

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Arron Heath

No. of Company: 1676034

Liquidators' Further Report

ART Properties Limited (In Liquidation)

For the period 13 February 2012 to 12 August 2012

Introduction

ART Properties Limited was placed into voluntary liquidation on 12 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 from 13 February 2012 to 12 August 2012

Action to Date

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

Receipts and Payments

A receipts and payments statement for the period 13 February 2012 to 12 August 2012 is attached. The statement includes an opening balance of \$306.70 (being proceeds from the company's pre-liquidation bank account) which has not been reported previously.

Asset Realisations

The company's known asset comprises vendor loans advanced to assist with property purchases. Recipients of these advances entered into a Term Loan Agreement and an Agreement to Mortgage with the company. Following their appointment the Liquidators took steps to protect the company's interest by registering caveats against the titles of the relevant properties.

During the period covered by this report several borrowers have negotiated settlements with the Liquidators in order that the caveats on their titles can be withdrawn.

Jeff Meltzer
Karen Mason
Arron Heath



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 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.

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

Dated this 24th day of August 2012



A L Heath
Joint and Several Liquidator

ART Properties Limited (In Liquidation)

Receipts and Payments

For the period 13 February 2012 to 12 August 2012

	\$	\$
Balance brought forward		306.70
Receipts		
Vendor Loan Settlements	90,146.00	
Interest	148.27	
GST	121.39	
	<u> </u>	<u>90,415.66</u>
		90,722.36
Payments		
Liquidators' Fees	25,383.50	
Liquidators' Disbursements	635.00	
Legal Fees	11,738.72	
GST Paid	5,914.35	
	<u> </u>	<u>(43,671.57)</u>
Balance carried forward		<u>47,050.79</u>

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