

***Receivers' Six Monthly Report on the State of Affairs
of David Robert Gilmour Ross (Receivers and
Managers Appointed)
Ace Investment Trust (Receivers and Managers
Appointed)
Ace Investment Trust Limited (Receivers and
Managers Appointed)
Ace Investments Limited (Receivers and Managers
Appointed)
Ross Unit Trust (Receivers and Managers Appointed)
Ross Unit Trust Limited (Receivers and Managers
Appointed)
Vivian Investments (Receivers and Managers
Appointed)
Vivian Investments Limited (Receivers and Managers
Appointed)***

Pursuant to Section 24 of the Receiverships Act 1993

Reporting Period: 6 November 2013 to 5 May 2014



Introduction

We, John Howard Ross Fisk and David John Bridgman, Chartered Accountants of Wellington and Auckland respectively were appointed receivers of certain entities pursuant to orders of the High Court at Wellington dated 6 November 2012, following an application made by the Financial Markets Authority (“FMA”) under the Financial Advisers Act 2008 (subpart 4). The entities to which we were appointed on 6 November 2012 are:

- Ross Asset Management Limited
- 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
- Mr David Robert Gilmour Ross
- The Woburn Ross Trust
- The Chapman Ross Trust

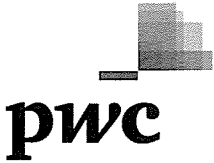
Following our report to the Court as receivers of the Group dated 13 November 2012, the FMA sought and obtained further orders on 14 November 2012 that the orders made by the High Court appointing receivers on 6 November 2012 be extended to include the following possible entities:

- Ace Investment Trust
- Ace Investment Trust Limited
- Ace Investments Limited
- Ross Unit Trust
- Ross Unit Trust Limited
- Vivian Investments
- Vivian Investments Limited

This was on the basis that David Ross appeared to have trading accounts in these names. These do not appear to be companies incorporated in New Zealand or Australia. The appointment of receivers to David Ross includes his capacity as a trustee and accordingly any interest he may have in two trusts he controls, being the Woburn Ross Trust and the Chapman Ross Trust.

On 17 December 2012 the following companies were placed into liquidation pursuant to sections 241(2)(a) and 241(2)(c) of the Companies Act 1993. John Howard Ross Fisk and David John Bridgman are the appointed liquidators:

- Ross Asset Management Limited
- 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



As a result of the liquidation of the above companies the Court ordered the end of the receiverships of those companies on 5 March 2013. A final report on the receiverships of those companies has been filed. Accordingly they are not covered in this report.

As a result of a settlement reached between the trustees of the Chapman Ross Trust, the Woburn Ross Trust, Ross Asset Management Limited (In Liquidation), David Ross and Jillian Ross, the receiverships of the Chapman Ross Trust and the Woburn Ross Trust ended on 28 March 2014. A final report on the receiverships of those trusts has been filed. Accordingly they are also not covered in this report.

The effect of our appointment is that we have assumed control of the Ross Group and are provided with various powers to manage the affairs and assets of the Ross Group.

As at the date of this report, we remain receivers of the following entities (collectively referred to as "the Ross Group".)

This report has been prepared by us in accordance with and for the purpose of Section 24 of the Receiverships Act 1993 ("the Act"). It is prepared for the sole purpose of reporting on the state of affairs with respect to the property in receivership and the conduct of the receivership.

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 Sections 26 and 27 of the Receiverships Act 1993. Furthermore, in preparing this report we have relied upon and not independently verified or audited information or explanations provided to us.

Our last report on the receivership was dated 18 December 2013 and covered the period 6 May 2013 to 5 November 2013.

Particulars of debts and liabilities at the date of report outstanding and requiring to be satisfied from the property in receivership

Class of creditor	Name of creditor	Nature of claim	Note	Amount of claim \$
Secured creditor	Nil			0.00
Preferential creditors	Nil			0.00
Unsecured creditors	Ross Asset Management Ltd (In Liquidation)	Joint Shareholder Current Account	1	1,745,789
	Ross Asset Management Ltd (In Liquidation)	Loss suffered by RAM investors	2	108,004,449
	Other	Shortfall on sale of motor vehicle	3	69,039
	BNZ	Credit Card	4	17,502
	ANZ	Credit Card	5	47,194
	Diners Club	Credit Card	6	2,663
	Chapman Tripp	Legal fees	7	219,760
Total liabilities				110,106,396



1. As recorded in Financial Statements dated 31 March 2010. Outstanding from David Ross jointly with Jillian Ross. This is 50% of the value recorded in the Financial Statements on the basis of the settlement reached with Jillian Ross as discussed further in this report.
2. Calculated estimate of the loss suffered by investors as a result of David Ross' misappropriation of investor funds. The Liquidators believe they could successfully bring a claim for this amount on the basis that David Ross has breached his duties as a director under the Companies Act 1993.
3. This is a debt personally guaranteed by David Ross owing following the sale of a vehicle leased by United Asset Management Limited (In Liquidation)
4. This is a credit card held in David Ross' name.
5. This is a credit card held in David Ross' name.
6. This is a credit card held in David Ross' name.
7. This relates to David Ross' legal representation by Chapman Tripp and Gary Turkington in relation to charges brought by the Serious Fraud Office and Financial Markets Authority and dealing with the receivers and liquidators of the Ross Group. As noted further in this report the value is subject to review.

Property disposed of since 5 May 2013

The purpose of the receivership is to preserve assets pending further investigations into the affairs of Ross Asset Management Limited (In Liquidation) ("RAM") and to subsequently determine whether any of those assets are available for parties who had monies invested with RAM. We detail below property that has been disposed of since the appointment of receivers.

Paintings

All paintings owned by Mr & Mrs Ross have been sold. Following an application to the High Court by Mr Ross his share of the proceeds of sale of the paintings was released to him to pay his legal fees. Mrs Ross's share of the paintings was released to her as a part of a wider settlement agreed with Mr & Mrs Ross which was approved by the High Court in February 2014. That settlement resulted in other assets being brought into the liquidation of RAM in exchange for settling the Liquidators' claim in relation to Mr Ross' outstanding shareholder current account and as payment towards Mr Ross' outstanding shareholder current account and for breach of his duties as a company director.

Share Portfolios

Various shares are held under the names of David Ross, Ross Unit Trust Limited, Ace Investment Trust Limited and Vivian Investments Limited. As a result of the above settlement steps have been taken to realise the shares. This has resulted in realisations before brokerage of \$60,164.86 being received. These proceeds are payable to RAM as reparation for the misappropriation of investor monies and investments. This has occurred subsequent to the period covered by this report.



105 Woburn Road, Lower Hutt

As a result of the settlement, this property was sold. 50% of the proceeds were payable to each of Jillian Ross and David Ross' receivers. The costs of the sale were met from David Ross' share of the proceeds. \$220,000 has been set aside to cover David Ross' personal legal costs in relation to charges brought by the Serious Fraud Office and Financial Markets Authority and dealing with the receivers and liquidators of the Ross Group. The quantum of legal fees to be paid is to be determined by an independent third party. The remaining proceeds from the sale of Woburn Road are payable to RAM as reparation for the misappropriation of investor monies and investments. This has occurred subsequent to the period covered by this report.

Marine Drive, Days Bay, Lower Hutt

As a result of the settlement this property has been transferred to Ross Asset Management Limited (In Liquidation). The Liquidators have placed the property on the market for sale. Rental monies accrued prior to the transfer of the property have also been distributed to the receivers of David Ross and are payable to RAM as reparation for the misappropriation of investor monies and investments. This has occurred subsequent to the period covered by this report.

Riversdale Beach

As a result of the settlement this property has been transferred to RAM. The Liquidators have placed the property on the market for sale.

Household Chattels

As a result of the above settlement 50% of the household chattels by value from 105 Woburn Road were split between Jillian Ross and David Ross' receivers. The Receivers are taking steps to sell these chattels via Dunbar Sloane. At the date of this report chattels had been sold for \$6,000.00. Following this report further sales totalling \$10,120 have occurred. The proceeds are payable to RAM as reparation for the misappropriation of investor monies and investments.

Proposals for disposal of receivership property

Share Portfolios

Various shares remain to be dealt with, however, they are related to companies registered in overseas jurisdictions and there is some difficulty in arranging their sale, often due to a lack of complete documentation, such as share certificates. The receivers are working with overseas brokers and registries to see what steps can be taken to achieve the sale of these shares in a cost effective manner.

Household Chattels

Further chattels remain to be sold. These are with Dunbar Sloane and sales will be completed as appropriate auctions are scheduled.

Amounts likely to be available for payment to creditors

As noted above the purpose of the receivership is to preserve assets pending further investigations into the affairs of RAM and to subsequently determine whether any of those assets are available for parties who had monies invested with RAM. As also noted above a settlement agreement has been reached which allows assets owned by the various listed entities to be made available for the creditors of RAM.



Receipts and payments

We attach, as Appendix B, a statement of receipts and payments in the receiverships for the period of the receiverships, being 6 November 2012 to 5 May 2014

Dated: 7 July 2014

A handwritten signature in blue ink, appearing to read "John Howard Ross Fisk", is written over a horizontal line.

John Howard Ross Fisk
Receiver



Appendix A

Restrictions

All information contained in this report is provided in accordance with Sections 26 and 27 of the Receiverships 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 Ross Group. 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 Ross Group 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:

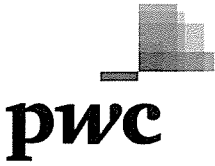
- Certain numbers included in tables throughout this report have been rounded and therefore do not add exactly.
- Unless otherwise stated all amounts are stated in New Zealand dollars.



Appendix B

*David Ross (Receivers and Managers Appointed)
Receivers' Statement of Receipts and Payments
for the Period 6 November 2012 to 5 May 2014*

	\$
Receipts	
Funds on Hand	26,182.77
Sale of Household Chattels	6,000.00
Share Sales	14,386.93
Proceeds of Sale of Paintings	124,081.87
Distribution from Chapman Ross Trust	400,402.64
Distribution from Woburn Ross Trust	397,447.99
GST on Receipts	0.00
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	\$968,502.20
Payments	
Bank Charges	127.09
Brokerage Fees	631.73
Court Ordered Allowance	11,000.00
David Ross' Legal Fees	107,897.27
Distribution to Jillian Ross	13,498.01
Transfer for disputed Legal Fees	220,000.00
GST on Payments	16,184.60
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	\$369,338.70
Balance	\$599,163.50



*Ace Investment Trust (Receivers and Managers Appointed)
Receivers' Statement of Receipts and Payments
for the Period 6 November 2012 to 5 May 2014*

	\$
Receipts	
Share Sales	45,777.93
	<hr/>
	\$45,777.93
Payments	
Brokerage Fees	1,376.40
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	\$1,376.40
Balance	\$44,401.53