

TO: Validus International LLC (a Delaware registered company) (**Validus**) and all associated persons (separately, and together, referred to as “**Validus and Associates**”).

INTERIM STOP ORDER

made by the Financial Markets Authority (**FMA**)
pursuant to
section 465 of the Financial Markets Conduct Act 2013 (**Act**)

While this interim stop order (**Order**) is in force, Validus and Associates are prohibited from:

- (a) making offers, issues, sales or other acquisitions or disposals of financial products promoted under the brand or name Validus; and
- (b) accepting applications for financial products promoted under the brand or name Validus; and
- (c) distributing any restricted communication that relates to:
 - the offer, or intended offer, of financial products promoted under the brand or name Validus; and/or
 - the supply, or possible supply, of a financial advice service to any person; and
- (d) accepting further contributions, investments, or deposits in respect of financial products promoted under the brand or name Validus; and
- (e) supplying a financial advice service to any person; and
- (f) supplying the financial service of keeping, investing, administering, or managing money, securities, or investment portfolios on behalf of other persons.

Validus is required to provide a copy of this Order to all of its associated persons.

For the purposes of this Order:

- **associated** and **associated person** have the meanings given to those terms in section 12(1) of the Act:
- **distribute** has the meaning given to that term in section 6(1) of the Act:
- **financial advice service** has the meaning given to that term in section 431D of the Act:
- **financial product** has the meaning given to that term in section 7 of the Act:
- **financial service** has the meaning given to that term in section 6(1) of the Act: and
- **person** has the meaning given to that term in section 6(1) of the Act:
- **restricted communication** has the meaning given to that term in section 464 of the Act.

Period for which this Order is in force

The FMA is of the opinion that it is not reasonably practicable for it to complete its consideration of whether it may exercise a power under section 462 of the Act to make a stop order within the 15-working day period referred to in section 465(2)(a) of the Act. Accordingly, the FMA specifies that this Order is in force from the time at which it is made until the close of the date that is 30 working days after the day on which it is made, in accordance with section 465(2)(b) of the Act.

Reasons for this Order

The FMA has made this Order because the FMA is considering whether it may exercise a power under section 462 of the Act to make a stop order, and the FMA considers that making an interim stop order is desirable in the public interest.

Section 465(1) of the Act provides that “[t]he FMA may make an interim order (an **interim stop order**) of the kind referred to in section 463 that is in force for the period referred to in subsection (2) if

- (a) the FMA is considering, at any time, whether it may exercise a power under section 462; and
- (b) the FMA considers that making an interim stop order is desirable in the public interest.

The FMA is considering whether it may exercise a power under section 462 of the Act because it appears that Validus and Associates intend to hold a marketing event at the Jetpark Hotel, 63 Westney Road, Mangere, Auckland on or about 15 February 2023 at which the FMA believes Validus and Associates will distribute to persons attending the event communications that, in terms of section 462(1)(f) of the Act, are restricted communications relating to an offer, or intended offer, of financial products, or the supply, or possible supply, of financial services that:

- are false or misleading, or likely to mislead or confuse, in a material particular; and
- contains a material misdescription or material error; and
- do not comply with the Act or the regulations made under the Act.

Communications at the marketing event are a restricted communication (as defined in section 464 of the Act) because they are a form of communication that:

- directly or indirectly refers to an offer, or intended offer, of financial products (namely a managed investment product promoted under the brand or name Validus) or the supply, or possible supply, of a financial service (namely a financial advice service);
- is reasonably likely to induce persons to apply for financial products (namely a managed investment product promoted under the brand or name Validus) or request the supply of a financial service (namely a financial advice service);
- is authorised or instigated by, or on behalf of, offeror, the service provider or an associated person of the service provider (namely Validus); and
- is to be distributed to a person (being attendees at the marketing event).

The FMA considers that making this Order is desirable in the public interest because there is real risk of investor harm arising from activities of Validus and Associates that appear to be dishonest and misleading and not to comply with the Act or the regulations made under the Act.

Other terms and conditions

The FMA must give the Registrar of Financial Service Providers written notice of the terms and conditions of this Order, the reasons for this Order and any other information the FMA thinks relevant in the circumstances

and make the notice available on the FMA's Internet site in accordance with section 477(1)(b) of the Act. Under section 477(1)(c) of the Act, the FMA may also give notice to any other person of those matters.

This Order is made at 4.30pm on this 15th day of February 2023



Paul Gregory
Executive Director – Response and Enforcement
Financial Markets Authority