

MSM Holdings NZ Limited (In Liquidation) **(“the Company”)**

Liquidator’s First Report to Creditors and Shareholders

22 November 2021

Disclaimer

This report is prepared in accordance with section 255 of the Companies Act 1993 and is intended only for the Company’s creditors and shareholders for the purposes of reporting on the Company’s statement of affairs and the conduct of the liquidation. This report is based upon information available to the Liquidator as at the date of the report. I take no responsibility for any misinformation contained in the report that has been obtained from the Company, its officers or any other persons. This report is not to be reproduced, circulated or used for any other purpose without the Liquidator prior consent and the Liquidator, their firm and its employees accept no responsibility or liability to any party for loss or damaged caused from any use of or reliance on this report.

Appointment

Thomas Lee Rodewald, a Licensed Insolvency Practitioner was appointed as Liquidator of the above-named Company by special resolution of the shareholders on 15 November 2021 at 2:05pm, pursuant to section 214(2)(a) of the Companies Act 1993 (“the Act”).

The Liquidator has made the appropriate enquiries and are of the opinion that they are not barred from acting under section 280 of the Act. A notice is provided in Appendix Three regarding the licensing of insolvency practitioners.

The Liquidator has been appointed by the shareholders of the Company.

Company Information

The following information has been obtained from the Companies Office as at the time of the appointment:

Date of Incorporation	4 November 2004
Company Registration Number	1573407
Company NZBN	9429035095170
Registered Office	5/48a Taharoto Road, Takapuna, Auckland 0622
Type of Business	Property
Date Trading Ceased	15 November 2021

Shareholders

Name	Shareholding
MSUT Trustee Limited	99
Gerald Norman Williams	1

Directors

Name	Address
Gary Stewart Clapham	15a John Bracken Way, Beach Haven, Auckland 0626

Commentary

The Liquidator has been advised that the reason for the failure of the Company which led to the appointment of the Liquidator is due to lack of profitability.

To date, the Liquidator has been in correspondence with the Company’s officers and professional advisors pursuant to section 261 of the Act requesting the delivery of the Company’s books, records and legal files. The Liquidator has also frozen the Company’s bank account and has issued notices to the secured creditors asking for details of their debt and securities.

Statement of the Company’s Affairs

A statement of the Company’s estimated financial position as at the date of liquidation is provided in Appendix One. This statement has been prepared based on information obtained from the Company, its officers and creditors. The information has yet to be verified for validity and may be subject to change.

Proposals for Conducting the Liquidation

The Liquidator will take steps to realise the assets of the Company and continue investigations into the affairs of the Company to determine if there are any insolvent transactions and/or breaches of any relevant legislation by the Company or its officers. It is too early to comment on any recoveries and the likelihood of a distribution at this stage. However, if it is determined that there are sufficient funds to make a distribution to creditors, the Liquidator will contact the creditors

if they have not already provided their claim forms along with any applicable documentation in line with AML/CFT laws. Any distributions will be made in accordance with Schedule 7 of the Act.

Assets

The Liquidator has been advised that the Company had the following assets as at the date of the liquidation:

- A property located at 16 Centaine Lane, Papamoa Beach, Papamoa

It is too early to determine the realisable value of these assets and/or any potential claims available to the Liquidator. The Liquidator are also investigating whether there are any other assets and/or potential claims which may give rise to additional recoveries for the benefit of creditors.

Creditor Claims

In accordance with section 255(2)(c) of the Act, a schedule of all known creditors of the Company as at the date of this report is provided in Appendix Two.

Secured Creditor Claims

A search of the Personal Properties Securities Register disclosed 3 security interests registered against the Company, and there are 2 mortgages registered against the property

The Liquidator will issue notices to the secured creditors. Secured creditors have 20 working days after that date to elect which of the following options they wish to exercise:

- a. Realise the property subject to their charge; or
- b. Value the property subject to their charge and claim in the liquidation as an unsecured creditor for the balance of their claim, if any; or
- c. Surrender the charge to the Liquidator for the general benefit of creditors and claim as an unsecured creditor for the whole debt.

If a secured creditor fails to notify the Liquidator of their election within 20 working days, their charge will be surrendered to the Liquidator for the general benefit of creditors, and they may claim in the liquidation as an unsecured creditor for the whole debt.

If you hold a security interest over the Company's assets or have a retention of title over assets owned or controlled by the Company and you have not yet been contacted by the Liquidator in regard to your interest, please contact the Liquidator immediately.

Preferential Creditor Claims

The Liquidator is currently determining if there are any unpaid wages, holiday pay and/or redundancy pay to former employees and have yet to receive a claim from Inland Revenue.

Unsecured Creditor Claims

If you are an unsecured creditor and have not already done so, please complete and return the Unsecured Creditor's Claim Form by no later than 15 February 2022.

Legal Proceedings

The Liquidator is aware of current proceedings that the Company is a party to as at the date of this report. We await full details,

Meeting of Creditors

A notice of dispensing with the meeting of creditors is provided in Appendix Three.

Estimated Completion Date

It is not practicable to estimate the date of completion of the liquidation or if there will be any distribution at this stage. However, if you are a creditor or shareholder and wish to assist the Liquidator by providing funding for recovery action or by providing additional information that would assist the liquidation, please contact the Liquidator as soon as possible. The Liquidator requests that the information be provided in writing along with copies of supporting documentation.

Statutory Reporting

Further reports will be issued every 6 months and a final report will be issued at the conclusion of the liquidation pursuant to section 257 of the Act.

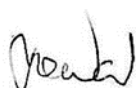
Declaration of Independence, Relevant Relationships and Indemnities

Pursuant to section 255A of the Act and the RITANZ Code of Professional Conduct, a declaration of independence, relevant relationships and indemnities is provided in Appendix Four.

Contact Information

If you require any further information or have information that can assist the Liquidator, please contact:

Contact	Thomas Lee Rodewald
Email	tomr@rodewaldconsulting.co.nz
Phone Number	021 227 7408
Postal Address	PO Box 15543, Tauranga 3144



Thomas Lee Rodewald
Liquidator
(Registration Number: IP49)

Dated 22nd November 2021

Appendix One

Statement of Company's Affairs

MSM Holdings NZ Limited (In Liquidation)		
Statement of Affairs as at 15 November 2021		
	Note	Book Value
Assets		
Land and Building	3	Not disclosed
Total Assets		Not disclosed
Liabilities		
Preferential and Secured Creditors	2	
Preferential Creditors – Employees (Wages)		Unknown
Preferential Creditors – Employees (Holiday Pay)		Unknown
Preferential Creditors – Employees (Redundancy)		Unknown
Preferential Creditors – Inland Revenue	1	181,672.67
Secured Creditors – GSA		Unknown
Secured Creditors – PMSI		Unknown
Secured Creditors – Mortgages		Unknown
Total Preferential and Secured Creditors		Unknown
Estimated Deficit before Unsecured Creditors		Unknown
Unsecured Creditors		
Unsecured Creditors – Employees (Notice Period)		Unknown
Unsecured Creditors – Employees (Over Statutory Limit)		Unknown
Unsecured Creditors – Director/s		Unknown
Unsecured Creditors – Inland Revenue (INC)	1	Unknown
Unsecured Creditors – Inland Revenue (Penalties/Interest)	1	Unknown
Unsecured Creditors – Trade Creditors		34,366.07
Loans		153,161.31
Contingent Liabilities		640,000.00
Total Unsecured Creditors		Not disclosed
Estimated Deficit (before costs of liquidation)		Unknown

All figures are in NZD and include GST where applicable.

Notes to Statement of Company's Affairs

1. The IRD creditors claim form has yet to be received therefore there is no breakdown between preferential and unsecured debt in this report.
2. Liabilities are recorded by ranking.
3. The Liquidator deem it prudent not to disclose any value on the basis that such disclosure may be prejudicial to a future sale.

Disclaimer

This disclaimer should be read in conjunction with the disclaimer earlier in this report. The purpose of the report is to give creditors of the Company an indication of the financial position of the Company as at the date of appointment of the Liquidator in accordance with section 255 of the Companies Act 1993. A compilation is limited to the collection, classification and summarisation of the books and records of the company together with information supplied by the Directors. A compilation does not involve the verification of that information. Rodewald Consulting have not audited the information obtained and they do not accept any liability to any party relying on the information presented in the Statement of Affairs. Further, the Statement of affairs has been prepared for the purpose of the liquidation only, and I do not accept any responsibility on any ground whatsoever, including liability in negligence, to any other person.

Appendix Two

Schedule of Company Creditors

Name	Address 1	Address 2	Address 3
Alwyn Jones	Unknown		
ASB Business Banking	National Operations	PO Box 35	Shortland Street
Barqrove re Lot 5	Unknown		
Beverly Thomson	Unknown		
Compass Homes	66 Sandhurst Drive	Papamoa Beach	Papamoa 3118
F23 Limited	Joshua Barqrove	5 Halesowen Ave	Sandringham
Gary Lee Walker	502/3 Northcroft Street	Takapuna	Auckland 0622
GM Could Trust	PO Box 56179	Dominion Road	Auckland 1446
GN Williams Family Trust	PO Box 11-314	Ellerslie	Auckland 1542
Jarcel Investments Limited	Lowthers	34 Shortland Street	Auckland 101029
Mahy re Lots 9 and 10	Unknown		
Navin Hira & Co Limited	PO Box 11-314	Ellerslie	Auckland 1542
Tauranga City Council	Private Bag		Tauranga
The Trident Trust	PO Box 56179	Dominion Road	Auckland 1446
The Van Thiel Family No 2 Trust	PO Box 56179	Dominion Road	Auckland 1446

Appendix Three

Notice to Creditors and Shareholders

Thomas Lee Rodewald, a Licensed Insolvency Practitioner was appointed as Liquidator of the Company on 15 November 2021 at 2:05 PM pursuant to section 214(2)(a) of the Companies Act 1993 (“the Act”).

Notice of Liquidator to Dispense with Meeting of Creditors Pursuant to section 245 of the Act

The Liquidator proposes to dispense with the meeting of creditors pursuant to section 245 of the Act. This decision has been made on the basis that it would add unnecessary costs to the liquidation, and they are unaware of any other issues that require consideration by the creditors.

Therefore, no meeting of creditors will be called unless the Liquidator receive notice in writing from a creditor within 10 working days of their receipt of this notice.

Meetings of Creditors or Shareholders Pursuant to section 314 of the Act

Section 314 of the Act permits any creditor or shareholder of the Company to request the Liquidator, in writing (at any time during the course of the liquidation), to call a meeting of creditors or shareholders for the purpose of:

- Voting on a proposal that a liquidation committee be appointed to act with the Liquidator; and
- To choose the members of the committee.

Should any creditor wish to give notice they require a meeting of creditors to be called they are requested to provide the following information in their notice:

- The nature of the business they require to be transacted at any such meeting; and
- The text of any motion they require to be put to any such meeting.

Please note that the Liquidator may decline a request for a creditors’ meeting pursuant to section 314(2) of the Act on the grounds that:

- a) the request is frivolous or vexatious; or
- b) the request was not made in good faith; or
- c) except where a creditor or shareholder agrees to meet the costs, the costs of calling a meeting would be out of all proportion to the value of the company’s assets”.

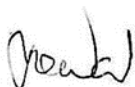
Notice to Creditors to Claim Pursuant to Liquidation Regulation 12 of the Act

Notice is hereby given that the Liquidator fixes 15 February 2022, as they day on or before which the creditors of the Company are to make their claims and to establish any priority their claims may have, under section 312 of the Act, or to be excluded from the benefit of any distribution made before the debts are claimed or, as they case may be, from objecting to the distribution.

Notice to Creditors and Shareholders
Pursuant to section 255 (2)(c)(ii)(d) of the Act

Notice is hereby given that as of 1 September 2020, Insolvency Practitioners are required to be licensed; and that more information about regulation of insolvency practitioners is available from the Registrar of companies.

Dated 22nd November 2021



Thomas Lee Rodewald
Liquidator
(Registration Number: IP49)

Appendix Four

Declaration of Independence, Relevant Relationships and Indemnities

Pursuant to section 255A of the Companies Act 1993 ("the Act")

Company: MSM Holdings NZ Limited (In Liquidation) (1573407) (the "Company")

I, Thomas Lee Rodewald, a Licensed Insolvency Practitioner declare:

Declaration of Independence

I have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as Liquidator of the Company in accordance with the Act, RITANZ Code of Conduct and applicable professional standards. This assessment identified no real or perceived conflicts to my independence. I am not otherwise aware of any impediments to myself being appointed as Liquidator. I have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as Liquidator of the Company in accordance with the Act, RITANZ Code of Conduct and applicable professional standards. This assessment identified real or perceived conflicts to my independence and I have taken such action as is necessary to preserve my independence. I am not otherwise aware of any impediments to being appointed as Liquidator.

Declaration of Relationships

Circumstances of Appointment

This appointment was referred by the Merlo Burgess. I have had a pre-appointment discussions on the liquidation of a group of 3 companies. These discussions do not result in a conflict of interest or impediment to be appointed as Liquidator.

Relevant Relationships

Other than disclosed herein, the Liquidator, nor members of the firm, has had within the preceding 24 months, any relationships with the Company.

Prior Professional Services

The Liquidator, nor members of the firm, has within the preceding 24 months, provided any professional services to the Company.

Other Relevant Relationships to Disclose

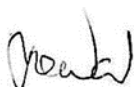
I have no other relevant relationships, including personal, business and professional relationships, over the previous 24 months with the Company, an associate of the Company (excluding relatives, except where the relative has a business relationship with the Company), or any person or entity that has a charge over the whole or substantially whole of the Company's property that should be disclosed.

Declaration of Indemnities and Up-front Payments

I have agreed a fee of \$10,000 plus GST to cover the cost of the liquidation of a group of companies including MSM Holdings NZ Limited.

This indemnity and/or upfront payment does not have any conditions on the conduct or outcome of the engagement. This does not include statutory indemnities and nor have I received any other indemnities or upfront payment that should be disclosed.

Dated 22nd November 2021



Thomas Lee Rodewald
Liquidator

Note:

1. If circumstances change, or new information is identified, the Practitioners must update this DIRRI and provide a copy to creditors with my next communication as I'll as table a copy of any replacement declaration at the next meeting of the Company's creditors.
2. Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components Declaration of Relationships and Declaration of Indemnities and Up-front Payments of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains dependent.