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Media Release

Shareholders Association Reacts to CBL Statement on Leaked Rescue Plan

Late last week, the New Zealand Shareholders Association (NZSA) received a statement from a PR agent acting for Peter Harris and Alistair Hutchison. Harris is the former CBL CEO, and both Harris and Hutchison are directors of CBL Corporation, now in Administration and under investigation from the SFO and FMA. The statement said a draft rescue plan leaked to the media was an early version and current proposals were materially different. No information on those revised proposals was provided.

Mr. Harris has previously written to NZSA, criticising us for responding to enquiries from business media and saying he was open to dialogue. We have twice privately requested details of the proposed plan but have had no response. “We are disappointed that Mr Harris does not appear willing to respond to overtures even when he invites them,” said NZSA Chairman, John Hawkins.

NZSA noted that the PR response did not deny that the reported “early information” was an accurate summary of that proposal. Hawkins said. “Based on that information, NZSA’s view is that limiting or eliminating litigation risk appears to be high on the CBL directors priority list, as, apparently, is limiting or eliminating the usual controls that shareholders reasonably expect should another entity be set up as part of the plan. “In our view, these proposals would never have featured in the leaked plan, early version or not, if they were not being seriously considered said Hawkins.”

“Regardless of any speculation, there is currently no clear and cohesive plan that shareholders can consider. In the circumstances all affected parties are no doubt keeping in mind the adage, those who get you into trouble are rarely the people to get you out of it” said Hawkins.

NZSA believes that considering the severe shortcomings included in the leaked plan, it is time the FMA utilised Section 34 of the FMA Act and stood in place of shareholders, who are largely being ignored. FMA has the powers and resources to determine the course of action that will yield the best returns for everyone, and ensure that if any malfeasance is identified, the culprits are held to account.



“The CBL directors are claiming that there will be funds available for shareholders. Accepting that, however unlikely, then clearly shareholders deserve a voice in the process”, said Hawkins. “Vague statements about a rescue plan, which still has not been circulated and no indication of when it will be seem to us to be simply delaying matters”.

He added that “at this point, NZSA continues to believe that liquidation will most likely yield the best result as it opens up a broad litigation avenue that can run alongside other ongoing processes and can proceed in a timely manner.”

**John Hawkins,
Chairman, NZSA**

Ends.