



FINANCIAL MARKETS AUTHORITY

TE MANA TATAI HOKOHOKO - NEW ZEALAND

3 December 2012

Mr Bruce Tichbon

By email: bruce.tichbon@gmail.com

Dear Mr Tichbon

Ross Asset Management Limited and Others

Further to my letter of 26 November 2012, FMA can now update you regarding the possible liquidation of Ross Asset Management Limited and Others.

Today an application has been made to the Court to put certain companies associated with Mr David Ross into liquidation.

The court application relates to the following companies

- (a) Ross Asset Management Limited;
- (b) Bevis Marks Corporation Limited;
- (c) McIntosh Asset Management Ltd; and
- (d) Mercury Asset Management Ltd.

(together the **Companies**).

The application is by each of the Companies, acting through John Howard Ross Risk and David John Bridgeman (the **Receivers**). The application is made under section 241(2)(c)(i) of the Companies Act 1993 (the **Act**). Alternatively, it is made on behalf of Mr David Ross, through the Receivers, as a shareholder in each of the Companies. That application is made under section 241(2)(c)(iii) of the Act.

The liquidation application is made on two grounds:

1. That it is just and equitable that the Companies be placed into liquidation; or
2. That the Companies cannot pay their debts as they fall due.

A High Court hearing date of Monday, 17 December 2012 has been allocated to hear the court liquidation application, and to hear from any parties who might wish to make submissions on it. Early next week the court liquidation application will be advertised in the *New Zealand Gazette* and in a newspaper.

In addition, the Receivers intend to place the following companies into the liquidation:

- (e) Dagger Nominees Limited;
- (f) Ross Investment Management Limited;
- (g) Ross Unit Trust Management Limited; and
- (h) United Asset Management Limited.

This is not part of the court liquidation application. Liquidation of these entities is achieved by a special resolution of the shareholders of those companies, acting through the Receivers. The power of shareholders to appoint a liquidator is set out in section 241(2)(a) of the Act.

A further connected court application also filed today seeks orders to appoint Mr Bridgeman and Mr Fisk as the liquidators of all of the companies at (a) to (h) above. That is made under section 280 of the Act, which sets out the qualifications for liquidators.

I note that at your meeting with Mr Fisk last week which FMA also attended, he outlined in some detail the rationale for moving to liquidation for those companies, and the process involved, including the possibility of establishing an investor liaison group.

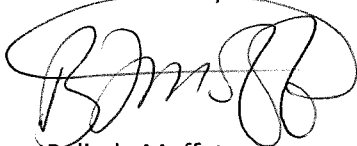
As previously advised FMA considers that there are a number of factors which support liquidation progressing. If you have any questions regarding the process please contact the Receivers.

At our recent meeting with you, you indicated that a small number of clients may have invested with Ross Asset Management on the basis of a recommendation by another financial adviser. We are actively engaging with such advisers and will take appropriate action, where, after investigation, any breaches are discovered.

If you or any investor invested with Ross Asset Management on the recommendation of an Authorised Financial Adviser, or on the recommendation of a lawyer or accountant, we would be grateful if they could provide details to us. We ask that they contact FMA on <http://www.fma.govt.nz/about-us/contact-us>.

I will post this letter on FMA's website so that it is available to other investors.

Yours faithfully

A handwritten signature in black ink, appearing to read 'B Moffat', written over a horizontal line.

Belinda Moffat
Head of Enforcement