

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

No. of Company: 1520418

Refer to: Lloyd Hayward

Liquidators' Further Report

Forum Select Waiwera Limited (In Liquidation)

For the period to 13 November 2009

Introduction

Forum Select Waiwera Limited was placed into voluntary liquidation in Auckland on 14 May 2009 and Jeff Meltzer and Lloyd Hayward were appointed joint and several Liquidators.

In accordance with section 255 of the Companies Act 1993 the Liquidators are obliged to report to all creditors and shareholders on the conduct of the liquidation during the preceding six months. This report covers the period to 13 November 2009

Schedule of Receipts and Payments

There have been no receipts and no payments.

Asset Realisations

There have been no asset realisations.

Dividends

At this time the Liquidators do not expect that there will be a distribution.

Liquidators' Investigations

The company is associated with five other companies of which Kelly McEwan was the director. They were all part of the McEwan Group of companies and were all placed into liquidation on 14 May 2009. The Liquidators called a creditors meeting, however no creditors have proved in the liquidation. Shareholders of the Company and the other five companies were invited to the meeting. There were numerous concerns raised by a number of shareholders of all six companies as to the actions of these companies.

Jeff Meltzer

Karen Mason

Arron Heath



By way of explanation these companies had received funds from the public by way of a registered prospectus and these investors were issued preference shares in accordance with the prospectus each company issued. Ultimately the funds were invested in the property developments in New Zealand. The property development investment was by way of secured advances and a First Ranking General Security Agreement registered on the personal property securities register. The funds were used as consideration for the purchase of development land, in effect the equity component of the development. It was intended that a development be undertaken on the land and further monies to be borrowed on a secured basis with the lender given mortgage security over the land to finance the development. All the developments have failed and the properties are in the hands of mortgagees or receivers appointed by first ranking secured creditors.

An initial review by the Liquidators has confirmed that the company and the director complied with the proposal as per the prospectus.

A committee representing shareholders was elected at the meeting. This committee met a number of times reviewing the position of shareholders with the Liquidators and exploring options for investigation. These discussions also included the ad hoc committee of preference shareholders that had formed some time before liquidation. Indeed some members were on both committees.

The companies had little or no funds to finance what would of necessity be a comprehensive and expensive investigation. There was also the risk that such an investigation might ultimately prove fruitless. In one of the other companies the Liquidators had invited preference shareholders to contribute funds to funds a limited investigation. Insufficient shareholders offered to contribute and the Liquidators were not able to undertake the investigation.

Ultimately the committee concluded that funding of investigations was an insurmountable barrier.

Outstanding Matters

There are no outstanding matters

We are co-operating with the solicitor with a view to facilitating the distribution of these funds.

Please contact Lloyd Hayward of this office should you require any further information.

Dated this 24th day of November 2009

L J Hayward
Liquidator