

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Arron Heath

No. of Company: 1980041

Liquidators' Further Report

Mide Limited (In Liquidation)

For the period 28 February 2011 to 27 August 2011

Introduction

Mide Limited ("Mide") was placed into voluntary liquidation in Auckland on 27 February 2008 when Jeff Meltzer, Arron Heath and Lloyd Hayward of Meltzer Mason Heath were appointed joint and several Liquidators. Mide formed part of the New Zealand Master Franchise of Blue Chip Financial Solutions Limited (now known as Northern Crest Investments Limited). It operated as the trading entity for the Master Franchise.

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 from 28 February 2011 to 27 August 2011.

Schedule of Receipts and Payments

A schedule of receipts and payments for the period 28 February 2011 to 27 August 2011 is attached.

Asset Realisations

No assets were realised during the period covered by this report.

Dividends

There have been no dividends paid during the period covered by this report.

The following sections of this report incorporate comments relating to all the Blue Chip companies being liquidated by Meltzer Mason Heath.

The non-availability of adequate funding to enable the Liquidators to commence proceedings for breach of duty by directors and/or in relation to advice given to the Blue Chip Group regarding its products continues to be of concern to the Liquidators. Limited funding has enabled work to continue; however, more work is required before the Liquidators' position in relation to potential proceedings can be finalised.

Jeff Meltzer

Karen Mason

Arron Heath



CHARTERED
ACCOUNTANTS



The Court of Appeal has dismissed appeals brought by Blue Chip investors who signed sale and purchase agreements for units in three central Auckland apartment buildings. To have their sale and purchase agreements cancelled, the investors had to prove that Blue Chip's agents breached the Fair Trading Act, and that those agents were acting for Blue Chip and for the developers. However, the Court of Appeal found that the sale and purchase agreements were independent contracts between the developers and the investors and were not tainted by any illegality in relation to agreements between Blue Chip and the investors.

The Blue Chip Group parent company, Northern Crest Investments Limited (formerly Blue Chip Financial Solutions Limited) was placed in liquidation by the High Court on 2 June 2011. Although the Northern Crest liquidators are also hampered by lack of funds they have been successful in having the New Zealand liquidation recognised in Australia and therefore are able to access documents and information located there.

There may be areas where liquidators of the various Blue Chip Companies can co-operate for the benefit of the Blue Chip creditors. Meetings and discussions have taken place with the Northern Crest liquidators and their legal advisors with a view to establishing areas where assistance and/or information can be mutually provided.

The Liquidators reiterate their previously advised view that it is unlikely that creditors will receive a dividend from the liquidations. The continuing difficulties encountered in obtaining funding have resulted in the Liquidators having to reassess their approach to the liquidations and possible recovery actions that may benefit creditors.

Creditors are reminded that not all Blue Chip companies will be involved in any proceedings that may be issued. Only the creditors of those Blue Chip companies that are involved have any prospect of receiving a dividend.

Please contact Arron Heath of this office should you require any further information.

Dated this 29th day of August 2011



A L Heath
Liquidator

Mide Limited (In Liquidation)

Receipts and Payments

For the period 28 February 2011 to 27 August 2011

	\$
Balance Brought forward	59,240.20
Receipts	
Interest	784.78
	<u>60,024.98</u>
Payments	Nil
Balance Carried Forward	<u><u>60,024.98</u></u>

Notes: The funds held are subject to further costs of winding up.