



McDonald
Vague

business recovery partners

Legal Personnel (2017) Limited (In Liquidation)

Liquidators' First Report

McDonald Vague Limited
Level 10, 33 Federal Street
Auckland Central

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Victoria Street West
Auckland 1142
New Zealand

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TO: The directors, shareholders, and known creditors of the company

1 INTRODUCTION AND APPOINTMENT

Legal Personnel (2017) Limited (“the company”) was placed into liquidation by a special resolution of shareholders pursuant to Section 241(2)(a) of the Companies Act 1993 (“the Act”) on 7 April 2020 at 10:00 a.m. Peri Micaela Finnigan and Keaton Alexander Pronk, CAANZ Accredited Insolvency Practitioners, of Auckland, were appointed joint and several liquidators of the company.

2 RESTRICTIONS

In preparing this report and its appendices, we have relied on information provided to us. We have not independently verified or audited that information. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party arising from 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, amend this report to take into account any information existing at the date of this report that becomes known to us after the date of this report.

3 INDEPENDENCE

A declaration of independence is attached at Appendix 2. To the best of the liquidators' knowledge and belief, there are no real or perceived conflicts of interest or risks to our independence.

4 ATTACHMENTS

The following documents are attached to this report:

- Appendix 1: Statement of Affairs setting out the company's estimated financial position
- Appendix 2: Declaration of independence, relationships, indemnities, and upfront payments
- Appendix 3: Schedule of company creditors' names and addresses

- Appendix 4: Notice of Liquidators' decision to dispense with meeting of creditors
Appendix 5: Notice to creditors to prove debts or claims
Appendix 6: Creditor's claim form

5 COMPANY STRUCTURE AND BACKGROUND

Date of incorporation:	2 May 2017
Company number:	6275893
Date ceased trading:	7 April 2020
Nature of business:	Recruitment company
Trading address:	Level 2, 5 High Street, Auckland
Previous names/Trading name:	None known
Share capital:	100 Shares
Shareholders:	Jarrold Evan Moyle Coralie Anne Moyle Marion Perry Gubb
Director:	Jarrold Evan Moyle
Former director:	Coralie Anne Moyle (ceased 16 March 2020)

The shareholders advised that they decided to put the company into liquidation following the restrictions announced in response to Covid-19, including implementation of the lockdown period, which resulted in a dramatic decline in the number of clients looking to recruit new candidates in the short term. Because of the ongoing economic uncertainty on both a national and global scale, the shareholders concluded that that they could not continue to fund the business for an extended period of time and with no certainty of income going forward.

6 STATEMENT OF AFFAIRS

A Statement of Affairs showing the company's estimated financial position as at the date of our appointment is provided at Appendix 1.

7 ASSETS AND PROPOSALS FOR CONDUCTING THE LIQUIDATION

We will realise all available assets.

We are continuing to trade the business with a view to selling it as a going concern. If you are interested in purchasing the business, please contact us urgently.

We will complete a thorough review of the company's books, records and affairs to:

- ensure that all assets have been properly accounted for;
- determine whether there are any other avenues of recovery for creditors;
- determine whether the company's officers have properly carried out their duties.

Following our investigations, we may take recovery or enforcement actions if, on a cost/benefit basis, taking that action is likely to benefit the company's creditors.

If there are funds available for distribution to creditors, we will verify creditors' claims and make a distribution. We will then complete the liquidation and request that the Registrar of Companies remove the company from the register.

8 LIABILITIES AND CREDITOR CLAIMS

A schedule of known creditors and their addresses is provided at Appendix 3, as required by Section 255(2)(c) of the Act.

A notice to creditors to prove debts or claims is provided at Appendix 5. Also provided is a creditor's claim form at Appendix 5 for completion and return to this office by 15 May 2020. Creditors that have not made a claim by the date on the notice may be excluded from any distribution made. If you believe that you are a secured creditor, please contact us and the appropriate form will be sent to you.

8.1 Secured Creditors

As at the date of liquidation, there was one security interest registered on the Personal Property Securities Register by ASB Bank Limited in respect of a General Security Agreement. We have been advised that ASB Bank is owed approximately \$410,000.

Personal Property Securities Act / Reservation of Title

If you have not registered a financing statement on the PPSR and you believe you have:

- a Purchase Money Security Interest entitling you to any goods in the possession or control of the company and/or proceeds from the realisation of those goods; and/or
 - a Reservation of Title over goods;
- you should contact us immediately.

8.2 Preferential Creditors

We estimate that there is approximately \$20,000 to \$25,000 owing to the company's employees for unpaid wages and holiday pay.

We estimate that there is approximately \$30,000 owing to the Commissioner of Inland Revenue for outstanding GST, PAYE, and other payroll deductions.

8.3 Unsecured Creditors

We estimate that the amount due to unsecured creditors is approximately \$165,000.

9 CREDITORS' MEETING AND LIQUIDATION COMMITTEE

A notice of the Liquidators' decision to dispense with the meeting of creditors is provided at Appendix 4.

Any creditor or shareholder may, at any time in the course of the liquidation, request that the liquidators call a creditors' meeting pursuant to Section 314 of the Companies Act 1993 for the

purpose of appointing a liquidation committee. Any request for a meeting must be submitted to the liquidators in writing.

10 FURTHER INFORMATION

If you are aware of any information that would assist the Liquidators, please set the details out in writing, attach any supporting evidence, and send it to us. Please note that it can be difficult for Liquidators to act in reliance on information that is not provided in writing.

If any creditor wishes to receive the six-monthly reports by email as and when they are published, please ensure that an email address is provided on your creditor's claim form.

This report and all subsequent reports will be available on the Liquidators' website at www.mvp.co.nz.

11 ESTIMATED DATE OF COMPLETION

It is currently too early to estimate a date of completion for the liquidation.

12 CONTACT DETAILS

Enquiries should be directed to Marisa Brugeyroux on mobile 021 242 4497 or by email to mbrugeyroux@mvp.co.nz.

The Liquidators can be contacted at:

McDonald Vague Limited
Level 10, 33 Federal Street
Auckland 1010

P O Box 6092
Victoria Street West
Auckland 1142



PERI M FINNIGAN
LIQUIDATOR

DATED this 15th day of April 2020

Appendix 1

Legal Personnel (2017) Limited (In Liquidation) Statement of Affairs

Statement of Affairs for the company as at 7 April 2020 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

ASSETS SPECIFICALLY PLEDGED	<i>Estimated to Realise</i>	<i>Due to Secured Creditor</i>	<i>Deficiency Ranking as Unsecured</i>	<i>Surplus</i>
No known specific securities	\$	\$	\$	\$
				<i>Book Value</i>
				<i>Estimated to Realise</i>
ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS				
Accounts receivable			50,898	50,898
Bank account balances				
Total			50,898	50,898
Less preferential creditors				
Employees				25,000
Inland Revenue Department				30,000
Total				55,000
Estimated shortfall on preferential claims				(\$4,102)
				<i>Book Value</i>
				<i>Estimated to Realise</i>
ASSETS AVAILABLE FOR GENERAL SECURITY AGREEMENT HOLDERS				
Business, including IP and goodwill			withheld	TBC
Computer Equipment			withheld	TBC
Office Equipment			withheld	TBC
Total			withheld	TBC
LESS GENERAL SECURITY AGREEMENT HOLDER/S				
ASB Bank- first ranking General Security holder				410,000
Total				410,000
Estimated shortfall to General Security holder				TBC
Less shortfall on preferential claims				4,102
Shortfall ranking as unsecured				TBC
AVAILABLE FOR UNSECURED CREDITORS				NIL
LESS UNSECURED CREDITORS				
Estimated shortfall to General Security holder				TBC
Estimated shortfall to preferential creditors				4,102
Trade creditors				15,000
Vendor finance				150,000
Estimated shortfall to unsecured creditors				TBC

Notes:

1. There is no unpaid capital liable to be called up.
2. The above estimates are subject to the costs of the liquidation.
3. Assets held may be subject to Purchase Money Security Interest ("PMSI") or Reservation of Title claims.
4. The General Security Agreement holder's claim will continue to accrue interest until fully paid.
5. There is a contingent liability in respect of the lease of the premises.

Disclaimer of Liability: The information contained in the Statement of Affairs has been supplied by the company. We have not verified the information supplied. The Statement of Affairs has been prepared for the purpose of the liquidation and we do not accept any liability whatsoever to any party arising from the circulation, publication, reproduction, use, or reliance on the information supplied.

Legal Personnel (2017) Limited (In Liquidation) Declaration of Independence, Relationships, Indemnities, and Upfront Payments

A DECLARATION OF INDEPENDENCE

- (i) The appointed and McDonald Vague Limited have undertaken a proper assessment of the risks to the liquidators' independence prior to accepting appointment, as required by the code of conduct and applicable professional standards. The liquidators have concluded that they are independent and that they have no prior business or professional relationship with the insolvent that poses a real or potential risk to their independence.

B DECLARATION OF RELATIONSHIPS

- (ii) The appointed and McDonald Vague Limited have no prior business or professional or personal relationship with known associates of the insolvent or the major secured creditors that create a real or potential risk to their independence.
- (iii) The appointed and McDonald Vague Limited have relationships with the company's known creditors to the following extent:

Name of Creditor	Relationship	Nature of Relationship
ASB Bank	Business Relationship	MVP banks with ASB. MVP deals with the bank on insolvency matters.

- (iv) The appointed disclose there are no other relevant relationships to declare.
- (v) The appointed and McDonald Vague Limited have not provided any prior professional services to the insolvent or known associates of the insolvent in the two years prior to our appointment.

C DECLARATION OF INDEMNITIES AND UPFRONT PAYMENTS

- (vi) The liquidators did not receive any indemnity or upfront payment in relation to their appointment.



PERI M FINNIGAN
LIQUIDATOR

DATED this 15th day of April 2020

Appendix 3

Legal Personnel (2017) Limited (In Liquidation)

Schedule of Creditors' Names and Addresses

Pursuant to Section 255(2)(c) of the Companies Act 1993

Creditor's Name	Address 1	Address 2	Address 3
2talk Limited	PO Box 106573	Auckland 1143	
Accident Compensation Corporation	P O Box 3248	WELLINGTON 6140	
Alison Ashton	withheld	withheld	withheld
Amba Whiting	withheld	withheld	withheld
ASB Bank Limited	Level 2, ASB North Wharf	12 Jellicoe Street	Auckland 1010
Charlie Lin	withheld	withheld	withheld
Elizabeth Latimer-Bell	withheld	withheld	withheld
Hesketh Henry	Private Bag 92093	Victoria Street West	Auckland 1142
Inland Revenue Department	P O Box 76 198	MANUKAU CITY 2241	
Judith Eller	withheld	withheld	withheld
Lee Scott	withheld	withheld	withheld
Liem Services	PO Box 24474	Royal Oak	Auckland 1345
Networx	22B Mahara Avenue	Birkenhead	North Shore 0626
Registrar of Companies	Private Bag 92 061	Auckland Mail Centre	AUCKLAND
Sarah Bartlett	withheld	withheld	withheld
Seek (NZ) Limited	Level 5	5 High Street	Auckland 1010
TIMG	PO Box 12360	Penrose	Auckland 1642
Veronica Reid	withheld	withheld	withheld
Vulcan Lane Properties Limited	109a Sim Road	RD1, Papakura	Auckland 2580

Appendix 4

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Legal Personnel (2017) Limited (In Liquidation) and the likely result of the liquidation, the liquidators propose to dispense with calling a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

The liquidators do not, however, wish to preclude creditors from expressing their views. Please contact Marisa Brugeyroux of this office on 021 242 4497 if you have any specific enquiries.

If you wish to request that a creditor's meeting be called, notice in writing is required within 10 working days of receiving this notice. Your notice you must also state the reason you require a meeting so that an agenda can be prepared and circulated to creditors and creditors can be given the opportunity to vote on any proposed resolutions by voting letter.



PERI M FINNIGAN
LIQUIDATOR

DATED this 15th day of April 2020

Appendix 5

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of Legal Personnel (2017) Limited (In Liquidation)

Notice to Creditors to Prove Debts or Claims

Notice is given that the liquidator of Legal Personnel (2017) Limited (In Liquidation) (“the company”), fix Friday, 15 May 2020, as the day on or before which the company’s creditors are to make their claims and establish any priority their claims may have under Section 312 of the Companies Act 1993. Creditors not having made a claim by this date may be excluded from any distribution made.



PERI M FINNIGAN
LIQUIDATOR

DATED this 15th day of April 2020

ADDRESS OF LIQUIDATOR

McDonald Vague Limited
Level 10, 33 Federal Street
AUCKLAND 1010

PO Box 6092
Victoria Street West
AUCKLAND 1142

Telephone: (09) 303 0506
Facsimile: (09) 303 0508
Website: www.mvp.co.nz

DATE OF LIQUIDATION: 7 April 2020