

## Coastline Imports & Exports Limited (In Liquidation)

### Liquidators Third Report

30 November 2009

#### 1. Introduction

Coastline Imports & Exports Limited ("the company") was put into Liquidation by the shareholders passing a special resolution on the 18<sup>th</sup> day of December 2008 at 3.08pm. Kenneth Peter Brown and Thomas Lee Rodewald were appointed Joint and Several Liquidators of the above named Company.

We set out below our six monthly report on the state of affairs of the above named company as required by section 255 (2) (d) of the Companies Act 1993.

#### 2. Company Information

Date of Incorporation:	24 June 1999
Trading Address:	13 Mclean Street, Tauranga
Type of business:	Specialist company that imports and exports heavy machinery.
Date trading ceased:	18 December 2008
Shareholders:	George Stuart Cruse Mary Ann Dungan Cruse
Director:	George Stuart Cruse

#### 3. Conduct of the Liquidation

As previously reported from the limited information and records we have been supplied we have been able to make the following assessment of the business.

The Liquidators have reviewed all the available financial and statutory information, which included overseas bank accounts, debtors contact details, finance company documentation, company website information and TradeMe transactions.

During the investigation we have spoken to the identified debtors, large creditors and finance company regarding specific transactions and contractual obligations. Although there appears to be a number of instances where the company has not met its obligations, we have not identified any transactions that could be considered voidable.

#### **4. Debtors**

As mentioned in the previous reports there is a dispute between the company and Bernard Gillon Motorsport Limited which has resulted in a Mareva Order being placed on the company.

An application to the High Court by Mr Gillon's legal advisor has resulted in a limited removal of the Mareva Order. This will now enable the Liquidator to sell the assets of the company, and recover monies to meet the liquidation costs.

We have contacted all known debtors of the company and have been notified in all instances that the amounts are in dispute with Mr Cruse for various reasons. The reasons quoted in these disputes range from misrepresentation, to undelivered and incorrectly supplied goods.

After having discussions with these parties, there is the possibility of a number of these parties pursuing legal action directly against the director of the company, and at least one party has approached the NZ Police regarding the actions of the director.

#### **5. Creditors**

South Canterbury Finance Limited ("SCFL"), who hold security over various vehicles imported by the company, have sought legal advice regarding the legal ownership of a number of the vehicles under their registered General Security Agreement.

We also understand that SCFL have taken further action against the shareholders and directors of the company to recover outstanding monies under the contractual arrangement they have with the company, the shareholders and the sole director.

#### **6. Overseas Bank Accounts**

As we have previously reported, a number of debtors contacted have reported that the shareholders of the company had been channelling transactions through various bank accounts in the United States.

Although we have been able to get copies of the various bank accounts, and have identified the transactions as having been deposited into the accounts, it has been difficult to trace the flow of directly to specific vehicles and parts being purchased.

This has been in part because the bank accounts are in the personal name of the shareholders, not the company.

Though there are a number of questionable transactions, particularly relating to the use of the accounts for personal costs, on legal advice it is not cost effective to pursue these funds.

**7. Estimated Date of Completion of Liquidation and Notice As To Further Reports**

It is not practicable to estimate the date of the completion of the liquidation at this stage. Further reports will be issued six monthly and a final report at the conclusion of the liquidation.

**8. Receipts and Payments to 30<sup>th</sup> November 2009**

A summary of receipts and payments to 30<sup>th</sup> November 2009 is detailed below:

Funds on hand pre liquidation	<u>211.85</u>	211.85
<b>Payments</b>		
GST on expenses	23.54	
Liquidators fees	<u>188.31</u>	
		<u>211.85</u>
<b>Net Funds</b>		<u><b>NIL</b></u>

**9. Further Information**

If you require any further information or if you have any information that will be of assistance to the Liquidators please contact Blair Millar at our Tauranga office.



Kenneth Peter Brown  
*Joint Liquidator*