

Johnston Associates Trustees Limited (In Liquidation)
Seabreeze Trustees Limited (In Liquidation)

Liquidators' Third Report
For the period from 7 September 2014 to 6 March 2015

1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Jared Waiata Booth, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of Johnson Associates Trustees Limited and Seabreeze Trustees Limited ("the companies") on 7 March 2014 by the High Court at Auckland.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidations. This third report should be read in conjunction with the liquidators' previous reports. This report is being sent to all shareholders and all creditors who have filed a claim in the liquidations.

No Statement of Realisations and Distributions is attached, there having been no realisations or distributions to date.

2 RESTRICTIONS

Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of the circulation, publication, reproduction or use of this report.

We reserve the right (but are under no obligation) to review and, if we consider necessary, revise this report in respect of any information existing at the date of this report which becomes known to us after that date.

3 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

According to available information, the companies operated as corporate trustees of various trusts.

Correspondence has been entered into with solicitors acting for various associated trusts. Legal advice has been obtained by the liquidators.

The directors, Logan Granger and Richard Johnston, have both failed to provide information on the trusteeships held by the companies despite request, which has hampered the efficient management of the trusts and the liquidations.

As disclosed in the liquidators' first report, the liquidators' appointment arose as a result of the companies' liability as trustees of the Ullaru Trust. The companies' liabilities in relation to this trust are indemnified by trust assets that include a property at 35 Puketaha Road, Swanson, Auckland, subject to a mortgage.

4 INVESTIGATIONS

The liquidators' investigations into the books, records and affairs of the companies remain ongoing. These investigations have been hampered by a lack of cooperation from their directors.

5 CREDITORS' CLAIMS

The liquidators have been unable to confirm the total quantum of claims against the companies, as trustee or otherwise, to date, due to incomplete information being held.

It may be noted that the companies are defendants in ongoing legal proceedings brought by FAI Money Limited, with the other defendants being Edward Johnston, Gavin Crawely and Richard Johnston. These proceedings first commenced in March 2012.

6 LIQUIDATORS' FEES

Liquidators' fees in a Court ordered liquidation are to be approved by the Court and if required a retrospective application for fee approval will be made by the liquidators.

Section 284 (1) of the Act provides that an application (with the leave of the Court) may be made by a creditor, shareholder or director of a company in liquidation to review or fix the remuneration of the liquidators. In circumstances where no application has been made to review or fix the liquidators' remuneration the Court will be less inclined to rigorously examine the fees submitted by the liquidators for subsequent approval.

7 FUNDS / LIKELY OUTCOME

It is too early to determine whether or not there will be a distribution to creditors.

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Realisation of assets.
- Completion of investigations.

9 ESTIMATED DATE OF COMPLETION

It is currently too early to estimate a date of completion for the liquidation.

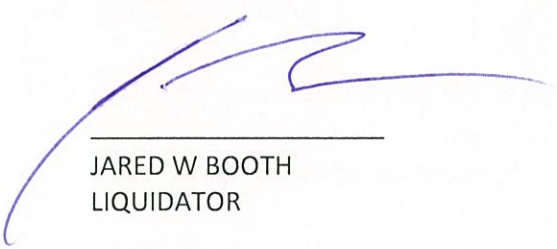
10 CONTACT DETAILS

Enquiries should be directed to the writer on DDI (09) 306 3340 or by email to jbooth@mvp.co.nz.

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JARED W BOOTH
LIQUIDATOR

DATED this 24th day of April 2015