

## F P Holdings Limited (In Receivership)

### Receiver's Fourth Report

Pursuant to Section 24 of the Receiverships Act 1993

12 November 2009

This report has been prepared on the basis of limitations set out on page 2.

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## Glossary

<b>The Company</b>	FP Holdings Limited (In Receivership)
<b>F P Holdings</b>	FP Holdings Limited (In Receivership)
<b>Fairview New Zealand</b>	Fairview New Zealand Limited (In Receivership)
<b>Cymbis New Zealand</b>	Cymbis New Zealand Limited
<b>OPI Pacific</b>	OPI Pacific Finance Limited

## Important Notice

The information required to complete this report was provided by the directors and employees of the Company and obtained from Company records. Values are based on book values from the financial statements and accounting records prepared by Company personnel prior to the receivership.

We have relied on the information provided by the directors and employees of the Company and on Company records in preparing this report without further review.

Realisation projections, time taken to complete realisations and related costs were all subject to uncertainty at the time that these projections were prepared. We express no opinion on the likelihood of any projections being achieved. Financial projections are based on assumptions and estimates of future events which cannot be estimated with any certainty. Actual results are likely to be different from projections and the variations could be material since anticipated events frequently do not occur as expected.

In accordance with standard practice neither Deloitte, the receiver, nor any member or employee of Deloitte, undertakes responsibility arising in any way whatsoever to any person in respect of realisation projections, the related commentary on options available to the receiver, any estimate of outcome for creditors, or any report content based on information supplied by the Company, including any errors or omissions herein arising through negligence or otherwise however caused.

## 1. Introduction

FP Holdings was placed into receivership by Perpetual Trust on 12 May 2008 pursuant to the terms of a Debt Assumption Deed dated 14 December 2007.

R G Pardington of Deloitte was appointed receiver of the Company's Secured Property. The report on the state of the Company's affairs in accordance with section 24 of the Receiverships Act 1993 is set out below.

## 2. Statutory information

Statutory and other information relating to the Company is summarised below:

<b>Date of incorporation</b>	21 September 2006
<b>Company number</b>	1859168
<b>Nature of business</b>	Finance company
<b>Registered office</b>	C/- Deloitte 8 Nelson Street Auckland
<b>Trading address</b>	Not trading
<b>Issued share capital and shareholders</b>	Octaviar NZ Holdings Pty Limited, 1,392 Shares FP Treasury Limited, 1,390 Shares
<b>Director</b>	Jason Robert Duncan Maywald – resigned 17-6-09

### 3. Events leading up to appointment of receiver

F P Holdings is part of the MFS group of financial services and investment companies. In December 2007 it purchased the assets and assumed the debentureholder payment liabilities of Cymbis New Zealand (one of the Capital + Merchant Finance group of companies), when that company was unable to continue to operate. FP Holdings attempted to continue trading but was ultimately unable realise sufficient assets to meet debenture maturities as they fell due. Both companies were consequently placed into receivership. Cymbis New Zealand was renamed Fairview New Zealand prior to receivership.

### 4. Property disposed of since previous report

The assets of the Company at the commencement of the receivership were two loans, a debenture stock investment in OPI Pacific and a small amount of cash. Both security properties have been realised since the previous report. The settlement of one of these sales was delayed extensively as a result of action required to remove caveats to enable settlement.

### 5. Proposals for disposal of receivership property

The OPI Pacific moratorium has been terminated as OPI Pacific was placed into receivership in September. The receivers have advised that they are assessing the Company and its remaining loans and assets. Investment repayments have been suspended pending realisation of assets but the receivers advise that there is likely to be a shortfall to OPI Pacific secured debenture holders. No estimates have been provided regarding the amounts and timing of further repayments to OPI Pacific secured debentureholders.

Our previous report advised that both properties securing the two FP Holdings loans in default had been placed on the market. The property which had been earmarked for development as a residential / hotel project was marketed nationwide and internationally by high profile real estate agents. Over 60 enquiries were received resulting in 7 tender offers. The highest offer of \$1.222 million plus GST was unconditional. All other offers were conditional. Settlement of the sale of the property has been delayed while action is taken to remove caveats.

The forest property was also marketed nationally and internationally by high profile real estate agents resulting in a strong level of enquiry. Five tender offers were received within a relatively narrow price band and negotiations were progressed with interested parties. Settlement of the property has been completed.

*Loan insurance*

The loan insurance policies covered losses of principal only. Sale of the forest block recovered principal in full. An insurance claim is in the process of submission for the insured loss of \$3.35m on the development block loan. The insurers have already advised that cover for this loan has been denied on the grounds that the property valuer did not hold professional indemnity insurance which was a requirement of the insurance policy. The valuer is in liquidation and the liquidators have confirmed the lack of professional indemnity cover despite the valuer's representation to the contrary in the valuation report. Our solicitors have challenged the insurers' denial of cover. This issue is to be resolved. The claim represents 48 cents in every dollar of investor funds.

## 6. Secured creditors

### 6.1. Amount owed to holder of General Security Agreement (appointer)

The appointer's General Security Agreement (registered 14 December 2007) secures the amounts owed on trust under a Debt Assumption Deed to the secured debentureholders (\$6.96m plus interest as at May 2008). The appointer's name and address details are: Perpetual Trust Limited, P O Box 3376, Shortland Street, Auckland.

### 6.2. Amount owed to holders of other General Security Agreements

There are no other registered General Security Agreements.

### 6.3. Amount owed to other secured creditors

The amount due to secured debentureholders is \$6,961,630 as at May 2008 (plus accrued interest), as per company records (see 6.1 above).

## 7. Preferential creditors

Company records do not record any amounts owed to preferential creditors. No preferential creditors' claims have been received to date.

## 8. Unsecured creditors

There is insufficient information available to provide an accurate estimate of amounts owed to unsecured creditors.

## 9. Estimated statement of position

We will be making a distribution to investors late February / early March once:

- Settlement proceeds of the development property sale have been received;
- Legal advice regarding Lloyds' refusal to accept the insurance claim of \$3.35m (48 cents in each dollar invested) has been received, and
  - The strength of the company's claim has been determined;
  - The cost of litigation to recover insurance proceeds has been estimated if the strength of the claim warrants this.

The amount of this distribution is influenced by each of the above, will be determined having regard for this and can therefore not be estimated at this point.

## 10. Statement of receipts & payments

A statement of receipts and payments is attached.

DATED 12 November 2009

**R G Pardington**  
**Receiver**

**FP Holdings Limited (In Receivership)****Statement of Receipts and Payments****For the period 12 May 2009 to 12 November 2009**

<b>Receipts</b>	<b>\$</b>
Balance brought forward	277,330
Opening cash balance	-
OPI Pacific investment	-
Security properties	2,350,000
GST on receipts	293,750
GST Refunds	-
Interest	812
Pre-receivership GST refund	-
Total carried forward	<hr/> 2,921,892
<b>Payments</b>	
Balance brought forward	207,989
Debenture holder register administration	1,566
Loan insurance	-
Assets insurance	-
Legal fees	9,879
Receiver's fees	33,974
Trustee fees	3,125
Marketing	8,362
Rates	8,734
Real estate fees	51,700
Report processing fees	589
Sundry expenses	42
GST on payments	14,746
Resident Withholding Tax	224
Total carried forward	<hr/> 340,930
<b>Net Cash on Hand</b>	<hr/> <hr/> <b>\$2,580,962</b>