

Michael Ward 1969 Limited (In Liquidation)

["The Company"]

Trading as Jean Jones

Liquidator's First Report

Company Numbers: 47037

Introduction

Michael Ward 1969 Limited was placed into liquidation by the shareholder pursuant to section 241(2) (a) of the Companies Act 1993 [the "Act"] on 7 May 2009.

Bernard Spencer Montgomerie was appointed liquidator of the company.

This report has been based on information provided to the liquidator by the company, its officers and various other parties. The liquidator therefore accepts no responsibility for the accuracy of information contained in this report.

Company structure and operation

Date of incorporation:	24 November 1948
Date ceased trading:	24 April 2009
Trading Address:	Margate Industrial Park, Unit 1, Bock 7, 22 Harris Road, East Tamaki, Auckland
Type of business:	Fashion Clothing – trading as Jean Jones

Shareholders:	Michael Thomas Ward	60,000 shares
Directors:	Michael Thomas Ward	Appointed 6 August 1990

Events Leading to Appointment

The shareholder has stated that as the economy slowed, competition in the retail sector resulted in falling margins and increased dependency on short term financing. A lower N.Z. dollar added to raw material costs.

Attempts were made to restructure the company but negotiations between the shareholder, management and financiers broke down when, on 24th April 2009 parties involved in the negotiations seized all the assets of the Company and relocated the office and warehouse. Staff were informed that they were being employed by a new company. The eftpos machines in all Company owned stores were changed so that all bankings were diverted. The shareholder stated that the events of 24 April occurred without his prior knowledge.

Statement of Affairs

The Liquidator has not been able to prepare an Estimated Statement of Affairs, being the assets and liabilities of the Company at the date of liquidation, he has as yet been unable to obtain the books and records of the Company.

Proposals for Conducting the Liquidation

- **Realisation of Assets**

The Liquidator understands that all of the Company's assets were secured under a GSA to S H Lock Ltd; the instrument was recently purchased by DDLC Ltd resulting in the seizure of all known assets on 24 April 2009. The Liquidator is investigating this security and the action taken.

- **Examination of Books and Records**

The Liquidator will examine the Company's books and records and conduct a review of the Company's affairs. At this early stage full details of the Securities held by various creditors and full details of company assets, and their value, seized under such securities have still to be determined. Our investigations are ongoing and we will exercise our powers under the Companies Act to the fullest practical extent in the interests of all creditors.

Voidable transactions and potential breaches of legislation

An investigation of the books, records and affairs of the Company will be conducted to determine:

- Whether any other assets exist; and
- If any voidable transactions have occurred; and
- If there have been any breaches of legislation by the company or its officer.

If any voidable transactions or breaches of legislation have occurred the liquidator will consider making claims if that will increase the recovery to creditors.

Where sufficient evidence exists any breaches of legislation will be reported to the relevant authorities.

List of Creditors

The attached schedule has been prepared from information available to the Liquidator. The schedule may prove to be incomplete and may contain inaccuracies but in the wider interests of the Companies Act regarding communication with creditors, it is nevertheless included in this report.

Employee claims (if any) have not been determined at this time.

Creditors Claim Form

Creditors should complete and return the attached Creditor's claim form by 12 June 2009. Creditors who do not make a claim within the period may be excluded from any distribution that may be made.

Retention of Title/Security Interests

If you believe you have a valid retention of title claim or security interests over goods or equipment supplied to Michael Ward 1969 Limited (In Liquidation) and if you have not yet contacted the Liquidator, please contact me immediately.

Creditors' Meeting

Until such time as our investigations have progressed it is proposed to dispense with a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

Creditors however are not precluded from expressing their views. Please contact the writer at this office if you have any specific enquiries.

You are advised that should you desire a meeting, notice in writing is required within 10 working days of receiving this notice.

At the time of giving notice you must also state the reason you require a meeting so that an agenda can be prepared and advertised and creditors can be given the opportunity to vote on any issue by letter.

Note: Pursuant to Section 314 of the Companies Act 1993 creditors are advised that at any time in the course of the liquidation the liquidator shall, at the request in writing of any creditor or shareholder call a meeting for the purpose of appointing a Liquidation Committee.

Conduct and estimated completion date of liquidation

It is not practicable to estimate the date of completion of the liquidation at this stage.

Should you have any information that you believe would lead to realisations for the benefit of the creditors, please set it out in writing, attaching copies of all documentary evidence, and send it to the Liquidator. Please note that the Liquidator can only act on written information because telephone or other conversations may be regarded by a Court as hearsay.

Contact Details

The Liquidator can be contacted at Montgomerie & Associates, 87 – 89 Albert Street, Auckland (P O Box 65, Auckland 1140) or on telephone (09) 368 7672 and facsimile (09) 307 0174 and email at bsm@montgomerie.co.nz . Enquiries should be directed during normal business hours. Please note that all proofs of debt should be submitted by 12 June 2009.

Dated at Auckland this 15th day of May 2009



Bernard Spencer Montgomerie
Liquidator