



McDonald
Vague

business recovery partners

STONEWALL ENTERPRISES LIMITED (IN LIQUIDATION)

McDonald Vague Limited

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Liquidators' Second Report For the period from 5 September 2020 to 4 March 2021

1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Iain McLennan, Licensed Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of Stonewall Enterprises Limited (In Liquidation) ("the company") on 05 September 2020.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This second report should be read in conjunction with the liquidators' previous report(s). This report is being sent to all shareholders and all creditors who have filed a claim in the liquidation.

A Statement of Realisations and Distributions is **attached**.

2 RESTRICTIONS

Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of the circulation, publication, reproduction or use of this report.

We reserve the right (but are under no obligation) to review and, if we consider necessary, revise this report in respect of any information existing at the date of this report which becomes known to us after that date.

3 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

The first report advised that there were no known assets.

The company however held a database of clients with policies. Stonewall serviced those clients and earned a revenue stream from the 2018 year until Stonewall ceased to trade at 31 August 2020. No revenue was received from this date.

The insurance company initially agreed that the liquidator could investigate and advance the sale of the database to a suitable approved purchaser. Due diligence was undertaken by one interested purchaser. The insurance company later advised that they were withdrawing the

agreement with the liquidator to advance a sale and they issued formal notice of termination of the agreement.

The insurance companies were both entitled to terminate the agreements on the occurrence of serious misconduct and/or the appointment of the liquidator. Both termination events applied. The insurance companies were defrauded of commission funds by dishonest employees of the company who filed fraudulent policies. These employees have not been located but were reported to the police by the company director (who was not aware of their wrongdoing at the time). It is understood they no longer live in New Zealand, but their status as certified financial advisors have been removed.

The liquidators also made enquiry with the insurance companies regarding income streams from the portfolios until date of termination. We were advised the income had been applied by way of setoff against debt owing. This is allowed under Section 310 of the Companies Act 1993.

4 INVESTIGATIONS

The liquidators have completed their investigations into the books, records and affairs of the company. There were no matters that came to the knowledge of the liquidators that could eventuate in a benefit to creditors. We understand the director has relocated offshore and has no means to contribute to the company creditors. He has significant debt arising from personal guarantees.

5 CREDITORS' CLAIMS

5.1 *Preferential Creditors*

The Inland Revenue Department has submitted a preferential claim for \$8,977.

No dividend has been paid to preferential creditors at the date of this report.

5.2 *Unsecured Creditors*

As at the date of preparing this report 6 unsecured creditors claim forms have been received which total \$221,850. This includes Partners Life who held a General Security over the company assets (but no value realised) and AIA Insurance who incurred a significant loss arising from false policies. In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims until such time as we are in a position to pay a distribution.

6 FUNDS / LIKELY OUTCOME

The liquidator does not anticipate paying a distribution to unsecured creditors.

8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Completion of the Liquidation

9 ESTIMATED DATE OF COMPLETION

The liquidation will be completed within the next 2 months.

10 CONTACT DETAILS

Enquiries should be directed to Peri Finnigan on DDI +64 (9) 303 9519 or by email to PFinnigan@mvp.co.nz.

The Liquidators can be contacted at:

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Peri M Finnigan
LIQUIDATOR (Licence No: IP17)

Dated this 4th day of April 2021

Realisations and Distributions

Stonewall Enterprises Limited (In Liquidation) 05-Sep-20 to 4 March 2021

04/03/2021

Realisations	
Sale of Assets	-
Total Realisations	-
Payments	
Liquidators Fees	
Liquidators Fees	-
Disbursements	-
Total Liquidators Fees	-
Distributions	
Secured Creditor	-
Preferential Wages and Holiday Pay	-
Preferential GST and PAYE	-
Dividends to Unsecured Creditors	-
Total Distributions to Unsecured Creditors	-
Total Payments	-
BALANCE HELD	-
Funds Available	
ASB Cheque Account	-
ASB Interest Bearing Trust Account	-
McDonald Vague Trust Account	-
GST Receivable (Payable)	-
BALANCE HELD	-