

**IN THE HIGH COURT OF NEW ZEALAND
AUCKLAND REGISTRY**

CRI-2008-004-029179

THE QUEEN

v

**RODNEY MICHAEL PETRICEVIC
CORNELIS ROBERT ROEST
PETER DAVID STEIGRAD**

Hearing: 25-26 October 2011, 14-18, 21-24, 28 November 2011; 6-7, 15
December 2011, 23-27, 31 January 2012, 1-3, 7-9, 13-15, 20-24, 27-
29 February 2012, 1-2, 5-7, 14, 16, 19-20 March 2012

Appearances: B Dickey, W Cathcart and T Molloy for Crown
C B Cato for Mr Petricevic
P Dacre and R Butler for Mr Roest
B Keene QC, M E Cole, S Nicolson and J F Anderson for Mr Steigrad

Verdicts: 5 April 2012

VERDICTS OF VENNING J

Solicitors: Crown Solicitor, Auckland
Lowndes Jordan, Auckland
Copy to: B Keene QC, Auckland,
M E Cole, Auckland,
C Cato, Auckland
P E Dacre, Auckland
R Butler, Auckland
J F Anderson, Auckland

[1] Rodney Michael Petricevic and Cornelis Robert Roest, on counts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18 of the indictment I find you each guilty. Peter David Steigrad, on counts 10, 11, 13, 14, 16, and 18 of the indictment I find you guilty. On counts 9, 12, 15 and 17, I find you not guilty.

[2] On the counts on which you have each been found guilty you are convicted. Mr Steigrad on the counts on which you have been found not guilty you are discharged.

[3] Reasons for the verdicts have been prepared in writing. They will be handed to you, your counsel and the media when I leave the Court. You may be seated at present. I propose to give a brief summary of the reasons for verdicts.

[4] The Crown charged Messrs Petricevic, Roest and Steigrad under the Securities Act alleging that as directors of Bridgecorp and Bridgecorp Investments (BIL), the accused had signed offer documents that were distributed and included untrue statements.

[5] The Crown also charged Messrs Petricevic and Roest under the Crimes Act alleging that they made a false statement in the offer documents with the intent of inducing persons to invest in Bridgecorp or BIL knowing the statement was false.

[6] The Crown also charged Messrs Petricevic and Roest under the Companies Act alleging that, as directors of Bridgecorp and BIL they made statements relating to the affairs of those companies to Covenant, the trustee for debenture holders, that was false or misleading in a material particular knowing that the statement was false in that way.

[7] I have found Messrs Petricevic and Roest guilty on all charges that they faced. I have found Mr Steigrad guilty on the Securities Act counts that relate to the time periods after 7 February 2007.

[8] In relation to counts 1 to 6, the counts under the Crimes Act, the Crown proved beyond reasonable doubt that Mr Petricevic and Mr Roest made or concurred

in making statements to the effect that Bridgecorp (and BIL) had never missed an interest or principal payment, that the statement was false in a material particular, that the accused knew the statement was false and that they intended to induce a person or persons unknown to subscribe to securities in Bridgecorp and BIL.

[9] In relation to counts 7 and 8, the counts under the Companies Act, the Crown has proved beyond reasonable doubt that, when acting as directors of Bridgecorp and BIL, Mr Petricevic and Mr Roest made or furnished statements to Covenant that all interest and principal due had been paid, and that the statements related to the affairs of Bridgecorp and BIL. The statements were false or misleading in a material particular and Mr Petricevic and Mr Roest knew the statements were false or misleading.

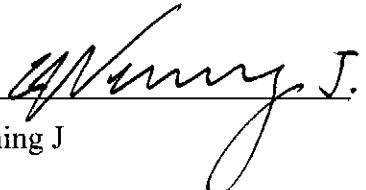
[10] In relation to the remaining counts under the Securities Act counts the Crown relied on a number of particulars to support the allegations that various statements contained in the offer documents were untrue. While I have not accepted all of the particulars that the Crown relied on to prove those charges I have found sufficient of the particulars proved to support the Crown's counts against the accused. In each case I have found that untrue statements were included in the offer documents, that the offer documents were distributed at the relevant time referred to in the count and that the accused signed or had signed on their behalf the offer documents.

[11] I have rejected the defences raised by Messrs Petricevic and Roest that the statements were immaterial or that they had reasonable grounds to believe and did, up to the time of distribution of the prospectus, believe the statements were true. I have found that both Mr Petricevic and Mr Roest knew, at the time the offer documents were registered in December 2006, that Bridgecorp faced a number of adverse circumstances and that its liquidity position was misstated and had deteriorated from 30 June 2006. I have also found that they knew from or shortly after 7 February 2007 that Bridgecorp had missed payments of principal and interest due to investors. I also found the statement Barcroft was not a related party, to be untrue. I have rejected the defence by Messrs Petricevic and Roest of an honestly held reasonable belief in relation to the truth of those statements.

[12] In Mr Steigrad's case, however, I have found that he had an honest belief that the statements were true during the time the offer documents were distributed. On the counts I have found him not guilty of I have also accepted that at the relevant time Mr Steigrad's belief was a reasonably held one.

[13] In relation to the counts on which I have found Mr Steigrad guilty, I have found that, whilst he may have held an honest belief the statements were true, that belief was not reasonable in light of the circumstances facing Bridgecorp, and BIL and the information that Mr Steigrad had at the relevant time.

[14] I emphasise that this is very much a summary. For a full and accurate understanding of the reasons, you will need to refer to the reasons for verdicts.



Venning J