

## **South Canterbury Finance**

**May 12, 2015**

The legal team (Chris Gudsell QC & David Neilsen Law, Hamilton) are now advancing a potential claim on behalf of SCF Perpetual Preference Shareholders (SCFHA).

All investors on the August 31, 2010 SCFHA register will have had a private & confidential letter written by the legal team with a covering note from Chris Lee & Partners Ltd, asking them to -

- a) Attend meetings on May 18, 19, 21 and 25 in Invercargill, Dunedin, Timaru, Christchurch, Paraparaumu, Lower Hutt and Auckland (details below). These meetings will also be widely advertised in the newspapers.
- b) Contribute to the legal costs of researching the case with the purpose of finalising a claim before June 30, 2011.

The Christchurch Press article on progress to date is available here: [May 11, 2015 – News Article](#)

This section of our website will maintain news of progress regularly. It will also feature a Frequently Asked Questions (FAQ) section.

Investors are being asked to contribute a minimum of 0.5% (\$5 per \$1000 invested in SCFA) with a dollar minimum of \$50.

It is my hope that the court will sanction a 10:1 reward to these investors should an award of damages be made. (This 10:1 ratio was sanctioned in Australia by the courts as a reward for those who contributed to the litigation cost of pursuing Babcock & Brown directors and other parties).

Please note there is no maximum contribution but a practical limit of 10% of bonds owned is logical, given that no investor (in the Babcock and Brown case) could be rewarded with more than they had invested.

Please note the court may or may not sanction the ratio of return used in Australia.

An initial investors committee has been formed comprising Dan Tait-Jamieson, Michael Connor and myself. Two expert helpers have offered to be available without cost. They are Brian Kreft, chairman of NZX firm Hamilton Hindin Green, and Stephen Eaton, a lawyer/financial adviser, and previous CEO of a Trustee company. Michael is an accountant and financial adviser in Auckland. Dan was a significant investor and is a prominent businessman in Wellington.

The investors committee will approve all payments made from the funds contributed by investors. These funds will meet the legal costs, travel costs, and meeting costs incurred. Chris Lee & Partners Ltd will administer these funds without charge. There will be no charge for my or my firm's time.

Investors would eventually be reimbursed pro-rata with any funds unused.

The intention is for investors to fund the legal work required to achieve a filing of the claim, after which we would seek a litigation funder to take over all future costs and liabilities, in return for a share of any award/settlement.

Ultimately we would expect a claim to be made on behalf of all SCFHA investors who opt into a representative action.

It is important to emphasise that whilst the legal team wish to continue to prepare to file a claim, there is not yet certainty that a claim will be filed. If new information led to a legal view that a claim was not advisable, we would follow their advice.

**The meeting dates and locations are:-**

<b>Invercargill</b>	Ascot Park Hotel	9.30am	Monday May 18
<b>Dunedin</b>	Edgar Centre	2.30pm	Monday May 18
<b>Timaru</b>	Sopheze on the Bay	9.30am	Tuesday May 19
<b>Christchurch</b>	Burnside Bowling Club	1.30pm	Tuesday May 19
<b>Kapiti</b>	Paraparaumu Beach Bowling Club	10.00am	Thursday May 21
<b>Wellington</b>	Petone Workingmens Club, Lower Hutt	2.00pm	Thursday May 21
<b>Auckland</b>	Ellerslie Race Course	11.00am	Monday May 25

I hope the meetings will be well attended and that investors see merit in contributing to this project.

**Chris Lee**

**Chris Lee & Partners Ltd**