



***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"***

Outcome of Fourth Liquidation Committee Meeting

The fourth meeting of the Liquidation Committee ("the Committee") was held on 6 August 2013 at PwC's offices in Wellington. Six committee members attended in person and one attended by telephone. The meeting was chaired by John Strahl. This document is the Committee's agreed communication to be sent to all creditors and investors following the meeting. It was agreed that future communications concerning the liquidation process will continue to be sent from the Liquidator on behalf of the Committee.

This report is subject to the restrictions set out at Appendix A.

Inland Revenue

The Liquidators have provided their calculations to Inland Revenue (IR) for the estimated value of the overall share portfolio managed by RAM at historic tax dates dating back to 2008. IR is presently reviewing the Liquidators' methodology and initial feedback received from IR is that it considers the methodology adopted is sound.

It is intended that a letter will be issued by IR to the Liquidators to be passed to investors, which details what steps investors need to take to apply to IR to request amendments to historic tax returns.

There remain several policy issues for IR to resolve before that letter can be finalised and issued. We will continue to work with IR to finalise this matter in as timely a manner as possible.

Net Contributions of Investors

The Liquidators have used the records of the Group Companies to attempt to establish the net cash position of each of the current investors, i.e. total contributions (either cash or cash value of shares) less total withdrawals over the life of each investor's portfolio.

In due course the Liquidators will be writing to all investors providing details of transactions recorded in relation to each of their portfolios and asking them to verify the correctness of those transactions, or if incorrect to provide evidence to correct the position.

The above investigations have uncovered that the RAM database records 1538 investor portfolios having been opened since June 2000. The Receivers' initial report to the Court in November 2012 stated 1720 portfolios, however, further investigations have reduced this figure to 1538. As previously reported, only 960 portfolios were open at the date of receivership.



A further review of the net contribution statements referred to above and referred to in the update following the third meeting of the Committee has slightly altered the overall net-contribution position, although not significantly. The table below has been prepared on an investor by investor basis rather than on a portfolio by portfolio basis and therefore the table shows 845 investors rather than the 960 portfolios referred to above.

	Investors	Net Cash Contributions
Net Contributions >0	627	\$107,647,811.70
Net Contributions <0	204	-\$46,402,324.67
No Net Contributions or = 0	14	\$0.00
TOTAL	845	

1. This is the position at 6 November 2012, being the date of the appointment of receivers.
2. The above analysis does not include investors who closed all of their accounts prior to the appointment of receivers.
3. Data is drawn from RAM's electronic database since 30 June 2000 and from paper files prior to that date.
4. A full reconciliation of this data against RAM bank records has not been completed.

Proprietary claims

Certain investors had shares held in their own name but managed by RAM, which have been subject to the Court freezing orders obtained last year. The Liquidators have reviewed some of these claims to ensure that no monies derived from the Group Companies or other investors were used to purchase these shares. An application has been made to the High Court to release shares valued at circa \$2.4 million to those investors on the basis that the investors could provide evidence that the shares were not purchased with money derived from the Group Companies or other investors. There remain shares valued at a further \$3.1 million where review of claims in this category is ongoing.

Certain investors have made proprietary claims in relation to shares owned in the names of the Ross Group Companies, but which the investor believes were purchased using their own monies and held on trust for that investor. This is more complex than the scenario above and requires a greater degree of analysis. An application has been made to the High Court to release shares of this nature valued at circa \$221k on the basis that the investor could provide evidence that that the shares were not purchased with money derived from the Group Companies or other investors. There remain shares valued at a further \$1 million where review of claims in this category is ongoing.

Share Realisations

All international brokers have been contacted in order to realise the shares under their control. This disposal of shares is progressing as quickly as can be achieved, however, some international brokers are requesting that Court Orders in their local jurisdictions be obtained before they will sell any of the shares in their custody. We are working through options to progress these issues as they arise and if possible avoid the cost of obtaining such Court Orders. In many instances the cost of obtaining the Court Orders would outweigh the value of the portfolio.

The shares which remain to be realised are generally with brokers in this situation or relate to shares which are very illiquid. Accordingly, although available for sale, there have not been any buyers. We attach at Appendix B a table setting out the position in relation to the realisation of shares at 31 July 2013. This also details the proprietary claims in relation to those shares as discussed above.



Outstanding shareholders' current account

Discussions with Mr and Mrs Ross and their advisors are ongoing in relation to the outstanding shareholders' current account. Certain information has been requested from Mr and Mrs Ross so that the Liquidators can weigh up their options including litigation against Mr and Mrs Ross. Until that information has been received and considered we will not be disclosing further details of those negotiations, so as to avoid prejudicing them.

Clawback

The Liquidators have written to three investors requesting repayment of monies which they received from the Group Companies in the two years prior to liquidation on the basis that those monies are considered voidable pursuant to section 292 of the Companies Act 1993. The amount requested in total is circa \$3.8 million. We are awaiting a substantive response from each of the investors, or their representatives, before determining whether to instruct solicitors to commence legal proceedings.

The outcome of any such proceedings will guide the Liquidators on whether further claims should be brought of the same or of a different nature. This will include a cost benefit analysis in relation to bringing such proceedings, and any possible alternative causes of action.

The claims have been brought pursuant to section 292 of the Companies Act 1993 as the advice from the Liquidators' solicitors is that this is the most efficient and expedient way to bring a claim which is likely to succeed. As noted above, alternative causes of action will also be considered and advice taken on whether they can be brought concurrently with the claim pursuant to section 292 of the Companies Act 1993.

The Liquidators are limited to working within the laws available in New Zealand. Although guidance can be taken from the laws applied in other jurisdictions this does not permit the implementation of these laws in New Zealand unless there is a New Zealand equivalent. Additionally claims need to be brought on a case by case basis and are all subject to their specific facts. It is not possible to obtain blanket rulings from the Court which would require investors as a class to repay monies to the Ross Group Companies.

Wider Investigation

Throughout the receivership and liquidation comments have been made in relation to the possibility of assets or monies having been removed from the Ross Group Companies in such a way as to disguise their recipient. The Liquidators are conscious of this and should any such transactions be identified, they will undertake further investigation to identify to where those assets or monies have been removed and whether they should be brought into the receivership and liquidation orders.

The liquidator is aware of recent reports which indicate the existence of another Ross entity which may hold assets. Application to the High Court for an order subjecting that entity to receivership has been made so that the affairs of that entity can be reviewed. As with the previous receivership orders, the purpose of this receivership would be to prevent the disposal of any assets while investigation are undertaken to determine whether any investor monies were used to acquire these assets.

Part of these wider investigations is the determination of whether David Ross has breached his duties as the sole director of the Group Companies. This could result in the Court awarding a civil debt from David Ross to the Group Companies. Due to the cost involved, the bringing of any such claim would be dependent on David Ross' ability to make payment against it.



Financial position

A summary of the receipts and payments, together with costs incurred but not paid, was presented to the meeting and discussed. As at 31 July 2013, the Liquidators had net funds on hand of \$1,748,733.99. A breakdown of the individual balances held for each Ross Group company is detailed below:

Bevis Marks Corporation Limited (In Liquidation)	\$	82,509.99
Dagger Nominees Limited (In Liquidation)	\$	674,272.49
McIntosh Asset Management Limited (In Liquidation)	\$	28,317.74
Mercury Asset Management Limited (In Liquidation)	\$	39,557.02
Ross Asset Management Limited (In Liquidation)	\$	794,818.28
Ross Investment Management Limited (In Liquidation)	\$	7,808.91
Ross Unit Trusts Management Limited (In Liquidation)	\$	7,949.48
United Asset Management Limited (In Liquidation)	\$	113,500.08
	\$	1,748,733.99

We attach detailed receipts and payments accounts to 31 July 2013 for each company at Appendix C.

At 31 July 2013 a further \$202,277 of time costs and a further \$41,641 of disbursements had been incurred by the Liquidators but not been paid. A further \$44,100 of legal costs had also been incurred but not been paid.

Receipt of Reports by Email

We remind investors and creditors that they can receive future correspondence by email should they wish. If you have received a hard copy of this report and you wish to receive future correspondence by email, please email receiverships@nz.pwc.com advising you wish to receive future reports by email and providing details of which portfolio or portfolios you represent.

If you have any other queries, please submit your enquiry through the on-line form via our website, through the dedicated phone line (04) 462 7040, by writing to our mailing address or to the email address above. We will endeavour to respond to all enquiries as quickly as possible. Please mark any queries for the Liquidation Committee so that these can be passed to them for consideration.

Dated 14 August 2013

John Fisk
Liquidator

Appendix A

Restrictions

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 – Share Realisation Summary

Ross Group Companies (In Liquidation)

Share Realisation Summary at 31/07/2013

RAM Holdings	Estimated to Realise *	Net Realisation ~	Yet to be Realised	Verified Proprietary Claims #	Unverified Proprietary Claims #	Estimated Net Realisations available for Investors & Creditors^	Brokerage Fees Paid
NZ Broker Holdings	\$740,558.56	\$632,278.78	\$0.00	\$0.00	\$282,269.88	\$350,008.90	\$5,427.80
Australia Broker Holdings	\$1,433,775.93	\$711,388.16	\$256,253.11	\$0.00	\$40,183.07	\$927,458.20	\$18,438.34
USA Broker Holdings	\$819,872.88	\$184,097.30	\$458,229.29	\$0.00	\$158,945.90	\$483,380.70	\$9,822.07
Other Broker Holdings	\$541,968.57	\$183,028.94	\$332,132.05	\$221,467.00	\$109,010.73	\$184,683.26	\$5,828.96
NZ Registry Holdings	\$551,860.35	\$242,984.57	\$272,669.08	\$0.00	\$266,038.52	\$249,615.13	\$1,599.31
Australia Registry Holdings	\$1,203,921.77	\$642,548.08	\$385,556.19	\$0.00	\$161,774.43	\$866,329.84	\$13,876.45
USA Registry Holdings	\$1,203.46	\$0.00	\$1,191.43	\$0.00	\$0.00	\$1,191.43	\$0.00
Other Registry Holdings	\$11,410.20	\$0.00	\$11,296.10	\$0.00	\$0.00	\$11,296.10	\$0.00
Totals	\$5,304,571.72	\$2,596,325.83	\$1,717,327.25	\$221,467.00	\$1,018,222.53	\$3,073,963.55	\$54,992.92
Shares held by 3rd parties <	\$5,560,905.00	N/A	N/A	\$2,433,755.36	\$3,127,149.64	\$0.00	\$0.00
Shares Subject to Receivership >	\$95,575.32	\$0.00	\$95,575.32	\$0.00	\$0.00	\$0.00	\$0.00

Notes

* - Based on share portfolio valuations dated 21 February 2013. Some holdings have more recent valuations. Changes in value can be attributed to market fluctuations and double counting of shares held.

~ - Value of shares sold after brokerage fees have been deducted.

- All shares held in the name of RAM Companies possibly subject to proprietary claims of which the liquidators are currently aware. It is unlikely that all shares will be determined as proprietary.

^ - Sum of shares realised to date, shares yet to be realised less provision for proprietary claims. Costs of realisations need to be met from these funds.

< - Shares held in the names of parties other than an entity subject to liquidation or receivership orders. David Ross had authority in relation to these shares so they are covered by the freezing orders. These are unlikely to be available for investors.

> - Shares held by David Ross, or an entity subject to a receivership order. It is currently uncertain whether these shares may be available for investors.

Ross Group Companies (In Liquidation)
Summary of transactions at 31 July 2013

Bevis Marks Corporation Limited (In Liquidation)

Receipts

Share sales	84,175.51	
Transfer from Receivers' account	2,902.15	
Interest income	78.85	
GST on receipts	-	
Total receipts		87,156.51

Payments

Bank charges	12.60	
Brokerage fees	2,654.32	
Receivers' fees	1,485.52	
Receivers' general expenses & disbursements	222.83	
GST on payments	271.25	
Total payments		4,646.52

Total cash on hand

\$ 82,509.99

Ross Group Companies (In Liquidation)
Summary of transactions at 31 July 2013

Dagger Nominees Limited (In Liquidation)

Receipts

Share sales	667,683.94	
Funds on hand	9,644.11	
Dividends	6,619.00	
Transfer from Receivers' account	4,966.77	
Interest income	252.69	
GST on receipts	-	
Total receipts		689,166.51

Payments

Bank charges	279.95	
Brokerage Fees	9,649.60	
Liquidators' fees	1,675.00	
Liquidators' general expenses & disbursements	1,491.39	
Transfer to RAM Receivers' account	1,308.12	
GST on payments	489.96	
Total payments		14,894.02

Total cash on hand	\$ 674,272.49
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Ross Group Companies (In Liquidation)
Summary of transactions at 31 July 2013

McIntosh Asset Management Limited (In Liquidation)

Receipts

Share sales	28,236.15	
Funds on hand	495.58	
Interest income	30.01	
GST on receipts	-	
Total receipts		28,761.74

Payments

Brokerage Fees	444.00	
GST on payments	-	
Total payments		444.00

Total cash on hand	\$ 28,317.74
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Ross Group Companies (In Liquidation)
Summary of transactions at 31 July 2013

Mercury Asset Management Limited (In Liquidation)

Receipts

Share sales	40,420.92	
Funds on hand	319.82	
Interest income	40.87	
GST on receipts	-	
Total receipts		40,781.61

Payments

Brokerage Fees	1,224.59	
GST on payments	-	
Total payments		1,224.59

Total cash on hand		\$ 39,557.02
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Ross Group Companies (In Liquidation)
Summary of transactions at 31 July 2013

Ross Asset Management Limited (In Liquidation)

Receipts

Share sales	1,402,987.92	
Transfer from Receivers' account	40,694.72	
Funds on hand	23,632.11	
Investor management fees	4,588.69	
RAM office furniture sales	4,449.56	
Interest Income	2,925.21	
Dividends	1,687.44	
GST on receipts	6,226.56	
Total Receipts		1,487,192.21

Payments

Advertising	1,147.07	
Bank charges	210.86	
Brokerage Fees	19,454.40	
Comission	804.63	
Document storage	6,316.92	
Electricity	1,191.56	
Freight	1,815.00	
Insurance	2,102.49	
IT Support	5,706.96	
Legal Fees	197,013.39	
Liquidation Committee expenses	191.70	
Liquidators' fees	126,065.98	
Liquidators' general expenses & disbursements	15,721.49	
Mail Collection	320.00	
PAYE	4,968.14	
Petitioning creditor costs	1,302.80	
Receivers' Fees	172,185.53	
Receivers' general expenses & disbursements	12,098.48	
Rental expense	25,652.52	
RWT	131.29	
Security	313.61	
Telephone	770.13	
Wages	11,104.29	
GST on payments	85,784.69	
Total payments		692,373.93

Total cash on hand	\$	794,818.28
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Ross Group Companies (In Liquidation)
Summary of transactions at 31 July 2013

Ross Investment Management Limited (In Liquidation)

Receipts

Share sales	7,923.35	
Interest income	1.27	
GST on receipts	-	
Total receipts		7,924.62

Payments

Brokerage Fees	115.71	
GST on payments	-	
Total payments		115.71

Total cash on hand		\$ 7,808.91
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Ross Group Companies (In Liquidation)
Summary of transactions at 31 July 2013

Ross Unit Trusts Management Limited (In Liquidation)

Receipts

Share sales	8,203.27	
Interest income	1.30	
GST on receipts	-	
Total receipts		8,204.57

Payments

Brokerage Fees	255.09	
GST on payments	-	
Total payments		255.09

Total cash on hand		\$ 7,949.48
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Ross Group Companies (In Liquidation)
Summary of transactions at 31 July 2013

United Asset Management Limited (In Liquidation)

Receipts

Share sales	107,952.39	
Funds on hand	6,790.62	
Transfer from Receivers' account	881.45	
Interest income	99.06	
GST on receipts	-	
Total receipts		115,723.52

Payments

Bank charges	12.60	
Brokerage fees	2,210.84	
GST on payments	-	
Total payments		2,223.44

Total cash on hand	\$ 113,500.08
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