

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Lloyd Hayward

No. of Company: 1770645

Liquidators' Further Report

ART Apartments Limited (In Liquidation)

For the period to 7 August 2012

Introduction

ART Apartments Limited was placed into voluntary liquidation on 8 February 2008 when Jeff Meltzer, Arron Heath and Lloyd Hayward of Meltzer Mason Heath 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 7 August 2012

Action to Date

The Liquidators have previously reported on actions undertaken. See below for further comment on actions proposed by the Liquidators.

Receipts and Payments

There have been no receipts and no payments during the period covered by this report.

Asset Realisations

There have been no realisations of assets during the period covered by this report.

Dividends

There have been no dividends paid during the period covered by this report. At this time the Liquidators do not expect that there will be any dividend available for creditors.

The following sections of this report incorporate comments relating to all of the Blue Chip companies to which we have been appointed.

As previously reported the Liquidators filed a statement of claim in the High Court at Auckland against former directors and auditors of Blue Chip related companies.

Jeff Meltzer

Karen Mason

Arron Heath



The Court ordered the claim to be deferred until matters arising from proceedings filed by a Blue Chip investor have been dealt with. Discussions regarding these matters are continuing. The Liquidators are hopeful that the matters can be settled prior to the next Court hearing early in September.

A timetable relating to the Liquidators' claim has not yet been issued by the Court. The Liquidators will be able to report further once a timetable has been agreed. Creditors are again reminded that not all Blue Chip companies are involved in the proceedings that have been issued.

The Supreme Court's decision regarding investors' appeals over the validity of sale and purchase agreements for units in three central Auckland apartment buildings has been released. The appeals were successful with the Supreme Court finding that Blue Chip's marketing of its products was in breach of the Securities Act 1978. The decision results in the sale and purchase agreement being unenforceable against the investors.

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

Dated this 28th day of August 2012



L J Hayward
Liquidator