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LIQUIDATOR'S FIRST REPORT

(pursuant to section 255 of the Companies Act 1993)

to the Creditors and Shareholders of

PROJECT SOLUTIONS (NZ) Limited (In Liquidation)

Gerard Hulst, Chartered Accountant of Auckland, was appointed Liquidator of the above company pursuant to a resolution of the shareholder dated 20th December 2002. The resolution was timed at 4.15 pm.

The Liquidator takes no responsibility for any misinformation contained in this report that has been supplied by the company, its officers or other persons.

COMPANY INFORMATION

Company Number :	1174189	
Date of Incorporation :	16 November 2001	
Trading Address :	25 / 90 A Onewa Road, Birkenhead	
Type of Business :	Property Developer	
Date trading ceased :	20 December 2002	
Share Capital :	100 shares	
Share parcels :	Daryosh GALEH	100 shares
Directors :	Daryosh GALEH	

A statement of the company's financial position (assets and liabilities) at the date of liquidation is included with this report.

OBSERVATIONS

The company acquired land in Onewa Road, Birkenhead and in Target Road, Milford.

A house was constructed on the Onewa Road property.

The project stalled because of funding difficulties. The mortgagee was charging penalty interest and the company could not meet those payments.

The house was "sold" to a friend and the mortgage cleared.

The loan on the section was refinanced through family connections.

COMPANIES WITH WHICH THE DIRECTORS HAVE AN ASSOCIATION

An internet search of the Companies Office web site shows that :

Daryosh Mahmaudi GALEH is a current director of the following companies :

- Legacy Group Limited (In Liquidation)
- Legacy NZIB Group Limited
- Santa Fe Corporation Limited
- L and D Investments Limited (In Liquidation)

FINANCIAL INFORMATION

The company has never completed annual accounts.

Assets and Liabilities identified by the Liquidator are :

	Estimated Realisable Value
<u>Assets</u>	
Equity in Onewa Road property	70,000
Section in Target Road	80,000
	<u>\$ 150,000</u>
<u>Liabilities</u>	
1 st Mortgage on Target Road property	70,000
23 x unsecured creditors	91,721
	<u>\$ 161,721</u>

PROPOSALS FOR CONDUCTING THE LIQUIDATION

DISPOSAL OF ASSETS

The equity in the Onewa Road property will be pursued in a diligent fashion.

The mortgagee will be given the option of selling the land, otherwise it will be offer for sale by auction.

OTHER ACTIONS OF THE LIQUIDATOR

I will conduct an investigation into the affairs of the company;

- a) To determine the date of insolvency
- b) To determine the conduct of the Directors
- c) To establish whether the directors owe any money to the company and to pursue recovery thereof.
- d) To determine if there are any voidable transactions and to pursue recovery thereof.

ESTIMATED COMPLETION DATE

The administration is expected to be completed by 30 November 2003, subject to any court actions.

PROSPECT OF DIVIDEND

If the equity can be recovered then it is possible that a dividend will be paid.

NOTICE REGARDING MEETINGS

Having regard to the assets and liabilities of the company, the likely result of the liquidation and other relevant matters, the Liquidator considers in accordance with section 245 of the Companies Act 1993 that no meeting of creditors should be held at this time.

Consequently, a meeting of creditors will not be held unless within 14 days after receiving this notice a creditor gives notice in writing to the Liquidator requiring a meeting to be called.

LIQUIDATION COMMITTEE

At any time during the liquidation, any creditor may in writing request the Liquidator to call a meeting of creditors to consider whether a Liquidation Committee should be appointed, and if so, to choose the members of the committee.

A Liquidation Committee has certain powers set out in s315 of the Companies Act 1993, including to assist the Liquidator as appropriate in the conduct of the liquidation.

Gerard Hulst

Gerard Hulst

Liquidator

Dated this 6th day of January 2003.

UNSECURED CREDITOR'S CLAIM

Section 304(1) Companies Act 1993

Project Solutions (NZ) Limited (In Liquidation)
P.O Box 6901 Wellesley Street, Auckland 1

Name and postal address of creditor in full:

Telephone Number:

Facsimile Number:

Amount Claimed:

\$

I, _____

(title if claim is not on behalf of an individual) _____
 claim that the company was at the date it was put into liquidation indebted to the above named creditor for the amount claimed. We hold no security for the amount claimed.

PARTICULARS OF CLAIM			
Invoice Date	Invoice Number	Brief Description of Goods or Services Provided	Invoice Amount
<i>Attach separate sheet if space is insufficient</i>			

You are not required to attach any supporting documents at this stage, but you may attach them now, if you think it would expedite the processing of the claim. The liquidator may require the production of all documents.

WARNING: It is an offence under the Companies Act to make or authorise the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or Omit, or authorise the omission from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular.

Signed:

Date:

RESERVED FOR LIQUIDATOR'S DECISION

CLAIM ADMITTED FOR PAYMENT	OR	CLAIM REJECTED FOR PAYMENT
Preferential Claim	Ordinary Claim	Deferred Claim
\$	\$	\$
Signed Liquidator:	Dated:	