value are likely to be identified.

We have been approached by a number of investors in relation to the impact of the receiverships and liquidations on their tax position. We are liaising with Inland Revenue in relation to the Ross Group situation and hope to be in a position to update investors in the New Year.



Insolvent transactions and potential breaches of legislation

An investigation into the books, records and affairs of the Ross Group Companies will be conducted to determine:

- if any insolvent transactions have occurred; and
- if there have been any breaches of legislation by any of the Ross Group Companies or their officers

If any insolvent transactions or breaches of legislation have occurred we will consider making any claims that will increase the recovery available to creditors. This will only be done after we have carried out a proper investigation of the circumstances and an objective weighing of the costs against the benefits to creditors.

Where sufficient evidence exists, breaches of legislation will be reported to the relevant authorities. We note that independent investigations into the Ross Group are being conducted by the FMA and the Serious Fraud Office. Where required, we are assisting with these investigations.

Employees

Ross Asset Management Limited (In Receivership & Liquidation) employed two administrative assistants who had resigned prior to the Group Companies being placed into receivership. However, the assistants have been re-employed by the receivers to assist in the reconciliation of information from the Ross Group records.

Creditors with security interests

A search of the Personal Property Securities Register disclosed the following security interest registered against the Group Companies at the date of liquidation:

Company	Financing Statement	Secured Party	Date	Collateral Type
United Asset Management Limited	FN07982GF7971Y5R	Mercedes-Benz Financial Services New Zealand Limited	27/07/12	Goods – Motor Vehicles

Preferential Creditors

Preferential creditors will encompass:

- The costs associated with having the Group Companies placed into liquidation.
- Outstanding employee wages and holiday pay, which we have calculated to be \$15,920. These are owed by Ross Asset Management Limited (In Receivership & Liquidation).
- The Inland Revenue Department for outstanding PAYE. Inland Revenue has not yet filed a claim, however based on the Group Companies' records we believe the amount outstanding to be circa \$3,800. This is also owed by Ross Asset Management Limited (In Receivership & Liquidation).
- Out of pocket expenses of the liquidation committee.



Financial Statements

The most recent financial statements we have received are draft and for the period ended 31 March 2011 for all Group Companies other than Bevis Marks Corporation Limited (In Receivership & Liquidation) and United Asset Management Limited (In Receivership & Liquidation). We have not received any financial statements in relation to those two companies.

Conduct and estimated completion date of liquidation

It is not practicable to provide an estimated date for the completion of the liquidations at this stage.

Should you have any information that you believe would lead to realisations for the benefit of creditors, please set it out in writing, attaching copies of all documentary evidence, and send it to the liquidators. Please note that the liquidators can only act on written information as telephone or other conversations will be regarded as hearsay by any Court.

In due course it is possible that the liquidators will make an application to the Court for an order pooling the liquidations of the Ross Group Companies under section 271 of the Act. The effect of this will be to make all assets of the Group Companies available to all creditors of the Group Companies. This is on the basis that the affairs of the Group Companies are so intermingled it would likely lead to greater costs and an inequitable result for creditors in general if the liquidations were to be managed separately.

Liquidation Committee

The liquidators believe it would be beneficial for the administration of the liquidations for creditors to form a committee to assist the liquidators and represent their interests.

The Act confers powers on a liquidation committee including, inter alia:

- a) Calling for reports from the liquidators on the progress of the liquidation;
- b) Calling a meeting of creditors or of shareholders;
- c) Applying to the Court under sections 284 and 286 of the Companies Act 1993. These sections concern the Court supervision of the liquidation or applications to the Court to enforce liquidators' duties;
- d) Reviewing costs of the liquidation; and
- e) Assisting the liquidators as appropriate in the conduct of the liquidation.

The Act further provides that meetings of liquidation committees shall be governed by the 8th Schedule of the Act.

Creditors and shareholders have the right to require the liquidator to call a meeting of creditors for this purpose under section 314 of the Act. In this case, as the liquidators believe the formation of a liquidation committee would be beneficial, we have called a meeting of creditors by postal ballot. Accordingly and as previously noted, we attach at Appendix D a postal resolution which (among other matters) requests creditors to agree to the formation of a committee and if so, to vote on the membership of that committee to comprise up to 7 members.



Following consultation with investors through our website and other media a number of creditors or their representatives have been nominated to be members of the committee and they have been named in the attachment to the postal resolution. We invite your vote on the appointment of membership of the committee. The seven successful members of the committee will be those polling the highest number of votes. Creditors and investors are each entitled to vote for up to 7 members of the committee.

Committee members will need to make themselves available to attend meetings in Wellington as required, review any reports provided by the liquidators and receive and convey the views of the creditors of the liquidation. Under the 7th Schedule of the Act any out of pocket expenses incurred by the liquidation committee have a preferential status ahead of any creditor or investor claims. However, we note that members of a liquidation committee are subject to restrictions under the Act and related regulations, including a restriction against deriving any benefit from any transaction arising out of the assets of any Ross Group Company.

Please return the completed resolutions in the enclosed pre-paid return envelope, to be received not later than 6 February 2013.

We would urge creditors and investors to vote on these matters rather than take a neutral stance. The right to vote provides investors and creditors with the immediate opportunity to determine who will represent their interests as the liquidation progresses.

Due to the uncertainty over the value of investments of the Group Companies, the liquidators propose to count votes on the basis that each creditor or investor will receive one vote per resolution and their claim will be valued at \$1 for the purpose of voting only. In the circumstances we believe this to be the most equitable method for counting votes. This should not be taken as a final determination of the value of any claim for dividend or distribution purposes.

For the purpose of voting, both trade creditors and investors are being treated as creditors. This should not be taken as a final determination of the status of any of those parties in relation to their claim for dividend or distribution purposes.

If this proposed method of determining voting rights is challenged, we propose to seek directions of the Court to ratify it under section 284 of the Act. We hope this will not be necessary.

Reporting

Reports on the conduct of the liquidations and on proposals for completion of the liquidations will be prepared and distributed six monthly in accordance with section 255 of the Act. A final report will also be prepared and distributed in accordance with section 257 of the Act at the completion of the liquidations.



Contact Details

As previously advised we have set up a dedicated page for Ross Group Company investors on the PwC website, which can be found at:

www.pwc.co.nz/rossassetmanagement

If you have any queries, please submit your enquiry through the on-line form via our website, through the dedicated phone line (04) 462 7040, or by writing to our mailing address for the attention of Randall Gravit. We will endeavour to respond to all enquiries as quickly as possible.

Dated: 20 December 2012

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

John Fisk
Liquidator

A handwritten signature in black ink, appearing to be 'David Bridgman', written over a horizontal line.

David Bridgman
Liquidator

Attachments

Please find attached the following documents:

- Appendix A – Restrictions to the report
- Appendix B – Copy of the application and orders made regarding consent to act as liquidators pursuant to section 280 of the Act
- Appendix C – Notice of Meeting of Creditors
- Appendix D – Postal voting form in relation to the appointment of the liquidators and the formation of a liquidation committee, among other matters
- Appendix E – Creditor's Claim Form (To be completed by Trade Creditors only)
- Appendix F – Investor's Claim Form and letter (To be completed by Investors only)

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

***Copy of the application and orders made regarding
consent to act as liquidators pursuant to section 280
of the Act***

DUPLICATE

**In the High Court of New Zealand
Wellington Registry**

CIV 2012-485-2590

In the matter of Part 16 of the Companies Act 1993
And in the matter of an application by

John Howard Ross Fisk and David John Bridgman

Applicants

**Originating application without notice for orders under
sections 280 and 286 of the Companies Act 1993 and
directions for service**

3 December 2012

BELL GULLY

BARRISTERS AND SOLICITORS

M COLSON
WELLINGTON LEVEL 21, 171 FEATHERSTON STREET
PO BOX 1291, WELLINGTON 6140, DX SX11164, NEW ZEALAND
TEL 64 4 915 6800 FAX 64 4 915 6810 EMAIL MIKE.COLSON@BELLGULLY.COM

The applicants, John Howard Ross Fisk and David John Bridgman, will on December 2012 apply to the Court for orders:

1. for leave to commence this application by way of an originating application without notice;
2. that John Howard Ross Fisk and David John Bridgman may act as joint and several liquidators of:
 - (a) Ross Asset Management Limited (in receivership);
 - (b) Bevis Marks Corporation Limited (in receivership),
 - (c) Mercury Asset Management Limited (in receivership);
 - (d) McIntosh Asset Management Limited (in receivership);
 - (e) Dagger Nominees Limited (in receivership);
 - (f) Ross Investment Management Limited (in receivership);
 - (g) Ross Unit Trust Management Limited (in receivership); and
 - (h) United Asset Management Limited (in receivership);

(together, the **Companies**); and
 - (i) Ace Investments Trust Limited (in receivership);
 - (j) Ace Investments Limited (in receivership);
 - (k) Ross Unit Trust Limited (in receivership); and
 - (l) Vivian Investments Limited (in receivership)

(together, the **Related Entities**);

pursuant to s280 and/or s286(4)(b) of the Companies Act 1993
(the **Act**);

3. that the originating application and orders be served on all known creditors of the Companies and Related Entities at the same time and in the same manner as the liquidators' first report under s255 of the Act; and
4. that any creditor of any of the Companies is granted leave to apply to the Court within five working days of such service to set aside the applicants' appointment as liquidators.

Upon the grounds that:

- (a) It is in the interests of justice to permit this proceeding to be commenced by way of originating application.
- (b) The applicants are the receivers and managers for each of the Companies and Related Entities and receivers for all property of a shareholder in each of the Companies.
- (c) The applicants intend to place each of the Companies into liquidation pursuant to s241(2)(a) and/or s241(2)(c) of the Act.
- (d) The applicants may take steps to place the Related Entities into liquidation.
- (e) The applicants have considered whether they are qualified to be appointed liquidators in accordance with s280 of the Act. The applicants are qualified to take the appointment except for s280(1)(c) of the Act as they have been appointed as receivers to the Companies and Related Entities in the two years immediately prior to the commencement of the liquidation.
- (f) There is no real or apparent conflict of interest for the following reasons:
 - (i) The applicants were appointed as Receivers by the Court on 6 November 2012, following an application by the Financial Markets Authority, pursuant to the Financial Advisors Act 2008. This was not an appointment by a creditor, pursuant to a General Security Agreement.

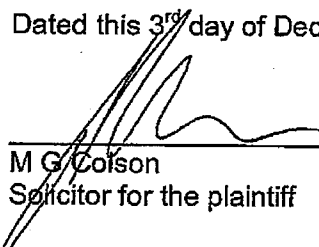
- (ii) As Court appointed Receivers, the applicants' role was more limited than that of a creditor-appointed receiver. In particular, their role was primarily to identify and preserve the assets of the Ross Group, which included the Companies and the Related Entities. They have not managed or realised those assets. Nor have they made any material decisions or actions regarding the business.
 - (iii) The applicants have only been acting as Receivers of the Companies and Related Entities for three weeks.
 - (iv) The applicants have made no decisions which would or may require subsequent scrutiny by an independent liquidator.
- (g) Given the amount of work already undertaken by the applicants and their employees, and as there is no real or perceived conflict of interest, it is sensible, more efficient and more cost-effective for the applicants to be appointed liquidators to the Companies.
- (h) It is in the interests of justice, and of the speedy and inexpensive determination of this proceeding, that this originating application be determined on a without notice basis and that the originating application and orders be served on all known creditors at the same time and in the same manner as the liquidators' first report under s255 of the Act because:
- (i) the Companies are insolvent and should be placed into liquidation as soon as possible;
 - (ii) personal service of the originating application on the approximately 1720 investors will be expensive and time consuming and, therefore, detrimental to the creditors;
 - (iii) the delay in serving the creditors will only result in the Company's affairs deteriorating further, again to the prejudice of its creditors;
 - (iv) the creditors will not suffer any prejudice;

- (v) the creditors retain a right to challenge the appointment of the applicants as liquidators in Court; and
- (vi) the further grounds appearing in the affidavit of John Howard Ross Fisk sworn in support of this application.

This application is made in reliance upon rules 7.46, 18.7, 19.5, and 19.11 of the High Court Rules; ss243(1)(a), 255, 280, and 286 of the Companies Act 1993.

I certify that this application complies with the rules of Court.

Dated this 3rd day of December 2012


M G Colson
Solicitor for the plaintiff

To: The Registrar of the High Court at Wellington

DUPLICATE

**In the High Court of New Zealand
Wellington Registry**

**CIV 2012-485-2591
CIV 2012-485-2590**

Under Part 16 of the Companies Act 1993

Between

**John Howard Ross Fisk and David John Bridgman as
receivers of each of the defendant companies**

First Plaintiffs

and

**John Howard Ross Fisk and David John Bridgman as
receivers of and on behalf of David Robert Gilmour Ross**

Second Plaintiffs

and

Ross Asset Management Limited (in receivership)

First Defendant

and

Bevis Marks Corporation Limited (in receivership)

Second Defendant

(Continued/-)

**Order putting company into liquidation and on originating
application for orders pursuant to sections 280 and 286 of
the Companies Act 1993**

December 2012



BELL GULLY

BARRISTERS AND SOLICITORS

M G COLSON / R L PINNY

WELLINGTON LEVEL 21, 171 FEATHERSTON STREET

PO BOX 1291, WELLINGTON 6140, DX SX11164, NEW ZEALAND

TEL 64 4 915 6800 FAX 64 4 915 6810 EMAIL RACHEL.PINNY@BELLGULLY.COM

Continued list of parties

and

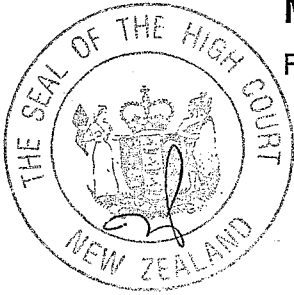
Mercury Asset Management Limited (in receivership)

Third Defendant

and

McIntosh Asset Management Limited (in receivership)

Fourth Defendant



This document notifies you that –

1. The application made by the plaintiffs John Howard Ross Fisk and David John Bridgman as receivers of each of the defendant companies and as receivers of and on behalf of David Robert Gilmour Ross, was determined by Associate Judge Gendall on 17 December 2012, at 1:01pm (Ross Asset Management Limited (in receivership)), 1:02pm (Bevis Marks Corporation Limited (in receivership)), 1:03pm (Mercury Asset Management (in receivership)) and 1:04pm (McIntosh Asset Management Limited (in receivership)) (together, the **defendant companies**).

2. This Court orders that:

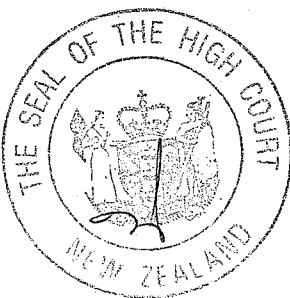
(a) each of the defendant companies:

- (i) Ross Asset Management Limited (in receivership);
- (ii) Bevis Marks Corporation Limited (in receivership);
- (iii) Mercury Asset Management (in receivership); and
- (iv) McIntosh Asset Management Limited (in receivership),

be put into liquidation by the Court under the Companies Act 1993, and appoints John Howard Ross Fisk and David John Bridgman as liquidators with the ability to exercise their powers individually pursuant to section 242 of the Companies Act 1993;

(b) pursuant to s280 and/or s286(4)(b) of the Companies Act 1993 John Howard Ross Fisk and David John Bridgman may act as joint and several liquidators of the following companies:

- (i) Ross Asset Management Limited (in receivership);
- (ii) Bevis Marks Corporation Limited (in receivership);
- (iii) Mercury Asset Management (in receivership);
- (iv) McIntosh Asset Management Limited (in receivership);



- (v) Dagger Nominees Limited (in receivership);
 - (vi) Ross Investment Management Limited (in receivership);
 - (vii) Ross Unit Trust Management Limited (in receivership); and
 - (viii) United Asset Management Limited (in receivership);
- (together, the **Companies**)

- (ix) Ace Investments Trust Limited (in receivership);
 - (x) Ace Investments Limited (in receivership);
 - (xi) Ross Unit Trust Limited (in receivership); and
 - (xii) Vivian Investments Limited (in receivership);
- (together, the **Related Entities**);

- (c) the liquidators' remuneration be fixed at the rates detailed in Schedule Three to this order;
- (d) the originating application and orders pursuant to section 280 and 286 of the Companies Act 1993 be served on all known creditors of the Companies and the Related Entities at the same time and in the same manner as the liquidators' first report under s255 of the Companies Act;
- (e) any creditor of any of the Companies or the Related Entities is granted leave to apply to the Court within five working days of such service to set aside the plaintiffs' appointment as liquidators;
- (f) in complying with their duties under section 255 of the Companies Act 1993, the liquidators to the Companies and Related Entities are at all times to keep confidential the list of and identity of the various investor creditors of these Companies and Related Entities; and
- (g) leave is reserved for any party (including Mr Bruce William Tichbon) to approach the Court on 48 hours notice with a formal



application for any additional or alternative directions that may be reasonably required in this proceeding.

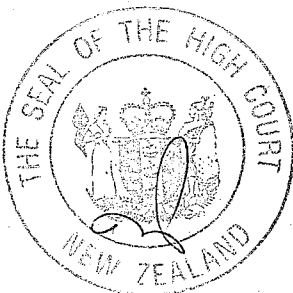
3. It also orders that:

- (a) the plaintiffs' costs of \$4,776.00 and disbursements of \$1,256.80 of the applications (as particularised in the attached Schedule One); and
- (b) Mr Tichbon's costs and disbursements of \$1,302.80 (as particularised in Schedule Two);

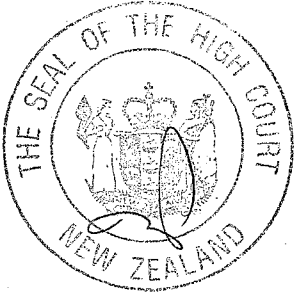
be paid out of the assets of the defendant companies.

4. Before making this order, the Court—

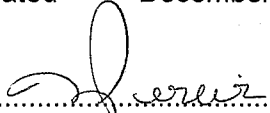
- (a) heard Michael Colson for the Plaintiff, Hugh Rennie QC and Rachael Johnson for the Financial Markets Authority, Mike Lennard for Bruce William Tichbon; and Gary Turkington for David Ross and the defendant companies;
- (b) read the statement of claim and the affidavit of John Howard Ross Fisk verifying the allegations in the statement of claim;
- (c) sighted the advertisements for the statement of claim published in the New Zealand Gazette on 6 December 2012 and in The Dominion Post on 5 December 2012;
- (a) read the originating application without notice for orders under sections 280 and 286 of the Companies Act 1993 and the supporting affidavits of John Howard Ross Fisk and Jeremy Michael Morley;
- (b) read the without notice interlocutory application to fix the liquidators' remuneration and supporting affidavit of John Howard Ross Fisk; and



- (c) read the memorandum of counsel for the Financial Markets Authority in support of the applications and the affidavit of Bruce William Tichbon in support of the liquidation application.



Dated 17 December 2012


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Deputy Registrar
Julie Pereira

Schedule One: Plaintiffs' costs and disbursements

Step in proceeding	Daily Rate	Time allocation (days)	Recoverable costs
Preparing statement of claim	\$1,990	0.6	\$1,194
Preparing originating application without notice for orders under sections 280 and 286 of the Companies Act 1993	\$1,990	0.6 (calculated according to rates for an interlocutory application, not 2.0 days allocated to originating application)	\$1,194
Preparing interlocutory application to fix liquidators' rates of remuneration	\$1,990	0.6	\$1,194
Appearance at hearing	\$1,990	0.4	\$796
Sealing order	\$1,990	0.2	\$398
Total recoverable	\$1,990	2.4	\$4,776

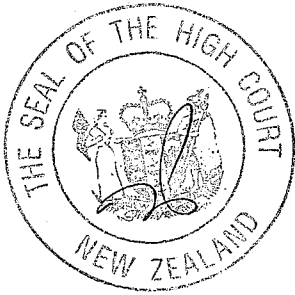
Disbursements

Filing fee on statement of claim:	\$483.40
Filing fee on originating application	\$483.40
Filing fee on interlocutory application	\$241.70
Fee on sealing court order	\$48.30
Total:	\$1,256.80



Schedule Two: Mr Tichborn's costs

Step in proceeding	Daily Rate	Time allocation (days)	Recoverable costs
Preparing notice of appearance	\$1,990	0.2	\$398
Appearance at hearing	\$1,990	0.4	\$796
Total recoverable	\$1,990	2.2	\$1,194



Disbursements

Filing fee on appearance \$108.80

Schedule Three: Liquidator's rates of remuneration

All rates below exclude GST.

Liquidators and Directors range from \$375.00 to \$450.00 per hour

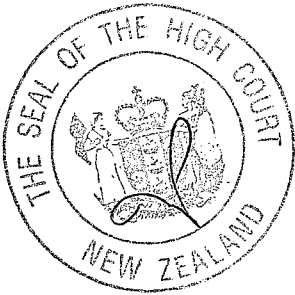
Associate Directors range from \$300.00 to \$375.00 per hour

Managers range from \$240.00 to \$300.00 per hour

Senior Associates range from \$190.00 to \$240.00 per hour

Associates range from \$130.00 to \$190.00 per hour

Clerical Assistants and Secretaries range from \$110.00 per hour





Appendix C

Notice of Meeting of Creditors

Ross Asset Management Limited (In Receivership & Liquidation)
Bevis Marks Corporation Limited (In Receivership & Liquidation)
McIntosh Asset Management Limited (In Receivership & Liquidation)
Mercury Asset Management Limited (In Receivership & Liquidation)
Dagger Nominees Limited (In Receivership & Liquidation)
Ross Investment Management Limited (In Receivership & Liquidation)
Ross Unit Trusts Management Limited (In Receivership & Liquidation)
United Asset Management Limited (In Receivership & Liquidation)
together “the Ross Group Companies”

Notice of Meeting of Creditors
(Pursuant to sections 243 and 314 of the Companies Act 1993)

We, John Howard Ross Fisk and David John Bridgman, Chartered Accountants of Wellington, were appointed joint and several liquidators of Ross Asset Management Limited (In Receivership & Liquidation), Bevis Marks Corporation Limited (In Receivership & Liquidation), McIntosh Asset Management Limited (In Receivership & Liquidation) and Mercury Asset Management Limited (In Receivership & Liquidation) (together “the Court-Appointed Ross Group Companies”) by the High Court pursuant to section 241(2)(c) of the Companies Act 1993 and Dagger Nominees Limited (In Receivership & Liquidation), Ross Investment Management Limited (In Receivership & Liquidation), Ross Unit Trusts Management Limited (In Receivership & Liquidation) and United Asset Management Limited (In Receivership & Liquidation) (together “the Shareholder-Appointed Ross Group Companies”) pursuant to section 241(2)(a) of the Companies Act 1993 on 17 December 2012.

Notice is given that a meeting of creditors is to be held by way of postal ballot. Any creditor may cast a postal vote on all or any of the matters to be voted on by forwarding a completed voting form to:

PricewaterhouseCoopers
PO Box 243
Wellington 6011

Attention: Marcus McMillan

who is authorised to receive and count postal votes. To be valid, voting papers must be received by Marcus McMillan not later than Wednesday 6 February 2013.

The business to be transacted at the meeting is:

- (a) whether to confirm the appointment of John Howard Ross Fisk and David John Bridgman as liquidators of the Ross Group Companies or whether to:
 - make an application to the Court for the appointment of another named liquidator to the Court-Appointed Ross Group Companies in place of the appointed liquidators; and
 - appoint another named liquidator to the Shareholder-Appointed Ross Group Companies in place of the appointed liquidators;
- (b) whether to appoint a Liquidation Committee, and if so, determine its membership; and
- (c) to convey the views of creditors to the liquidators.

The following resolutions will be submitted to the meeting.

Resolution A: THAT the appointment of John Howard Ross Fisk and David John Bridgman as liquidators of the Ross Group Companies be confirmed.

A vote "AGAINST" is a vote that:

- an application be made in the Court for the appointment of another named liquidator to some or all of the Court-Appointed Ross Group Companies in place of the appointed liquidators; and
- another named liquidator be appointed to the Shareholder-Appointed Ross Group Companies in place of the appointed liquidators.

Resolution B: THAT a liquidation committee be appointed in respect of the Ross Group Companies to act with the liquidators ("the Liquidation Committee") comprising the seven nominees for membership of the Liquidation Committee ("nominees") which receive the most votes (or, if less than seven nominees receive votes, the nominees which receive votes).



John Fisk
Liquidator

Ross Asset Management Limited (In Receivership & Liquidation)
Bevis Marks Corporation Limited (In Receivership & Liquidation)
McIntosh Asset Management Limited (In Receivership & Liquidation)
Mercury Asset Management Limited (In Receivership & Liquidation)
Dagger Nominees Limited (In Receivership & Liquidation)
Ross Investment Management Limited (In Receivership & Liquidation)
Ross Unit Trusts Management Limited (In Receivership & Liquidation)
United Asset Management Limited (In Receivership & Liquidation)



Appendix D

***Postal voting form in relation to the appointment of
the liquidators and the formation of a liquidation
committee, among other matters***

Ross Asset Management Limited (In Receivership & Liquidation)
Bevis Marks Corporation Limited (In Receivership & Liquidation)
McIntosh Asset Management Limited (In Receivership & Liquidation)
Mercury Asset Management Limited (In Receivership & Liquidation)
Dagger Nominees Limited (In Receivership & Liquidation)
Ross Investment Management Limited (In Receivership & Liquidation)
Ross Unit Trusts Management Limited (In Receivership & Liquidation)
United Asset Management Limited (In Receivership & Liquidation)
together “the Ross Group Companies”

Postal Voting Form

I/we, _____ claim in the liquidation of the Ross Group Companies, and cast the following votes for the postal meeting of creditors to be held on Friday 8 February 2013 or at any adjournment thereof.

Resolution A: THAT the appointment of John Howard Ross Fisk and David John Bridgman as liquidators of the Ross Group Companies be confirmed.

Tick (✓) in box to vote.

FOR in respect of all Ross Group Companies ☐

AGAINST in respect of all Ross Group Companies ☐

FOR in respect of some Ross Group Companies and
AGAINST in respect of other Ross Group Companies ☐

If you vote FOR Resolution A in respect of some Ross Group Companies and AGAINST Resolution A in respect of other Ross Group Companies, please list the Ross Group Companies in respect of which you are voting AGAINST Resolution A:

A vote "AGAINST" Resolution A is a vote that:

- an application be made in the Court for the appointment of another named liquidator to the relevant Court-Appointed Ross Group Companies in place of the appointed liquidators; and
- another named liquidator be appointed to the relevant Shareholder-Appointed Ross Group Companies in place of the appointed liquidators.

If you vote "AGAINST" Resolution A in relation to any or all of the Ross Group Companies, specify the proposed replacement liquidator for the relevant Ross Group Companies. Please include a signed consent to act from the proposed replacement liquidator.

The terms "Court-Appointed Ross Group Companies" and "Shareholder-Appointed Ross Group Companies" have the meaning given to them in the notice of meeting relating to this voting form.

Resolution B:

THAT a liquidation committee be appointed in respect of the Ross Group Companies to act with the liquidators ("the Liquidation Committee") comprising the seven nominees for membership of the Liquidation Committee ("nominees") which receive the most votes (or, if less than seven nominees receive votes, the nominees which receive votes).

Tick (✓) in box to vote.

FOR

☐

AGAINST

☐

Details of nominees for membership of the Liquidation Committee are in the attached document

My/our vote(s) (if any) for membership of the Liquidation Committee is/are **(select a maximum of SEVEN):**

Tick (✓) in box to vote.

Gary Clarke

☐

Stephen Cooper

☐

Yvonne Cooper

☐

Jason Fullerton-Smith

☐

Tom Halliburton

☐

Matthew Heller

☐

Malcolm Hughes

☐

Peter MacDonald

☐

Alan Pearson

☐

Barrington Prince

☐

Arthur Stewart

☐

John Strahl

☐

Bruce Tichbon

☐

Other business:

I/we wish the following views (if any) to be considered by the liquidator.

Signed _____

Date _____

Position Held _____

This meeting is to be held by way of postal ballot. This voting paper must be received by the person authorised to receive and count postal votes not later than the date named in the notice of meeting, being Wednesday 6 February 2013.

Ross Group Companies (In Liquidation)
Liquidation Committee
Nominations

Nominee	Nominee Bio
Gary Clarke	Gary Clarke is actively involved in the hospitality industry and has been over the past 30 years. Presently he is involved with establishing standards in the Hospitality industry in the Wellington region and has operated at his present location for the past 23 years as owner/operator of a large establishment in Wellington. 60 staff presently work for him. He is also involved as an investor in a small craft brewery and on the body corporate as a committee member in an apartment complex.
Stephen Cooper	Steve Cooper has a Bachelor of Commerce from Canterbury University and is currently employed as the Health & Safety Co-ordinator for a leading airline. He also has 20 years experience with residential property management. Steve has a reputation for being very professional and methodical.
Yvonne Cooper	Yvonne is an investor. She feels that her vested interests qualify her to make efficient and effective decisions relating to the liquidation of the investment companies.
Jason Fullerton-Smith	Jason Fullerton-Smith is currently Chief Financial Officer of Kordia NZ. He possesses the financial knowledge and corporate and investment background to provide valued input to maximising recoveries.
Tom Halliburton	Tom Halliburton is a qualified planner and has had a successful career mainly in Central Government. He has broad skills in policy and legal processes and public funds management. Tom has excellent communication skills and a focus on getting the job done. He has a keen interest in ensuring a balanced, fair and efficient outcome for all RAM investors.
Matthew Heller	Matthew has been in business in the horticulture sector for over 25 years. He is controlling trustee of a trust with investments in RAM. He believes he can assist in providing a sensible and fair representation for all RAM investors.
Malcolm Hughes	Malcolm Henry Hughes has worked as a Quantity Surveyor and Building Estimator for various construction companies in NZ for 20 years. Malcolm has operated a construction company employing 15 - 25 people and been engaged as a construction project manager on various projects in NZ. Malcolm is also an owner, investor and developer in commercial and industrial property.
Peter MacDonald	Peter J MacDonald has over 50 years experience heading major companies in the construction industry. Peter has held director positions with numerous companies and retired as Chairman and Chief Executive of a company that was represented Australasia-wide. Peter continues to work with several companies restructuring operations and improving profitability. He is a Wellington member of the RAM Investors Management committee.

Noninations continue over the page

Ross Group Companies (In Liquidation)
Liquidation Committee
Nominations (Cont'd)

Nominee	Nominee Bio
Alan Pearson	Alan Pearson is Chairman and lead consultant in Prime Consulting International. Alan and his business partner are currently working in the field of Agaid in Afghanistan under contract to MFAT and also have ongoing work in the field of biogas. Alan has extensive business knowledge and awareness in the area of global finance.
Barrington Prince	Barry believes the prime duties of the investor committee would be to ensure that the liquidator has identified and followed all avenues to compile an audit trail to ascertain the following information; when RAM's business declined into being a Ponzi operation, what capital RAM has received from investors since that date, what RAM did with the funds received in an endeavour to be one hundred per cent sure that David Ross has not squirreled away an emergency nest egg somewhere in case he got caught, what is the legal position concerning the liquidation of any assets David Ross owns in his own name, held in the names of relations and friends, buried in family trusts etc, what is the legal position concerning any requirement for investors to return any dividends they have received since RAM started to operate in a Ponzi fashion that exceeds their original investment. In addition to ensure on behalf of investors that PwC does all in its power to action its duties efficiently and economically to keep their fees at a minimum so that there is something left to distribute to investors.
Arthur Stewart	Arthur Stewart is qualified as a Property Valuer and practiced in that profession for over 50 years being appointed as a Director and Chairman of DTZ NZ and its predecessor Darroch Ltd. Govt appointee to the Valuers Registration Board for six years. Director and Chairman of Yachting NZ. Considerable experience in both the High Court and District court as an expert witness. Currently on the Board of Seaview Marina Ltd and Urbanplus Ltd a CCO of Hutt City. Holds Degrees in Commerce (Victoria) and Valuation (Auckland).
John Strahl	John is Trustee of a substantial investor in RAM, is an experienced commercial lawyer formerly a partner of DLA Phillips Fox lawyers, and is presently semi-retired with several directorships.
Bruce Tichbon	Bruce is recently retired, having been Managing Director of a Wellington based consultancy for 20 years. He started the RAM Investors Group and has been a strong advocate for members. Most of you will be familiar with the Investors Group's regular updates and web site. His aim is to be neutral and to get a fair deal for everyone at the least cost. He has already shown he will fight hard for our rights.

Nominee Bios have been provided by the nominee or person nominating them



Appendix E

Creditor's Claim Form (To be completed by Trade Creditors only)

Form 1
Unsecured Creditor's Claim
(TO BE COMPLETED BY TRADE CREDITORS ONLY)
Section 304 (1) Companies Act 1993

Ross Asset Management Limited (In Receivership & Liquidation) - "the Company"

Creditor Details:

Name and postal address

.....
.....
.....

Email Address:

.....

Telephone Number:

.....

Reference (if applicable):

.....

Reserved for Office Use:

Claim admitted / rejected for voting purposes

Claim admitted / rejected for payment:

- Preferential Claim for: \$
- Ordinary Claim for: \$
- Deferred Claim for: \$

Signed:

Dated:

Note: If the decision to admit or reject the claim is amended, regulation 8 of the Companies Act 1993 Liquidation Regulations 1994 requires that it be recorded in writing.

Claim Details:

I,

.....
(If claim is made on behalf of creditor, specify relationship to creditor and authority)

claim that, at the date the Company was put into liquidation, it was indebted to the abovenamed creditor for the sum of

\$
(Amount in words and figures)

Omit whichever does not apply

- I hold no security for the amount claimed; or
- I am surrendering my security and I am claiming as an unsecured creditor; or
- I am claiming as a preferential creditor

Signed: Date:

Important Information:

Under section 304 (1) of the Companies Act 1993 any claim by an unsecured creditor against a company in liquidation must be made in this prescribed form and must-

- (a) Contain full particulars of the claim; and
- (b) Identify any documents that evidence or substantiate the claim.

Full particulars of the claim are set out, and any supporting documents that substantiate the claim are identified, on the reverse of this form. The liquidator will require the production of any supporting documents and accordingly, these should be attached to expedite the processing of the claim.

It is an offence under section 304(6) of the Companies Act 1993 to -

- (a) Make, or authorise the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or
- (b) Omit, or authorise the omission, from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular.

Privacy Act 1993*

Any personal information collected is for the purpose of administering the liquidation in accordance with the Companies Act 1993. The information will be used and retained by PricewaterhouseCoopers, Business Recovery Services, PO Box 243, 113-119 The Terrace, Wellington and will be released to other parties only with your authorisation or in compliance with the Privacy Act 1993. You may have access to and request correction of any personal information.

*Not applicable, if creditor is not an individual within the meaning of the Privacy Act 1993.

Supporting documents must be attached.

Total GST included in claim:

What is the purpose of Liquidation?

The purpose of liquidation is to wind up the affairs of a company and distribute its residual assets amongst its creditors and shareholders. If there are insufficient assets to pay creditors in full the liquidation will be insolvent with creditors receiving only partial payment of their claim and no distribution being made to shareholders. The liquidation process is governed by the Companies Act 1993.

The liquidation will be managed by a person independent of the company and its creditors. That person will be the liquidator. They will usually either be appointed by the High Court or by a resolution of the company's shareholders.

The liquidator's primary duty is to take possession of, protect, realise and distribute the company's assets. There are also duties in relation to reporting to creditors on the conduct of the liquidation, investigating the affairs of the company and conduct of its management to identify any avenues for recovery for creditors or offences to be reported to the appropriate government agency.

Liquidators' Powers

The liquidators will have powers necessary to fulfil their duties. This includes the power to request information about the affairs of the company from any person and to require the co-operation of officers of the company.

It also includes the power to investigate and, in certain circumstances, overturn transactions which have resulted in a disadvantage to creditors in general. These are powers only available to a liquidator. This course should only be pursued after proper investigation of the circumstances by the liquidator and an objective weighing of the costs against the benefits of this course of action.

The liquidator also has the power to apply to the High Court for directions, if appropriate.

Creditors in a Liquidation

Upon the appointment of a liquidator the creditors of the company can not pursue any legal action against the company without the consent of the liquidator or the High Court. Claims against the Company are dealt with through the liquidation process.

The 7th Schedule of the Companies Act 1993 grants a preference to different classes of creditors. In general terms the order of any distribution will be as follows;

1. Costs and expenses of the liquidation, including liquidators' fees;
2. Unpaid employee wages and holiday pay;
3. IRD for unpaid PAYE and GST;
4. General Unsecured Creditors; and
5. Shareholders.

Each class is paid in full prior to any payment being made to the next class. If there are insufficient assets to pay creditors in full in any class, that class will share in the remaining assets on a pro-rata basis.

Liquidation Committee

The Companies Act 1993 allows for the formation of a liquidation committee. A liquidation committee has the power to call for reports from the liquidator on the progress of the liquidation, call a meeting of creditors or of shareholders, apply to the Court for orders in relation to the supervision of the liquidation and assist the liquidator as appropriate in the conduct of the liquidation. This allows the liquidator to receive input directly from representatives of the creditors without having to incur the cost of calling a meeting of all creditors or communicating directly with all creditors every time an issue requires consideration.

Pooling Orders

Where related companies are in liquidation it is possible to apply to the Court under section 271 of the Companies Act 1993 for an order that those liquidations be treated as one liquidation with assets and creditors shared across all companies. This is on the basis it is just and equitable to do so, such as where the affairs of those companies are intermingled to such an extent it is difficult to distinguish the affairs of one company from the other.