THE

SWINDLERS LIST (CONSPIRACY)

(An investigation into the largest criminal conspiracy in New Zealands history)

The list of natural and legal persons so far named in the "**SWINDLERS LIST**"

Malcolm **MAYER**, Sho CHU (teresa AKA "the bodyguard'). Jiang **JINGYI** (AKA "JJ")**,** Simon Lawrence Wood **TURNBULL**, Maria Alexandra **MAGALHAES**, Maria **De MAGALHAES**, Monica **MAGALHAES** Lana **MAGALHAES FARINHA** Damae **FARINHA** Andrea **FARINHA** Glemelda **DOMINGO** Mary Lou **DOMINGO** Rosalia **MAYER** (**MAYERS** wife; Faith **DOMINGO**) Grace Maria **ZIPFEL** Stephen Francis **GOULD** Kevin **REED** Gorgonia **TAGNIPAZ** Phillip Geoffrey **BOWKER** Miranda Louise **SHTEIN** Alexis **HART** David James **GRIFFIN**, Gerrard **YAN**, Noel **ROGERS** Julija **WILSON,** Warren Arthur **WILSON**, Michael **PARRY-COOKE**, Lucila **QUESADA**, Nieves **BUENCAMINO** George **SUN**, Alma **TANEDO**, Guy **SETON**, Roger **PHEASANT**, Richard **PARKINSON**, Howard **MORLEY**, Malcolm **SMITH** Graham **STEVENS,** Parnell Law, Morley & Associates, Robert McKeown & Associates, The Property centre, Bruce Scott Stevens, Smith Mackie and Co, Craig Griffin & Lord, LJ Hooker Ponsonby (and North shore), Der Rohe Holdings Limited (Trustee of Der Rohe Property Trust), Victoria Property Holdings Limited, Victoria Trust, Ortem Developments Limited, MDM Holdings Limited, Beauregard Properties Limited, Karaka Street Trust, Champion Apartments Limited, Artizanz Limited, Sage Holdings Limited, Sage Corp Limited, North Star Holdings Limited, Mountain Watch Property Limited, Malkev Limited, DMT Trust, De Lourdes Trust, APB 2006 Limited, The Pyramids Limited, Floating Recreation Limited, Santorini Limited, Elite Horse Transport Limited, North Star (AK) Limited, Fairbond Holdings Limited, Ice Investments Limited, Steve G Limited

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A. INTRODUCTION

1. This reports initial purpose is to inform Trustees Executors Limited (hereinafter referred to as "TEL") of fraudulent commercial activity committed against TEL by;

   1.1 Malcolm Duncan (Ingermann; (middle name sometimes used in documentation)) **MAYER** (hereinafter referred to as "**MAYER**") and;

   1.2 Sho **CHU** (AKA "Teresa", hereinafter referred to as "**CHU**" and referred to by MAYER as "the bodyguard") and;

   1.3 Many others (hereinafter referred to as "co-conspirators");

2. A further purpose of the report, if TEL was to warrant such action as appropriate, would be that its contents would form the backbone of a formal complaint to the New Zealand Police Service (hereinafter referred to as the "NZPS") against **MAYER** and **CHU** and the co-conspirators of the likely breaches (to be likely charged representatively, in joinder, or in the alternative) of the following sections of the Crimes Act 1961;

   2.1 Parties to offences (s66)

   2.2 Accessory after the fact (s71)

   2.3 Attempts (s72)

   2.4 Conspiracy to defeat Justice (s116)

2.5 Dishonestly taking or using a document (s228 re: s15 of the Crimes Amendment Act 2003 which inserted s217 Interpretation into the Crimes Act 1961)

2.6 Participation in a criminal group (s98A)

2.7 Obtaining by deception or causing loss by deception (s240(1)(a)

2.8 Money Laundering (s243)

2.9 Forgery (s256)

2.10 Using forged documents (s257)

2.11 Using altered or reproduced document with intent to deceive (s259(1)(a)

2.12 False Accounting (s260)

2.13 Paper or implement of forgery (s264)

2.14 Threatening to destroy property (s307)

2.15 Threatening to harm people or property (s307A)

2.16 Conspiring to commit offence (s310)

2.17 Attempt to commit or procure commission of offence (s311)

2.18 Accessory after the fact to a crime (s312)

3. There are other offences that have likely occurred prior to the 2003 amendments to the Crimes Act 1961 relating to crimes against property and these would have to be dealt with under the provisions of the Crimes Act that existed at that time. The most likely sections breached by **MAYER** prior to 2003 amendments would be s229A (**Taking or dealing with certain documents with intent to defraud**), s222 (**theft by person required to account**) and s272 (**Drawing document without lawful authority**). The Crimes Act 1961 has no time limitation restriction in which information's must be sworn, as imposed on summary offending. Some of the sections above may prove quite difficult to prove a breach given the technical proof requirements, but others, it would appear from the facts capable of being established to the criminal standard, are "clear cut winners". The other relevant procedural sections of the Crimes Act to be considered are sections 330 (**Crimes may be charged in the alternative**), 337 (**Attempt proven when crime is charged**), 338 (**Crime proved when attempt is charged**) and s344AA (**Money laundering**). It is assumed by the writer that the NZPS would contact the Serious Fraud Office (hereinafter referred to as the "SFO"). If that were decided as the appropriate course the writer would maintain the position of informant, and TEL would be the complainant. The final, and probably most important, purpose of this report is to enable TEL to take the most assertive remedial action conceivable against those responsible for its predicament backed by sufficient evidence to make the steps, recommended by the writer, if taken by TEL, unequivocally justifiable in the eyes of every New Zealander.

4. In the simplest terms the actions of **MAYER** and **CHU** amount to a (massive in numbers of people and dollars involved) criminal conspiracy pursuant to section 310 of the Crimes Act 1961 in that they, with the participation of numerous others, colluded to deceive and defraud TEL by having TEL advance mortgage funds to a value far exceeding the known value of the secured property (based on the fraudulent documents made and uttered by the conspirators) and then used some of those funds to perpetrate further crimes against TEL. The report is to establish the external elements or the "*objective*" of perpetration of the crimes (or the actus reus), and in doing so establish the other crucial element being that of a "*guilty mind*" (or the mens rea), when those acts were carried out. The standard common law test as to criminal liability is usually expressed in the Latin phrase *"actus non facit reum nisi mens sit rea"* which means "*the act does not make a person guilty unless the mind is also guilty"*. Although in loose terms the criminal law was **not** intended to apply against persons acting without mens rea or mental fault, this is a general rule which is somewhat limited by section 25 (Ignorance no excuse) of the Crimes Act 1961. The Crimes Act 1961 is essentially (or mostly) not one of strict liability. The use of the excuse of insufficient proof of mens rea has far more chance of success when considered by a jury rather than a judge especially when the elements of omission, willful blindness, and negligence are being argued in closing statements by counsel over the actions of intelligent well trained and highly experienced business and professional people. In Australia, and following Australia's example, in other countries, there has been a move to demystify criminal law by adopting simple English terms such as "*physical elements*" and "*fault elements*" to replace actus reus and mens rea respectively. However it is important for the decision makers of TEL to be up to speed with the requirements to prove and win to the criminal standard whether it be contested in the criminal jurisdiction or the civil jurisdiction. As stated by

the writer, and was seen in the matter of OJ Simpsons success in the criminal defence of charges before a jury, and his loss in his civil defence of the same or very similar allegations, before a judge, a judge is far more likely to put appropriate weight on what certain people ought to have known, or done, when confronted with certain incontrovertible facts, or even in some cases when confronted with strong suspicions. In areas of contested civil liability, it is **not** usually necessary to prove a subjective mental element to establish liability, say for breach of contract or a tort, although if intentionally committed, this may increase the measure of damages payable to compensate the plaintiff as well as the scope of liability. Importantly some insurances covering professionals such as lawyers, accountants, and valuers are voided, or otherwise do **not** cover criminal acts so this matter needs to be addressed before a course of action is decided upon. However if liability can be shot home to the professionals and business people involved then, irrelevant of any insurance cover or not, like any other judgment, the debtor can be bankrupted and from the proceeds of the sale of their assets, payment of the creditor effected. Obviously if a legal person is involved the Companies Act 1993 has provision to cut through the corporate veil and zero complete liability on a director pursuant to sections 4, 126, 131, 135, 136, 137, 138, 194, 300, 377, 378, 379, and 380. The writer will at a later time deal further with the law as it relates to the facts the writer say have been established as strongly likely true, rather than likely untrue. The writer must comment that given the time spent by the writer (with the considerable assistance of others) perusing the massive number of documents provided, and writing this report (estimated 300 hours by all staff) this report covers only a small amount of the material contained in the documentation provided and the writer has **not** had the ability to consider all of the possibilities and probabilities that would, or could have, come from substantially more time being spent. The writer regrets this

restraint but is concerned as to what **MAYER** may do to ring fence or hide assets if given the opportunity. In the Waikato NZPS inquiry "Operation All Sorts" the police and Crown Prosecution Warrant Holder obtained the assistance of the Registrar General of Lands to caveat all of the properties involved in the offending and all of the properties thought to be owned directly or indirectly by the conspirators. The writer believes that this would be the appropriate action in these circumstances; See paragraph **349** of the annexed document marked "**40**" **Queen v Harris** CRI 2006 – 419 -134 (unreported Heath J) 15 December 2006. No doubt there may be some wrong conclusions reached by the writer, but the writer believes the crux of the report and its conclusions will be incontestably safe.

B. RECITAL OF FACTS FROM DOCUMENTS OBTAINED FROM PEACE TOWER

5. **MAYER** and **CHU** and others effected their criminal purpose by various means inclusive of the following;

5.1 The sale of a property already owned either directly or indirectly by **MAYER** to other parties also controlled by **MAYER** at massively inflated (fraudulent) prices in order that **MAYER** could mortgage the property to a value far exceeding the real value of the property giving **MAYER** a significant surplus in cash above the real value of the property, thus defrauding the mortgagee of the amount between that actually advanced, and that that should have been advanced in normal circumstances where no fraud was involved.

5.2 **MAYER** or a related legal or natural person would enter into a conditional contract on a property at close to market price, (and

sometimes higher in order to secure certain terms (especially when the property had a misleading inflated CV)), and then inflate the market price by up to 200% of its real value to sell it to another related party in order to effect the advance of mortgage amounts that would not have been advanced if the mortgagee had **not** been deceived as to the value of the property.

5.3 **MAYER** or a related legal or natural person would then secure valuations from disreputable registered valuers in line with the fraudulent contracted prices thus confirming in the mortgagees mind the likely bona fides of the fraudulent contracted price. It is accepted that sometimes **MAYER** and others may have used previous fraudulent value contracts or false indications as to rental income to "*enable*" registered valuers to increase amounts, however it is **not** accepted that the valuers acting diligently would have come to the values set out in their valuations. A strong indicator to the valuations being fraudulent is the lack of any real tangible evidence in support of the value ascribed, or the valuer adopted an investment approach with **no** reference to evidence of income being historically achieved or even being market. In some instances the properties build quality, need of maintenance, and lawful use were wholly misrepresented by the valuer in collusion with **MAYER**, **CHU** and the co-conspirators. At this instance the Registered Valuer joins the conspiracy, if but for a moment. However his or her involvement in the conspiracy continues until the fraudulent valuation is renounced. It is the expectation of the valuer that the valuation will be used for valuation and security purposes by a lender which sees them fully culpable. See paragraph **5.16.9** to **5.16.11** of this report as to the law on the involvement of professionals in a conspiracy. Annexed as the

document marked "**1**" are true copies of letters **MAYER** wrote to property valuation firms DTZ, Telfer Young, Barrat-Boyes Jeffries, and Sheldons and which were faxed on 5 November 2003 between 1.59pm and 3.47pm seeking undertakings from specific valuers as to the value to be put on 6 Glenside Crescent Auckland (and the likely cost of a valuation) prior to **MAYER** agreeing to contract the valuer. The following statement by **MAYER** is vitally incriminating;

"Could you please drop us a line or email to cityprop@xtra.co.nz

1) Your indication (for mortgage purposes) that you are comfortable with at least the level of our purchase price

2) When a valuation would be completed (required by 20 November 2003 to give us time to complete finance and settlement), and;

3) Your quote for the valuation"

5.4 It is clear from this correspondence that **MAYER** is stating that only upon a registered valuer agreeing to value the building at **MAYERS** presumed fraudulent contract price will **MAYER** consider engaging the valuer. The other content of the facsimile is more fraudulent assertions by **MAYER** as to rentals received and once proven to be fraudulent, a significant step closer to establishing beyond doubt the modus operandi and extent of the enterprise of the conspiracy. For obvious reasons, a genuine developer wants a comprehensive valuation establishing the bona fides of his decision to pay the amount conditionally contracted, and not to seek, as **MAYER** has, a valuation that clearly discloses a fraudulently high valuation. **MAYER** desired a fraudulently high valuation for the

purposes of deceiving a lender into advancing mortgage funds well in excess of what the mortgagee would advance if made aware of the true much lower value. Thus **MAYER** would seek to pay say $1m real for the property and then mortgage the full amount or as we know as he became bolder more than the purchase price. As it was **MAYER** converted 6 Glenside Crescent immediately into an illegal doss house and the council is to close it soon. The current value of the building is around $1.3m to $1.45m with TEL exposed to $1.275m. The building could never have been worth $2.5m if one was truly aware of the buildings problems, and that is what **MAYER** looked for.

5.5 The extent of the conspiracy and the value of its enterprise becomes evident from the annexed true copies of the documents marked "**2**" paginated from 1 to 21. These documents are very helpful in establishing that **MAYER** was the **KINGPIN** or **OVERLORD** of what **MAYER** called "the "*Mexican Mafia*". **MAYER**, as one would expect had to "*plan*" the frauds, which although **not** complicated, were many in number and involved the requirement to have settlements funds ready at the appropriate time. At page **1** of document "**2**" is a spread sheet containing;

5.5.1 the address of each property,

5.5.2 the settlement date,

5.5.3 the valuation received (no doubt pursuant to **MAYERS** instruction contained in the annexed document marked "**1"**),

5.5.4 the contract price (presumed to be fraudulent between the co-conspirators to be disclosed to TEL as the "*arms length*" market price between two unrelated parties),

5.5.5 The agreed price (presumed to be the actual price agreed between the co-conspirators, and which could have also been at times the actual price paid to obtain the property from an independent party **not** involved in the conspiracy, in order to complete the conspiracy).

5.5.6 The vendors details

5.5.7 The purchasers details

5.6 It should be noted that this comprehensive overview (document "**2**") establishes that **MAYER** knew "*the numbers*" involved in great detail between the related parties and was fully cognizant of the level (in millions) of the deception of TEL by false pretences. The writer assumes this was a business document, and that virtually all of the persons listed knew each other, and as co-conspirators knew "*what each other had bought*" from **MAYER**.

5.7 A property that stands out on page **1** of document "**2**" is 11 Nikau Street which has a contract price of $2m, and agreed contract price of $3.54m (presumably valued by a fraudulent valuer, and that valuation used by **MAYER**) and a mortgage obtained from presumably TEL of $2.65m meaning that the co-conspirators obtained $650k clear as a result of the fraud. No doubt **MAYER** took the lions or Kingpins share. 11 Nikau Street could never conceivably have been valued at more than $1.35m. (It will be

important to obtain the banking and settlement account information, which the writer understands the SFO have). Its current value is in the vicinity of $1.1 to $1.25m or close to a third of what a valuer placed on it. Its use as a warehouse would see it valued at a similar value to its current use as a boarding house.

5.8 The writer is aware that **MAYER** had held some of the properties for some time and thus these properties owed **MAYER** considerably less. **MAYER** then sold them on to the likes of Simon **TURNBULLS** father making millions for **MAYER** and no doubt **MAYER** paid **TURNBULL** a "*cut*". **MAYER** then managed the properties insuring where possible that the mortgages were paid, even contributing to the mortgages in order that he could continue defrauding TEL on other "*manufactured*" deals. In other words **MAYER** ran his evil enterprise as a business investing '*earnings*' back into making the "business of fraud" in order to increase '*income*'.

5.9 An example of this is found on page **1** of document "**2**" wherein **MAYER** records the sale of 74 to 76 Upper Queen Street from **MAYERS** North Star Holdings Limited to Simon **TURNBULLS** pensioner father for the fraudulent sum of $5.5m when the actual agreed price was $4.5m. From the writers understanding **MAYER** purchased the building in or around June 2005 likely for the sum of less than $3m. **MAYER** knew that he could **not** sell the building on the open market for more than the price paid by him so then sold it for $5.5m on paper lying about deposits being paid and then made about $1m from the transaction. It has since sold at auction for $2m. **MAYER** ran 74-76 Upper Queen Street as an illegal 'doss house'.

5.10 It was obviously Simon **TURNBULL** (no doubt at **MAYERS** insistence) who talked his father into fronting the deal to TEL because TEL could, subject to the provisions of its Trust Deed, only lend a maximum of $4m to every borrower. The writer must say that it is his belief that **MAYER** appealed to the greed of the co-conspirators and greed is an elemental motive to commit crimes. The writer believes that all involved knew what they did amounted to dishonesty of some sort and that everyone involved should be charged and convicted unless they are totally forthcoming as to trying to mitigate by returning all that taken as a result of the conspiracy. It would also appear that several properties were likely involved in numerous frauds over the years with **MAYER** masterminding every single deal between the related parties. As stated part of this process **MAYER** needed to raise funds from further frauds to keep the mortgages paid on the earlier frauds until he could move the property on again. The fact that there were "*secret agreements*" <u>**not**</u> disclosed to the mortgagee does **not** assist **MAYER** at all. Of course the co-conspirators were less than competent, and equally naïve, and that is why they were chosen by **MAYER**. However, being a victim of **MAYER** does <u>**not**</u> excuse the co-conspirators knowledge of the other acts committed by them in the conspiracy with **MAYER** to defraud the likes of TEL. The writer has met Mr **TURNBULL** senior and cannot believe that he was capable of valuing (in his own mind) such a building, or indeed effectively running such an enterprise. By the nature of the fact that the properties were being contracted (between the co-conspirators) at significantly higher prices and then sold (by a secret agreement) at substantially less than their alleged registered values (which **MAYER** had insured were the same as his fraudulent

contracted prices by inveigling the valuers as co-conspirators; see paragraph **5.3** and document "**1**" of this report), proves the existence and workings of the conspiracy beyond reasonable doubt. Annexed as the document marked "**3**" is correspondence from North Star Holdings Limiteds then lawyer Guy **SETON** dated 20 June 2005 concerning the purchase of Upper Queen Street. It was this unusual nature of a simple repetitive conspiracy that TEL could **not** protect itself against if it accepted the bona fides of the likely integrity of up to probably 20 professionals being numerous lawyers, valuers, and real estate agents. Of course there are ways to protect yourself from such frauds but this requires a great level of experience to know what to look for and moreover, a healthy level of cynicism. In the civil arena this behaviour by the various professionals and **MAYER** may amount to, depending on the exact circumstances, a breach of a constructive trust in that the property taken by fraud (TEL funds) were not applied to the property stipulated, but used on other property. In the High Court in **Queen v Harris, Leeson, Fong and Buckland** CRI 2006 – 419 – 134 unreported 15 December 2006 Heath J had this to say about the particular criminal enterprise he was considering that involved a similar type of offending at paragraph [12] , [32], which raises identical issues in the case at hand; (emphasis that of the writer)

"The fraudulent schemes could not have been completed successfully without assistance from compliant professionals….

……….An allied issue is the extent, if any, to which a person will be branded as dishonest if he or she were to fail to make inquiries when put on notice that something might be wrong. In the context of the present charges, this issue is more narrowly framed in terms of the extent to which a failure to make inquiries is relevant to knowledge that someone is acting in breach of his or her legal obligations. ***The Courts have regarded a failure to inquire as***

***a legitimate aid to determination of the question of knowledge** rather than a discrete method of proving **knowledge**. In R v Crooks, Mahon J, delivering the judgment of the Court of Appeal , said;*

A person is said to "know" something when he has ascertained, by physical or mental perception, a state of facts or circumstances which creates in his mind a certainty that the point of his inquiry is free from doubt……………. But where the circumstances are so compelling in their attribution of dishonest origin to the property acquired as to create an inference that the accused was aware that the property was stolen, we think it permissible for a trial judge to direct the jury that a failure by the defendant to make some inquiry may be taken into account in considering whether knowledge or belief has been established beyond reasonable doubt by the prosecution"

R v Crooks [1981] 2 NZLR 53 (CA) at 56 and 58.

5.11 Any investigation of 74-76 Upper Queen Street would need Mr **SETON** looked at closely, as indeed would all of the other lawyers involved in some of these ludicrous transactions that beggar belief. It would appear very obvious from the contents of document "**2"** that the certain valuers had fallen in line with **MAYERS** requests to value the buildings at "*nearabouts*" the ludicrous prices **MAYER** and his co-conspirators contracted them for in Sale and Purchase Agreements that normally bore the name of an agent that actually knew nothing about the transaction. In one case at hand 31 Shaddock Street was valued by Richard **PARKISON** as 21 July 2003 at $700k, whilst a valuation **PARKINSON** completed a year earlier had valued the same property at approximately $370K. Having said this, the writer believes that several real estate agents knew about the fraudulent transactions and one real estate agent that comes to mind is Julija **WILSON** of LJ Hookers Ponsonby. The writer believes that Ms **WILSON** has been of formidable assistance to **MAYER** being able to perpetrate numerous frauds on numerous funders. Ms **WILSON** is known to the writer having

previously introduced a bankrupt and a banned director as a "*trustworthy property developer*" to the writer. After suitable research of the individuals past, the writer confronted **WILSON** with the law relating to banned directors and bankrupts acting as directors (pursuant to s126 of the Companies Act 1993), and she and her firms principal ignored the significant breach by **WILSON** stating that 60% of their clientele would have been affected. The writer has in safe storage historical covert film of **WILSON** and the individual involved acting in clear breach of various statutes. From memory the individual involved was banned from being a director for 5 years and various judgments of the District and High Courts had concluded that he was unscrupulous. Mrs **WILSON** was previously married to Warren Arthur **WILSON**, a drunkard and ex bankrupt, who Mrs **WILSON** uses to intimidate those that would seek to bring her to justice. The writer has been a victim of Mr **WILSON's** behaviour, with threats to harm and make false complaints etc, and the writer's research has indicated that Mr **WILSON** is known to be frequently armed, and thus dangerous. Mr **WILSON** should not be approached unless armed. Mr **WILSON** is a personal friend of Mr **MAYERS**, and may likely participate in assisting Mr **MAYER** in the future. Mr **WILSON** is, according to his own threats against others, closely aligned to criminal gangs.

5.12 Annexed as the document marked "**4**" and "**5**" are two sales and purchase contracts of considerable importance to proving the temerity of **MAYER** in that document "**4**" records more or less the same information as document "**5**" excepting that the price and the real estate agent involved are different and the name of the purchaser is changed from Jingi **JANG** and or nominees to Jiang

JINGYI. However it is known to the writer and others that they are the same person. In document "**4**" the price paid by co-conspirator Jiang **JINGYI** is $3m, whereas in document "**5**" the price is fraudulently boosted by **MAYER** to $5.3m. Of crucial importance the dates of the contracts are both 3 May 2007, and the real estate agent named in document "**5**" is Focus Real Estate. Focus Real Estate, or moreover Noel **ROGERS** has confirmed that he has never met **MAYER** or dealt in property with **MAYER** but that he knew of **MAYER** and his companies such as Artizanz. However **ROGERS** statements may **not** be in fact quite true in relation to having dealt directly with **MAYER** on 226 Greenlane West and 28 Robert Street. The writer annexes as documents marked "**5A**" email correspondence between the writer and Focus Real Estates sole real estate agent Noel **ROGERS** wherein **ROGERS** denies ever being involved with the contract which is annexed as the document marked "**5**" pertaining to the sale and purchase agreement for 28 Roberts Street that was presented to TEL, and which TEL relied upon to advance $4m on a fraudulent contract price of $7.3m. **ROGERS** is very clear in document "**5A"** that he never received the $500k deposit, never had an agency on that property, and never negotiated the sale or wrote the contract. Equally Crocker Realty Limiteds agent, John **VAN VELTHOOVEN**, who handled the negotiation of the original sale between 226 Greenlane Rental Limited and **MAYER** has stated that he never ever met **JINGYI**, but that **MAYER** took the contracts away and had them signed.

5.13 Further, and most incriminating for **MAYER**, document "**5**" records the purchaser as the same as that in document "**4**" being 226 Greenlane Rental Limited. The writer believes that this deception

or ruse was commonplace in **MAYERS** modus operandi and explains how **MAYER** was able to escape detection of a middle contract because anyone looking at records available publicly would only see the two same names present that did the original deal indicating prima facie that there was merely an error as to the public records entry as to price paid (which is commonplace), and that there did **not** exist a secondary contract.

5.14 But this factual matrix creates significant problems for the lawyers involved doing the settling for effectively **MAYER**. **MAYERS** lawyer would likely know about the two contracts because he would likely receive sufficient correspondence from the lawyer acting for (the genuine) 226 Greenlane Rentals Limited to establish;

5.14.1 The price paid by **MAYER** and co-conspirator **JINGYI** to 226 Greenlane Rentals Limited for 226 Greenlane West was only $3m.

5.14.2 That **MAYER** and co-conspirator **JINGYI** only paid $200k deposit leaving $2.8m to fund via mortgage when the normal lending criteria is a maximum of 66% as a first mortgage. The lawyer would have known that a mortgagee looking at the settlement requirement of $2.8m as against the fraudulent value of $5.3m, and a fraudulent valuation of $5.3m would believe that they were advancing the monies requested on security that twice covered the loan amount, when the truth was that the advance of $2.8m was $94% of the value or

coverage of 1.06. The documentation for the loan advance would make this clear.

5.14.3 That **MAYER** and co-conspirator **JINGYI** had duplicated and uttered a fraudulent sale and purchase contract recording for the purposes of deception as a act in furtherance of a conspiracy to defraud TEL;

5.14.3.1 The same date and parties when the vendor 226 Greenlane Rentals Limited did **not** know about or otherwise condone the second contract.

5.14.3.2 A fraudulent price of $5.3m when **MAYER** and co-conspirator **JINGYI** knew that the difference was fictitious and thus would **not** be payable or be paid.

5.14.3.3 Conveyed the fraudulent value of $5.3m to the valuer, **not** that this acts to protect the valuer from accepting that value as being suitable for recommendation to TEL.

5.14.3.4 Fraudulently recorded the name of a real estate agent having negotiated the fraudulent contract price of $5.3m and the lawyer would have known this was fraudulent because the lawyer would never have received or paid an invoice for commission. As it turns out **MAYER** was to

use Focus Real Estate numerous times and as the writer has stated the jury is out as to whether Focus was involved or not. From **ROGERS** denial (if he was involved) it would indicate “**mental fault**”. In relation to the issue of “mental fault” of professionals annexed as the documents marked “**5B**” is correspondence from lawyer Gerrand **YAN** of the legal firm Parnell Law concerning 82 Symonds Street relating to the sale of 5 floors by **MAYER** to his sisters in law. **MAYER** had purchased the 7 level property for a set price at a tender, then on sold 5 floors at inflated values to his co-conspirators in order that he could recover his initial out lay for the entire building leaving **MAYER** with the two top and most valuable floors free of any encumbrance that he could encumber at a later date in order to raise funds to continue the conspiracy against TEL and others. Of importance on page **1** of document “**5B**” lawyer **YAN** refers **MAYER** to two matters. The first matter is that he has a power of attorney for Ortem Developments which is a legal person that has been used in a significant number of frauds. Ortem Developments is supposedly selling one of **MAYERS** sisters in law several floors of 82 Symonds Street. The

second very inculpatory matter is that **YAN** enquires of **MAYER** at paragraph **3** of page **1** of document "**5B**" what *"split do you want on S+P Agents, (or have you already done so"* referring to **MAYER** paying both the vendors and purchasers agents. This is telling against **YAN'S** knowledge as **YAN** would have known that the real estate agents commission is decided in an agency signed normally weeks before a sale comes along, and why would **MAYERS** sisters be paying real estate agents commissions in a sale effectively between themselves!. The alarm bells should have been going off big time.

5.14.3.5 Returning to the 226 Greenlane West Rd sale and purchase agreement, it recorded special conditions which were never actually completed and only placed in the contract to ensnare TEL into believing the veracity of the fraudulent value of $5.3m. This ruse as to special conditions was used on all fraudulent contracts seen by the writer.

5.15 Some of the deals confirmed at page **4** of document "**2**" indicate some massive frauds being committed between related parties. But as clear evidence that the second mortgages were often nonsense it records Beauregard Properties Limited selling 22 Kipling

Street to Victoria Property Holdings Limited for $3.5m with supposedly Beauregard leaving in $1.55m as a second mortgage to complete the purchase. The same happens with 44 St Benedicts Street when Ortem Developments Limited sells this 16 unit apartment block for $4,050m to co-conspirator **FARINHA** with Ortem leaving in $350K. None of these "*second mortgages*" were known to TEL or registered and were fraudulent in that **MAYER** felt that he could allege at a later time, if the ruse was discovered, that he left in money and did **not** just "*make it up*". The truth of the matter is that anyone who actually believes that he is leaving in money would register a mortgage, but **MAYER** knew that such an act would mean that finance could **<u>not</u>** be obtained to complete the conspiracy to defraud. **MAYER** was to caveat 226 Greenlane West (when he knew that it had sold by TEL as mortgagee for the same price ($3m) as **MAYER** had originally paid for it in 2007) alleging an unregistered second mortgage. This move by **MAYER** proved that he was actually the beneficial owner. The High Court removed the **MAYER** caveat upon application by TEL. Annexed as the document marked "**6**" is a true copy of the caveat lodged by **MAYER**. This is the very first time this alleged agreement as to a second mortgage was raised, and the writer has spoken to **JINGYI** and she denies the existence of such an agreement.

5.16 As stated **MAYER** would include special conditions in the sale and purchase contracts between himself and directly related parties (co-conspirators) that were designed purely to deceive a mortgagee from comprehending that the sale was **not** arms length between independent parties, but in fact was a ruse to defraud them of very large amounts of money. Such redundant conditions between directly related parties involved in a ruse were;

5.16.1 Due diligence of say 14 days when surely **MAYER** knew what the incomes were, or did **not** care because the incomes stated to TEL were false and the real income would not cover the mortgage costs in any event. However the fraudulent insertion of this diligence clause was to create the illusion that the parties were **not** closely related and that normal stringent business practices were in place meaning that the income alleged by the vendor to the purchaser in the fraudulent contract (and in turn to the mortgagee), and which established the fraudulent value of the property, was a proven fact.

5.16.2 The falsely alleged existence of a prior (but contemporaneous) "*back up*" agreement (for a similar value) that the intended fraudulent contract effectively had to await to expire, before it would become unconditional. This clause would normally state that the vendor would **not** grant any extension to the prior conditional contract.

5.16.3 That the purchaser wanted access to the property to attend to such matters as valuations, engineers reports, council inspection, building reports and the like. Once again it is indicative of criminal intent that **MAYER**, **CHU** and the other co-conspirators would have known that this was a ruse to entice TEL to act against its best interests by the deception played out that the purchaser was to, before going unconditional, ensure that the building was suitable for its intended use and all

requirements of the purchaser. Often reinforcing the alleged propriety of the purchasers care the final sentence stated "*This clause is inserted for the sole benefit of the purchaser*". It is trite that as **CHU** and the co-conspirators were in fact just normally fronts for **MAYER** this special condition was redundant and inserted as a key ingredient of the deception of TEL.

5.16.4 A confidentiality clause between the purchaser and the vendor was again commonly used to effect the ruse that "*all was kosher*".

5.16.5 Finally there was often inserted a facsimile transmission clause and an early settlement clause. The facsimile clause was to imply that they were often in different cities or indeed in different countries, when in truth they were in the same room "*completing both the contracts*", or maybe **MAYER** completed and signed all contracts just using the names of others. The early settlement clause required three weeks notice if the purchaser wanted to settle earlier and required such notice to the vendors solicitor. Again a clear ruse given that **MAYER** arranged all of the finance, controlled the parties, and enjoyed the majority of the proceeds of the fraud and directly or indirectly instructed both lawyers involved.

5.16.6 As stated, although **not** a special condition as such, **MAYER'S** contractual ruse relating to the independence of the purchaser and the vendor would see **MAYER** at times fraudulently assert on the contract that the

contract was completed by a real estate agency. Taken at face value this established the following;

5.16.6.1 That the vendor had paid his real estate agent a significant commission to obtain market prices.

5.16.6.2 That the Agent had honestly represented the vendors property to the purchaser inclusive of its true historical income and use and thus "*market value suitable for security as first mortgagee on normal terms*".

5.16.6.3 That any mortgagee could thus rely on the contracts credentials as fairly reflecting the truth of the value stated as the arms length negotiated price for the sale and purchase.

5.16.7 **MAYER** would sometimes include as the purchasers part payment for a property **MAYER** already owned, or had contracted, a number of other properties that he already effectively owned (although **MAYER** would **<u>not</u>** appear on the title). On most occasions these trade properties never changed hands, **<u>not</u>** that the mortgagee ever inquired, or was told.

5.16.8 It cannot be gainsaid that this does raise a suspicion as to the two lawyers (representing **MAYER** and his co-conspirators) likely involvement in the conspiracy because the lawyer representing the vendor would want

the trade properties to change hands, and it is thought logical that the purchasers lawyer would have inquired of the purchaser and the vendors lawyer as to why this was **not** to occur. A lawyer acting appropriately may have restraint on telling TEL about this circumstance, but would refuse to act again. This is where the writer believes that the lawyers involved have hung themselves.

5.16.9 The involvement of a solicitor or accountant, or indeed other professional, in a conspiracy, has its own separate test requiring that it must be shown that the professionals assistance or agreement had gone beyond anything dictated by his or her professional or contractual obligations as found in **R v Tighe and Maher** (1926) 26 SR (NSW) 94, adopted in **R v Gunthorpe** 9/6/93 CA 46/93.

5.16.10 Although the writer will deal with the law involved later in this report the writer feels it necessary to address the issue of the involvement of professionals in a conspiracy. If a lawyer was aware prior to the offending being completed, and continued to act in a similar fashion serving the criminal clients intent as to the completion of the conspiracy, the lawyer has committed as a co-conspirator to the furtherance of the conspiracy. Willful blindness is **not** an excuse as found by Penlington J in **Severison v DSW** 31/5/94 HC Hamilton AP1/94 where his honour found that willful blindness is a form of knowledge which requires that a person suspects the fact at issue, and deliberately fails to pursue an inquiry that is

required, for fear of finding the truth he suspects is available or in order that he can maintain a denial of actual knowledge.

5.16.11 Even to obtain the assistance of others, such as a dubious valuer, is to aid the conspiracy; see **R v Siracusa** (1990) 90 Cr App R 340; **R v Henderson and Panagaris** (1984) 37 SASR 82.

5.16.12 As an indication that some lawyers were aware of the dishonesty being perpetrated the writer annexes as the document marked "**7**" notes seemingly made by **MAYER** regarding **MAYERS** issues with his then lawyer Graham **STEVENS** of law firm Bruce Scott **STEVENS**. Of note **MAYER** states at page **2** of document "**7**" that Solicitor Graham **STEVENS** found **MAYERS** "*legal affairs distasteful*". Of importance too is the list of names **MAYER** attributes to **MAYER** introducing to **STEVENS** found at page **4** which relate to a significant number of the properties mortgaged to TEL and which names are **not** known to TEL.

5.16.13 The writer also notes that **MAYER** at page **1** of document "**7**" states that lawyer **STEVENS** charged **MAYERS** involvement in numerous "*glorified options*" every week and that **MAYER** did **not** want **STEVENS** to peruse every conditional contract. Reading between the lines the writer assumes, as no doubt did **STEVENS**, that **MAYER** was taking advantage of **STEVENS** practice in pretending to use **STEVENS** as the *"lawyer in name*

alone" for **MAYERS** contracts between himself and co-conspirators. As an aside on page **3** of document "**7**" there can be found the mention of a yacht "*Que Sera"* being traded by Darryll Lawrence **HEAVEN** as part payment on 1 Galatos Street. **HEAVEN** it is assumed by the writer to be a co-conspirator. The writer assumes that the yacht "*Que Sera*" was never in fact traded by **HEAVEN** and if this is the case **HEAVEN** should either repay TEL immediately clearing the mortgage or hand over the "*Que Sera*" as it belongs pursuant to the contract to **MAYER**, and pursuant to TELS claims against **MAYER**, to TEL.

5.17 **MAYER**, with the assistance of others, would insert in the sale and purchase contracts the alleged existence of a single lease on the subject property to another related party, **not** that TEL would know the relationship, that disclosed an alleged (fraudulent) income from the property that would give a comfortable surplus above the amounts needed to cover the mortgage sought to be obtained by fraudulent means. Again TEL is supposedly allowed to rely on the valuer having done this to the appropriate standard irrelevant of waivers. A waiver does not release a valuer from having acted criminally or recklessly.

5.18 As stated **MAYER** would, using the amounts defrauded, "*support*" the mortgage payments when the incomes did **not** do so. **MAYER** would also operate the properties illegally as "*doss houses*" in order to make the "*losses*" born (as a result of the amount of the fraud) a lot less, but mostly **MAYER** had to support the mortgage payments of co-conspirators like Monica **MAGALHAES**. In keeping with this

modus operandi the writer notes page **11** and **12** of document "**2**" wherein the key statement is the following;

"So it is a good idea to check with me a few days before a mortgage payment is due whether we have the cash to cover your mortgage payment that is over the rents collected. We are also stressed with downtime on St Martins Lane, paying mortgage and body corp levies with no income."

5.19 The writer imagines that **MAYER** alleged a substantial income on Peace Tower when making the loan applications and so misled TEL in this regard. It would seem that **MAYER** was '*supporting*' co-conspirators mortgages in order that the scam remained alive. In this regard the writer refers to content of document "**14**" and paragraph **5.40** of this report. Annexed as document "**8**" is presumed to be a settlement statement on 1 Galatos Receipts dated 19.5.05 and refers to "*proceeds*" from the sale. Of note the name "**Will**" is contained lower on page 1 of document "**8**". Annexed as the document marked "**8A1**" is the spec sheet and details for the yacht "**WILL**". As will become clear the Yacht "**WILL**" will be used as a trade worth $800k on property deals, where the yacht never changed hands. Annexed as the document marked "**7A**" is a contract between Artizanz Ltd (a **MAYER** company) and Alexandra **MAGALHAES** (a co-conspirator with **MAYER**), on 327 K'Rd for the ludicrous purchase price of $2.5m wherein **MAYERS** yacht "**WILL**" is alleged to be owned by a very young woman. Interestingly at page **7** of document "**7A**" **MAYER** describes the trading of the old racing Yacht "**WILL**" in the following manner;

*"The balance of the purchase price is to be satisfied by the purchaser transferring to the vendor **the luxury ocean going cruising Yacht** "WILL" #US 42450 for the sum of $800,000.00 as part payment, as to the balance of purchase price the sum of $1,600,000.00 to be paid in cash in one lump sum on settlement date."*

5.20 It is very clear that this non transference of the Yacht "**WILL**" is proof positive that the value of K'Rd was a maximum of about $1m, with **MAYER** wanting to pick up a quick $700k to $800k by the deception that TEL could safely advance say 70% of its value at $2.5m being $1.75m using Alexandra **MAGALHAES** name in order to complete the deceit of TEL. The writer understands that document "**7A**" may be in fact an attempt, or an act in a conspiracy, which was never actually completed. That it was **not** completed still makes the actions of those involved a fully fledged conspiracy and inimical to the public good. The writer understands that, in the end, TEL was defrauded for a much larger amount than $1.75m on 327 K'Rd. On significant interest the finance date on this contract for $2.5m (document "**7A**") is 31 October 2006, whereas the annexed document marked "**7B**" is a finance application dated March 2006 (or only 6 months earlier) to TEL wherein on page 3 of that application 327 K'Rd is valued by **MAYER** at $1.1m and having only a mortgage of $394,249.00. It is **not** rocket science that a poorly maintained property worth $1.1m could somehow increase in value, but for **MAYERS** involvement, to $2.5m in six months. Especially when **MAYER** spends little money on maintenance and none on development. The property was sold by TEL for just over a million.

5.21 Of importance document "**7A**" has a facsimile heading that describes the sender as being Focus Real Estate with the facsimile number 09 537 9481. The writer has confirmed from Noel **ROGERS**, real estate agent, that this was the Focus Real Estates facsimile number as at October 2006. Annexed as the document marked "**7C"** is a copy of email correspondence between Mr **ROGERS** and the writer dated 21 January 2010 which confirms;

5.21.1 **ROGERS** had nothing to do with **MAYER**, or Artizanz, or Alexandra **MAGALHAES** regarding 327 K'Rd in or around October 2006.

5.21.2 **ROGERS** never knew about a yacht called "**WILL**" to be traded.

5.21.3 **ROGERS** confirms that his facsimile number was the same as that on exhibit "**7A**" (importantly without knowing of the existence of the document)

5.22 This admission as to the facsimile number being correct raises a number of proof issues, especially given **ROGERS** denial over his firms involvement in the 226 Greenlane West Rd deal dealt with in part at paragraphs **5.12**, and **5.14.3.4** and document "**5A**" of this report. Additionally one would have to consider the content of document "**8B**" and paragraph 5.31 and 48 of this report below. The possibilities that need to be investigated are;

5.22.1 **ROGERS** is lying and was involved (which is possible)

5.22.2 **MAYER** managed to cut out the heading from another document and stuck it to the sale and purchase agreement for 327 K'Rd as done with the agreement over 29 Seafield View Road (see paragraph 5.27 and document "**8B**" of this report. (most likely)

5.22.3 **MAYER** or a co-conspirator entered the Focus Real Estate office and used their facsimile machine with that firms permission (but without that firm comprehending the importance of what was occurring. (unlikely but possible)

5.23 Even if no commission was paid on the books of the Agency, or by the lawyer involved, **MAYER** could have paid commission directly in cash to **ROGERS**. No doubt **MAYER** will be able to cast light on what transpired if he is capable of a conscience in order that the truly innocent be spared wrongful prosecution.

5.24 A further key consideration will also be whether **MAYER** or the co-conspirators informed the IRD of their "*windfalls"* in profits. The writers reasoning is that if the monies were **<u>not</u>** being actually made then there was nothing to report "*on the books*" of the legal or natural persons. Equally page **2** of document "**8**" discloses that **MAYER**, from the settlement of 1 Galatos Street, is paying credits cards for numerous co-conspirators. The writer is certain that **MAYER** opened up these accounts and used them as part of the conspiracy in order that the co-conspirators would have credit records etc. This would be the only reason **MAYER** would pay the accounts of "*others*" as **MAYER** is a voracious malevolent swindler

who would share "*proceeds of crimes*" as likely as an adult hyena would share a feast of wilder beast intestinal tract with its own young. It would be only after **MAYER** was fully gorged that he would leave some of the putrefying carcass for another.

5.25 This is proven by the fact that when **MAYER** did pay a co-conspirator it would be a paltry amount, and on many occasion **MAYER** did **not** even honour that contract on the grounds that the co-conspirator would hardly go blabbing to the authorities especially if they were seeking residency or even citizenship. As stated **MAYER** was to pay Jiang **JINGYI** $2,000.00 for **JINGYI'S** role in the defrauding of TEL in relation to 226 Greenlane West Rd but reneged.

5.26 The writer accepts that **TURNBULL** and certain others "*received more than certain others*", but that was when the co-conspirators likely cottoned on and likely demanded more. It is the writers belief that **MAYER** relished the fact that **TURNBULL** went out and bought two Aston Martins at full price because **MAYER** would have believed, quite rightly so, that TEL would swallow that it was **TURNBULL** that "*squandered*" the defrauded proceeds and was the likely kingpin with **MAYER** caught "*only by association*".

5.27 The writer believes that a large amount of the proceeds of the conspiracy are still stashed in property under the indirect control of **MAYER** in the names of co-conspirators **not** known to anyone until the writer began his investigation.

5.28 This fact was confirmed by conversations with TEL and the Serious Fraud Office. This is the very reason for writing this report. TEL

has already been told by the writer to caveat all properties named by the writer as belonging to Mr Stephen Francis **GOULD** as at 30 September 2009 in a report. In the content of this report the writer believes that sufficient grounds are prima facie made out for TEL to assert legal and proper right to caveat all property in the name of any of the co-conspirators named in this report.

5.29 Annexed as the document marked "**8A**" is the writers previous report given to TEL as at 30 September 2009 relating to **GOULDS** properties. At the time of authoring that report the writer was informing **MAYER** that TEL had come up with that information itself and was in fact on to **GOULD**, when in fact TEL was relying on the writers efforts to ensure that the investors funds were returned by appropriate means. This is not to say that TEL was not doing their own investigations. **MAYER** became extremely agitated, with furtive movements, when the writer mentioned **GOULDS** name and TELS belief that they were going to get all of their money back from that and other "*front men*" of **MAYERS**.

5.30 In one instance **MAYER** broke out in shingles given the pressure he was being placed under by the writers efforts to get to the truth obtaining admissions from **MAYER** about **GOULD**. **GOULD** would turn out to be a key player **MAYER** would use in repeating frauds even after the writer had persuaded **MAYER** to publicly confess to being a "*$50m Swindler*" in an article published on the front page of the Sunday Star Times. To fully comprehend the temerity (and stupidity) of **MAYER** the writer refers to the annexed document marked "**8B**" which **MAYER** has authored and headed "*disclaimer".* The document reads thus; (emphasis that of the writers);

"Disclaimer

Ponsonby Real Estate North Shore ***is of name only (sic) on this transaction*** *(sic) and have no legal right to commission or have any part of this Transaction (sic)*

The vendor and the purchaser of this agreement shall take full responsibility of their actions and shall not in anyway have the right to sue or seek damages that may occur (sic) over and after this transaction.

5.31 Document "**8B**" is signed by **MAYER** as attorney for both the vendor and the purchaser and dates his signature as at 30 May 2005. The writer believes that the document (given its spelling mistakes) is written by Ponsonby Real Estate Agent Julija **WILSON** and was formulated to protect all parties involved in the conspiracy involving a contract for sale and purchase of real estate at grossly inflated value in order to deceive a prospective mortgagee. **MAYERS** temerity only grows as the cash comes rolling in. Annexed as the documents marked "**8C**" and "**8D**" are sale and purchase agreements for 29 Seafield View Road, Grafton. The documents seem identical, but for "**8D**" having been seemingly executed by the purchaser Beauregard Properties Limited with the director Glemelda **DOMINGO** initialing each page and then placing her full signature on the last page. However there is a significant fraud involved in that **MAYER** has carefully photocopied his sister in laws initials and signature and with even more alacrity to commit the fraud taken the time to surgically cut the photocopied signatures out and glued them to the contract (the writer had the originals but has turned them over to the SFO pursuant to order of the Director). This explains how **MAYER** would have copied the

signatures of the director of 226 Greenlane Rentals Limited (see paragraphs **5.14.3.1** above). This would also explain how **MAYER** would have likely duped "some" of his co-conspirators as to the original price he had paid for the property that **MAYER** was to have the co-conspirator buy as part of the scam. The co-conspirator was probably shown a completely fictitious contract showing a much higher purchase price thus believing that the property was worth enough to cover the mortgage and that **MAYER** had **not** made significant profits that he should split. Of course this does not amount to a defence for the duped co-conspirator. But again the writer wonders about the involvement of the lawyers remembering the comments **MAYER** was to make to his then lawyer Graham **STEVENS** found at paragraph **5.16.12** of this report.

5.32 Annexed marked document "**9**" is a further settlement statement from lawyer B **SMITH** which records monies being paid by **MAYER** on mortgages for co-conspirators **TURNBULL**, **G DOMINGO** and it appears **D HEAVENS** on 1 Galatos. The amounts mentioned are large and clearly indicate that **MAYER** was the beneficial owner of the properties and/or used defrauded amounts from other properties to "*fund"* the continuance of the fraud. It would appear that as at 2007 the conspiracy was beginning to unravel and that the amounts defrauded could **not** be funded by the continuation of the conspiracy because the financial markets were imploding. Additionally the writer believes that **MAYER** felt that if he kept his properties in credit with TEL **MAYER** would **not** fall under serious direct suspicion.

5.33 On occasions **MAYER** would entice a "*fall guy*" into becoming involved and would then defraud that person as well leaving them with the loan amount after extracting a value to be paid to **MAYER** that far exceeded the properties actual value. **MAYER** would try and legitimize these deals by putting in place a "*future sales contract"* to settle in three to five years knowing full well that the deal would fall over well prior to that date and in any event the contract was so poorly worded that it disclosed **MAYERS** intent. Sometimes **MAYER** would also allege the advance of the funds between the real value and the fraudulent value as a second mortgage in order to "*represent*" that a deposit had in fact been paid.

5.34 However none of this amounts to a defence because the alleged "*mortgage*" was never registered, nor was it disclosed to TEL. It will be shown very clearly that everyone involved knew what they were doing amounted to illegal activity otherwise it would have been disclosed and independent legal advice taken when such large amounts were being secured.

5.35 Annexed as the document marked "**10**" is further proof of the level of organization involved in the conspiracy and that significant meetings and correspondence took place between co-conspirators such as Faith **MAYER** and **MAYER**. Annexed as the document marked "**11**" is proof that **MAYER** '*lived on the hog'* traveling around the world on the fruits of the conspiracy and provides names of property managers and various professionals that should be talked to as they would be able to give accurate accounts of actual incomes as against '*stated*' incomes in loan applications. Additionally the property managers and various professionals may

be aware of relationships that **MAYER** had with others **not** yet known. These unknown others may be able to shed light on aspects of the conspiracy such as where monies from the frauds may be "*hidden*". Such as yet unknown names are;

5.35.1 Donna, (Project liaison)

5.35.2 Tony **SOWDEN**, (Property Manager)

5.35.3 Irene(Consent Applications)

5.35.4 John **CHAPMAN** (Financial Broker)

5.35.5 John **MANSFIELD** (Lawyer)

5.35.6 John **BOWEN** (National Bank)

5.35.7 Clive **HARRIS** (Tradesman)

5.36 Of considerable interest to the writer pages **1**, **2**, **4**, and **5** of document "**10"** prove that **MAYER** saw the total number of properties in his "*portfolio*" as being objects that he moved around from co-conspirator to co-conspirator by fraudulently increasing prices of properties, obtaining fraudulent valuations from conspiring valuers, and putting the contracts through conspiring lawyers in order to defraud most numerously TEL. Page **4** and **5** of document "**10**" clearly indicates Faith **MAYER** as being a key conspirator. Page "**5**" of document "**10**" (which is supposedly handwritten notes of either **MAYER** or his wife) clearly indicate **MAYER** was the

Kingpin over **TURNBULL**. The following statement proves this emphasis that of the writers);

*"...**Victoria Street (Albert Park Backpackers) need <u>for MDM to</u>***

a) Refinance

*b) **<u>Transfer from Turnbull</u>***

Faith to provide:
Property box
List of mortgages
Agreement for S + P/settlement docs........

Priorities

..........Exit from day to day business (<u>except not from financial control!</u>)"

5.37 The writer would be told by **MAYER** that the reason for his "*exit*" strategy from being "*involved*" at front of house was because he had become aware of the interest of the Serious Fraud Office in mid to late 2007 and had taken advice from Mr David **JONES** (then not Queens Counsel) as to whether his actions were criminal. **MAYER** confirmed to the writer that **JONES** had indicated from a cursory explanation to **MAYER** that **JONES** thought **MAYER** and others had acted dishonestly and likely fraudulently. **MAYER** was deeply concerned (to the writer) that the Serious Fraud Office would be able to speak to **JONES**. The writer indicated to **MAYER** that such conversations were most likely privileged. However the information about the date of the interview with **JONES** would likely **<u>not</u>** be privileged and the writer assumes it will tie in well

with the content immediately above indicating that **MAYER** in furtherance of the conspiracy, in order that his involvement and "*control*" of the conspiracy, would **not** be so easily detected took a "*backroom*" role. The co-conspirators that facilitated **MAYERS** "*control*" through their hands were initially Faith **MAYER**, and when the water got to hot with **TURNBULL**, Sho **CHU** ably and gladly took the reins with **MAYER** referring to **CHU** as his "*bodyguard"*. **MAYER** was already having sex with **CHU** regularly without the knowledge of **CHU'S** husband. The writer became aware of the relationship by both **CHU** and **MAYER** admitting **CHU'S** concubine status to the writer at a dinner party held in **MAYERS** penthouse now owned by Mr Ross **BURNS** Crown Prosecutor.

5.38 In relation to the involvement of "**others**" in the Philippines and the likely involvement of the lawyers in New Zealand the writer annexes as the document marked "**12**" a clear "*fraud by numbers*" pamphlet likely drafted by **MAYER** and sent to allegedly Mr George M. **SUN** with a date on one page of 22 February 2002 disclosing how long **MAYER** has been involved in this type of conspiracy. This document relates to the sale of 31 Shaddock Street by Mr **SUN**. Importantly this gives bank account details being National Bank Account No: 06 – 0241 – 0157228 – 00 in the name of A **TANEDO**. Ms Alma Grey **TANEDO** (presumably related to Mr G **TANEDO**) would feature in the annexed sale and purchase document marked "**13**" who appears to be selling **MAYERS** legal person MDM Holdings Limited level 3A/2 St Martins Lane, Peace Tower for the sum of $880,000.00 . Document "**12**" clearly informs the recipient to do the following in furtherance of the conspiracy;

5.38.1 To falsely allege to lawyer **SMITH** that co-conspirator **SUN** have entered into a sale and purchase agreement to sell 31 Shaddock Street to another and that the recipient has received from the purchaser by way of two payments the total deposit funds of $120,000.00.

5.38.2 To falsely allege to lawyer **SMITH** that the purchaser (no doubt also a **MAYER** co-conspirator) has undertaken to the recipient that they will produce a valuation that will indicate that the value of the property is **not** more than the purchase price. (The writer believes that **MAYER** knew that the values of property deals going through **SMITHS** hands were making **SMITH** doubtful as to the legitimacy of such deals. Thus this undertaking was to assuage **SMITH** concerns in this regard). This does not release **SMITH** from his responsibilities to remove himself from such behaviour, even if given such ludicrous undertakings. **SMITH** was apparently aware that **MAYER** was dishonest, and therefore should have refused to continue to act.

5.38.3 The clear indication as to **MAYERS** control is why would this documentation be in **MAYERS** control and his name mentioned on page **5** of document "**12**" with the following dubious instructions to;

5.38.3.1 Complete agreement for Sale and Purchase (surely this was already done

considering the content of page 1 of the same document informing **SMITH** that the property was "*SOLD*" and that $120,000.00 had in fact been received.

5.38.3.2 Print out purchase and offer agreement and send one to **STEVENS** (lawyer) and one to **MAYER**.

5.38.3.3 Print out the confirmation of deposit (page **2** and **3** of document "**12**"), and then falsely assert that say a witness signed it (by making up any signature), and to address that signature with "*just Cubao, Quezon City*". This was to fraudulently confirm that Mary Lou **DOMINGO** had paid the $120,000.00 deposit and that the false "*witness*" could **not** be found.

5.38.3.4 Let **MAYER** complete a deed of trust that meant that **SUN** would **not** carry the liability of the mortgage and thus would **not** be the beneficial owner.

5.39 A clear indicator to fraud is **not** only that the defrauded would not act in the way they did but for the fraud committed against them, but that the fraudster would **not** act in the manner he or she has but for the obvious benefits of the fraud as against the rewards of operating honestly. In **MAYERS** case it can be proven that the

properties he sold or purchased as part of the conspiracy were made up of properties that he controlled and thus could invent values to furnish in fraudulent contracts, but that moreover the net incomes from the properties could never have made the purchases or sales "*kosher*". As proof of this **MAYER** would invent leases supporting the rents that were never collected. Annexed as the document marked "**13A**" is a lease between Monica **MAGALHAES** and MDM Holdings Limited with **MAYER** as guarantor. The rent alleged of $11,400.00 net is astronomical for the very small premises. The properties can **not** be rented for that sum even today. But the manufacture of this false document was intended to be relied upon by a lender.

5.40 Annexed as the document marked "**14**" is various pages of reports numbered pages 1 to 5. Importantly it is dated 17 June 2005 and is addressed to "*Faith*" (presumably **MAYER**) and shows **MAYER** once again in control of all of the properties used to defraud TEL. The note at the bottom informs of his knowledge that the activity of collecting rental from these properties discloses the following losses that will require injections of cash from reserves; (emphasis that of the writers.

"Note: Per our typical monthly outgoings of $120,000 versus Aps deposited into accounts of say $30 -40K/mo ***we will dig into the cash at a rate of $80-90k/mo"***

5.41 This supports the earlier advice to Monica **MAGALHAES** contained at pages **11** and **12** of document "**2**". Pages **7** and **8** of document "**2**" also disclose **MAYER** or a co-conspirator figuring out the hundreds of thousands of dollars **MAYER** was swindling out of

the massively over valued properties at 12 Karaka Street and 44 St Benedicts Street Eden Terrace Auckland. It would appear that the circled amounts are the amounts defrauded (in thousands) being $360,000.00 from Karaka Street and $1.36m from St Benedicts. In truth 12 Karaka had been used a number of times. To obtain these gains **MAYER** had contracted 12 Karaka Street for $2.2m and 44 St Benedicts for $3.24m. As TEL sold 12 Karaka for $810K and 44 St Benedicts for $1.825m **MAYERS** fraudulent contracts were out of whack by a staggering $2,765,000.00 meaning that they were valued at over twice their real value. A $1.6m profit is worth getting out of bed for, even for **MAYER**.

5.42 As time went on the prices that **MAYER** and his co-conspirators were paying were so out of whack with reality that even the valuers that were conspiring with **MAYER** could only use properties involved in the conspiracy as reference material. Annexed as the document marked "**15**" is a ludicrous registered valuation by Valuer Roger **PHEASANT** of Robert McKeown & Associates of the property 43 Mt Eden Road, Grafton Auckland for $2.7m as at 11 September 2007. This property was only ever worth around the $900K to $1m mark but **MAYER** had purposefully chosen the property because of its ability to be valued much higher by crooked valuers that were prepared to allege that the income was around the $200k mark as one ten bedroom and one 12 bedroom flat earning $175 per room per week. To insure that he could own the property **MAYER** paid over the top at $1.2m. As stated **PHEASANT** used virtually all **MAYER** property sales to evidence the fraudulent value.

5.43 One cursory look at the property at 43 to 45 Mt Eden Road would indicate that it could never be described as being one ten bedroom and one 12 bedroom flat. Annexed as document marked "**16**" is a more recent Howard **MORLEY** valuation which values 43 to 45 Mount Eden Road for $2m. Again the valuation is a complete nonsense. Howard **MORLEY** also recently valued 226 Greenlane West for approximately $5.5m for **MAYER**, for the purposes of **MAYER** refinancing the property away from TEL. Of some substantial consequence to the reason this report was written the recent valuations have been given to Mr **GOULD** by Malcolm **MAYER**. Mr **GOULD** is **MAYERS** "newbie" in the conspiracy. As you can see by the front page of document "**15**" Mr **GOULD** has been sent the **PHEASANT** valuation on 43 to 45 Mt Eden Road.

5.44 **MAYER** used **CHU** and Champion Apartments to buy 43-45 Mt Eden Road and the writer believes that **MAYER** owns the property virtually freehold and that proceeds from the frauds perpetrated against TEL were used in its purchase and remain there to this day.

5.45 To indicate lawyers involvement, or being inveigled in **MAYERS** affairs Ms Alexis **HART** owns (through Ice Investments Limited) the ground floor unit GA of 2 St Martins Lane. Annexed as the document marked "**16**" is an RPNZ report which discloses sales at 4 May 2006 at $427,500.00 and two weeks later as at 19 May 2006 at $690,000.00 or for the purposes of the fraud an increase in value of $263,000.00 through the hands of **MAYER** and **HART**. These figures would have been arrived at by the needs of the funder **MAYER** and **HART** used to facilitate the purchase at the true value of $427,500.00. The funder would have assumed that it was enabled by the arms length transaction at $690,000.00 to

advance around 66% of 690,000.00 or $455,400.00 with **HART** and **MAYER** being able to fund any short falls in income with the remainder defrauded being $28,000.00. This at around 7% interest would nearly fund the property for a year, or if there was some income coming in enable the $28,000.00 to last a bit longer. Truth be told the money was probably used by **MAYER** to inject into trying to keep the criminal enterprises motor from running out of gas. Importantly for **MAYER** the CV of Unit GA was high at $825K and thus no suspicions would be raised. The level is still worth what **MAYER** and **HART** paid for it in 2006 being in the low to middle $400k mark.

5.46 **HART** and no doubt **MAYER** obtained the funding from ASB. No doubt the intention was to run the scam paying the mortgage and then sell the property to another **MAYER** related party for say $950k mortgaging say $650,000.00 taking out a cool $200k for a couple of months work. Given what has occurred **HART** could now be stuck with paying the mortgage. Annexed as the document marked "**17**" is a companies office record which names **HART** which was incorporated a few weeks after it actually settled the property indicating that the name was reserved, but that **HART** had operated as if the company actually existed which is **<u>not</u>** particularly proper (if the information is correct) given that lawyers give undertakings. It will be interesting to see where the money actually went. These matters disclose how the likes of the ASB must have relied on the integrity of the likes of borrowers lawyers. Nevertheless the ASB lawyers must have also been rather slack.

5.47 The web that **MAYER** spun seems to catch all number of professionals and sometimes it is difficult to comprehend how he

was so successful, other than of course greed for fees and other benefits. Annexed as the document marked "**18**" is a letter to **MAYER** dated 27 October 2006 from law firm Craig Griffin & Lord whose partners are David **GRIFFIN**, Christopher **LORD**. The letter addresses the sale of level 12 2 St Martins Lane to Beauregard Properties Limited (a company allegedly owned by Glemelda **DOMINGO**, **MAYERS** sister in law) from the Salic Family Trust.

5.48 On the face of the content of the letter no suspicions arise. However there is a mortgage of $200k mentioned and the intention of the Salic Family Trust to allegedly tender for another property. All of the above sounds like **MAYER** "*magic*" trying to make the deal sound kosher. However the letter to **MAYER** about Beauregard Properties Limited shows his position as a deemed director and the law firms apparent knowledge of this, given that **MAYER** was **<u>not</u>** a director of Beauregard Properties Limited.

5.49 Something about the name of law firm partner David **GRIFFIN** rang a bell with the writer and after cross checking through the files the writer located an earlier RPNZ report the writer had done during the writers research into Stephen Francis **GOULD'S** ownership of 6 St Albans Ave Mt Eden which disclosed that a previous owner (in common with another) of 6 St Albans Ave was Fairbond Holdings Limited of which apparently **GRIFFIN** was an equal shareholder with James Martin **HOLLAND**. Annexed as the document marked "**19**" is the companies office record for Fairbond Holdings Limited. The writer notes that **GRIFFIN**, according to the law firms website was a trustee of his "old grammer school". **MAYER** went to Mt Albert Grammer, and would have attended at a

similar time. **GRIFFIN** may have been in the same school bridge team. The writer also is aware that the nominee company of the law firm has advanced monies to **MAYER** to purchase property. The writer believes that the law firms nominee company may in fact take **MAYERS** money in (the proceeds of fraud) under another name and then lend it out to **MAYER** meaning that if anyone looked at the book they would believe that the property was fully secured, and **not** likely to yield any proceeds if sold. This way **MAYER** hides his ill gotten gains, but only if anyone doing searches does <u>**not**</u> dig any deeper.

5.50 Annexed as the document marked "**20**" is the RPNZ record for 6 St Albans Ave Mt Eden. This discloses that **GRIFFIN** (through Fairbond Holdings Limited) purchased 6 St Albans Ave Mt Eden as at 24 August 2007 allegedly for the sum of $1.605m and then somehow managed to sell it to Champion Apartments Limited (a **MAYER** and **CHU** entity) as at 2 November 2007 (two months later) for $2.8m, and then as at 15 February 2008 another **MAYER** co-conspirator **GOULD** buys it for $2.8m. The writer addresses these issues in more detail later in the report, but needless to say it would be interesting to see if Fairbond Holdings Limited reported the $1.2m profit made in just 2 months on a dilapidated villa. The writer believes that it will be proven that there was a significant amount defrauded from the lender involved and that the "profit" allegedly made by Fairbond Holdings Limited was fictitious as was the price of $2.8m paid by **GOULD**. If this were to be the case **GRIFFEN** would be clearly a significant co-conspirator capable of being attacked. The writer believes that like nearly every other transaction **MAYER** obtained probably between 140% to 200%

mortgage over the initial price contracted pursuant to the conspiracy.

5.51 Returning to the sale of level 12 2 St Martins Lane by the Salic Family Trust. It would just seem very peculiar that the Salic Family Trust would sell 12 St Martins Lane to allegedly Beauregard Properties Limited and then the **SALICS** purchase 29 Seafield View Road for $900,000.00 especially when you see the property. Annexed as the documents marked "**21**" and "**22**" are the RPNZ reports on level 12A (the **MAYER** Penthouse) and 29 Seafield View Rd, Grafton respectively. Of importance Beauregard never shows up as ever having owned 12A St Martins Lane. Instead **MAYERS** Sage Corp Limited turns up as owner as at 21 December 2006. The writer is confident that **MAYER** contemporaneously on sold the property from Beauregard Properties Limited to Sage Corp at probably $2.5m or something similar raising likely more than 100% funding as usual. Again the lawyers involved must carry significant blame for being part of such a scam which they must have known was likely to fail, or if **not** fail, was dishonest. Of interest document "**22**" discloses that Beauregard Properties Limited bought 29 Seafield View Road from itself as at 30 October 2006 for $20,000.00 more than it paid for it as at 7 April 2006. This appears to happen a few times. Possibly there are so many fraudulent contracts going around that the lawyers got muddled as well. Document "**18**" is dated 3 days prior to the last sale to Beauregard Properties Limited. There appears to be a related sale between the previous owners as well as the common name **MORRISON** turns up on the title of 29 Seafield View Road when it is sold as at 28 February 2006 for $620,000.00 and then on sold to Beauregard Properties Limited just over a month later for a $260,000.00 profit.

Again the tax and bank records of these individuals will prove the fraud and their involvement in the conspiracy. Annexed as the document marked "**22A**" is the disclosure copy of the loan agreement between Beauregard Properties Limited and TEL disclosing that TEL advanced as at 12 April 2006 $700K as mortgage on 29 Seafield View Rd guaranteed by Beauregard Properties Limited and Glemelda **DOMINGO**. Importantly Alexis **HART** witnesses **DOMINGOS** signature (as the writer believes that she may not have in fact witnessed the signature at all). If the sale price was in fact $620,000.00 rather than the stated $880k then **MAYER** would have gotten $80k clean out. Remember **MAYER** forging **DOMINGOS** signature on

5.52 Returning again to 6 St Albans Ave Mt Eden. Annexed as the documents marked "**23**" is a facsimile dated 27 March 2008 from lawyer Malcolm **SMITH** addressed to **CHU** and Champion Apartments Limited. Annexed to the letter is a loan agreement to be signed by **CHU** from the Public Trust for $800k to be secured against units 436 and 439, the Heritage 35 Hobson Street, Auckland. It also requires a GSA from Champion Apartments Limited which could be troublesome for TEL keeping any excess funds from the prospective sale 28 Roberts Street. TEL should immediately check if this GSA is still operational. But the most important aspect of document "**23**" is the fact that **MAYER** and **CHU** have bought the two Heritage Apartments from none other than **GOULD**. The writer believes that **GOULD'S** name was used by **MAYER** in a contract for the two apartments that greatly inflated their value to enable **MAYER** to raise mortgage funds in excess of their real value. The writer notes that document "**8A**" discloses that **GOULD** still owns unit 536 in Heritage. **MAYER**

probably used **GOULD** as the buyer in that case. Annexed as the document marked "**24**" is a letter from lawyer Malcolm **SMITH** dated 31 March 2008 which informs **CHU** that in relation to the sale of 6 Glenside to no doubt **GOULD** he can only pay Sage Corp Limited $161,000. A note attached to the letter (or the front page of document "**24**" (in probably **MAYERS** or **CHUS** writing) directs that $160K goes to Sage Corp (westpac account) and remainder ($1K) goes to Champion Apartments. Given that Champion Apartments allegedly purchased 6 St Albans for $2.8m just a few months earlier then the minimum surplus over debt repayment should be around the $924,000 mark (being 33% equity). But of course if the "agreed' sale price between **GOULD** and **MAYER** was say $1.84m (or 66% of the fraudulently contracted price), then **MAYER** would get out say $161,000.00 after expenses if he had bought it for around the $1.620 mark when using **GRIFFEN**.

C. RECITAL OF WRITERS INVOLVEMENT WITH MAYER

6. The writer became initially involved with **MAYER** when Mr **MAYER** approached the writer after the writers services were referred to Mr **MAYER** by another. The writer met with Mr **MAYER** on numerous occasions and Mr **MAYER** indicated his knowledge that the Serious Fraud Office were investigating his business dealings with amongst others the following legal and natural persons;

   Simon **TURNBULL**

   Maria Alexandra **MAGALHAES**

   Maria **De MAGALHAES**

Monica **MAGALHAES**

Lana **MAGALHAES FARINHA**

Damae **FARINHA**

Andrea **FARINHA**

Glemelda **DOMINGO**

Mary Lou **DOMINGO**

Rosalia **MAYER** (**MAYERS** wife; AKA Faith **DOMINGO**)

Grace Maria **ZIPFEL**

Stephen **GOULD**

Jiang **JINGYI** (AKA "JJ")

Kevin **REED**

Gorgonia **TAGNIPAZ**

Phillip Geoffrey **BOWKER**

Miranda Louise **SHTEIN**

Alexis **HART**

David James **GRIFFEN**

Gerrard **YAN**

Noel **ROGERS**

Julija **WILSON**

Warren **WILSON**

Michael **PARRY-COOKE**

Lucila **QUESADA**

Nieves **BUENCAMINO**

George **SUN**

Alma **TENEDO**

Guy **SETON**

Roger **PHEASANT**

Howard **MORLEY**

Malcolm **SMITH**

Graham **STEVENS**

Parnell Law

Morley & Associates

Robert Mckeown & Associates

The Property Centre Law

Bruce Scott Stevens

Smith Mackie & Co

Craig Griffen and Lord

LJ Hooker Ponsonby (and North shore)

Der Rohe Holdings Limited (Trustee of Der Rohe Property Trust)

Victoria Property Holdings Limited

Victoria Trust

Ortem Developments Limited

MDM Holdings Limited

Beauregard Properties Limited

Karaka Street Trust

Champion Apartments Limited

Artizanz Limited

Sage Holdings Limited

Sage Corp Limited

North Star Holdings Limited

Mountain Watch Property Limited

Malkev Limited

DMT Trust

De Lourdes Trust

APB 2006 Limited

The Pyramids Limited

Floating Recreation Facilities Limited

Santorini Limited

Elite Horse Transport Limited

North Star (AK) Limited

NOTE: Even though there appears to present an initial number of over 60 conspirators the writer believes that these legal and natural persons above represent the "hub" of the likely persons involved in what is probably New Zealands largest criminal conspiracy involving immigrants, students, real estate agents, registered valuers, and lawyers. The preceding paragraphs would seem to indicate the likely veracity of the writers beliefs.

7. After interviewing **MAYER** on several occasions the writer formed the view that **MAYER** was **very likely** wholly dishonest, and that **MAYER** was well aware what he had done in collusion with others was illegal activity. A simple principle in explanation of the meaning of "*defraud*" or moreover "*to defraud*" is that the deceit of another for your gain and the others loss, especially if the person defrauded would **not** have committed to the course that saw them suffer a loss, but for the deceit, is *"to defraud"*. Equally an actual loss does **not** need to be suffered, but a right that would have been due to a person, but for the deceit would be "*to defraud*".

8. The writer took various precautions to ensure that **MAYER** could **not** at a later time make allegations against the writer. As it has turned out this was a prudent precaution. The writer made it clear to **MAYER** that the writer was **only** interested in representing the investors interests and would act accordingly at all times. To this end the writer met with executives of TEL and gave them the same assurance.

9. After about a week of meetings held every day with **MAYER** he began to admit facts to the writer which related to the matters detailed in paragraph 5 of this report. Finally the writer traveled with **MAYER**

around Auckland City with **MAYER** informing the writer how he had committed the frauds and the amounts he had personally pocketed. If it was a small fraud **MAYER** of say $30,000.00 **MAYER** would dismiss it as **not** worthy of mention, but when **MAYER** recited a significant fraud **MAYER** would roll his eyes and look at the writer with **MAYERS** face breaking into what **MAYER** must have thought was a beguiling smirk. If **MAYER** is to be believed these amounts ranged per contract from approximately $30,000.00 on the low end to over well over a million.

10. As is obvious the writer has secured documentation in **MAYERS** own handwriting, or made by **MAYER** directly, or at his instruction (as business records pursuant to the Evidence Act 1982), by other co-conspirators that establish what **MAYER** told the writer was reasonably accurate. Having said this, the writer is very much aware of significant lies told by **MAYER** to the writer, but **MAYERS** lies about the same set of facts often change making it quite easy to discern when **MAYER** is attempting to deceive.

11. It became apparent that **MAYER** became exceedingly worried when the Serious Fraud Office met with his wife for the purposes of a formal interview and then were to meet with his sister in law Glemelda **DOMINGO**.

12. The writer met with Glemelda **DOMINGO** with **MAYER** present and without **MAYER** present. It became clear that **MAYER** controlled **GLEMELDA** to an extent, but equally that **GLEMELDA** knew that the activities committed by her (and others under the control or direction of **MAYER**) were likely illegal.

13. The writer agreed to accompany Glemelda **DOMINGO** to the Serious Fraud Office as a support person. The writer is, subject to the provisions of the Serious Fraud Office Act, **not** allowed to divulge what was said during the interview, other than to indicate that it appeared that the Serious Fraud Office was well advanced in its inquiries inclusive of having paginated hundreds of documents relating to **MAYERS** business dealings with Glemelda **DOMINGO** and others. However the writer must say that it appeared that the Serious Fraud Offices inquiries were directed differently to those contained in this report. This is why the writer has chosen to make a complaint to the NZPS who successfully prosecuted similar offending in the Waikato under *"Operation All Sorts"* (but only to the amount of $10m). This offending against mainly TEL amounts to $50m according to **MAYER**.

14. It was the writer that informed the Service in a lengthy letter as to the appropriate law and who they would have to charge in "*Operation ALL Sorts*". The service charged and convicted valuers, lawyers, finance brokers, vendors and purchasers in "*Operation All Sorts*". The Service also managed to effect caveats over all of the suspected property involved in the offending and that may be "*fruits of the offending*" through the powers of the Registrar General of Lands. It is argued by the writer that this would be an even more appropriate course in this matter that it was in "*Operation All Sorts*".

15. At the commencement of the interview the Serious Fraud Officer gave **DOMINGO** a Bill of Rights or a Judges warning requiring the officer to feel that he has sufficient evidence to arrest **DOMINGO**. The writer can indicate that the writer advised **DOMINGO** to stop the interview and to obtain legal representation before agreeing or being summoned to another interview.

16. **MAYER** admitted to the writer that he had attended the offices of Mr David **JONES** barrister a year or more earlier and had requested a legal opinion as to whether his actions were illegal, or whether they could be proved as illegal. **MAYER** indicated that he was worried that Mr **JONES** could be brought as a witness. The writer assumed that Mr **JONES** initial consultation did not bode well for **MAYER**.

17. **MAYER** confirmed to the writer that he had known that the actions he had undertaken in order to secure funding from TEL and others were illegal when he committed them, and asked the writer what he should do.

18. The writer agreed with **MAYER** that he should, in order to stop the likely charge of his relatives, admit to the offending as soon as possible. **MAYER** asked if the writer could arrange an interview with the Sunday Star Times and the writer arranged for that interview. A true copy of the article is annexed as the document marked "**25**".

19. The writer was present during the interview and can confirm that the content of the article is an accurate reflection of what **MAYER** stated to journalist Tony **WALL**.

20. Of interest **MAYER** is reported to say the following in the article;

*"Mayer has said that tomorrow or on Tuesday he plans to visit the SFO which was called in by TEL, and admit to everything……**Mayer acknowledges that he will probably face criminal charges**, but insists that he is an honest man……**Mayers main goal is to sell his remaining properties and <u>use any left over funds</u> to benefit the more than 5000 mum and dad investors**……"I meant to hurt no one" he said*

"He then set up deals where properties would be sold to Turnbull entities using TEL funds. ***TEL thought they were cash deals but what it did not know was that Mayer and Turnbull had made arrangements for delayed payments which meant that in effect TEL was putting up most of the money.***

"The basic agreement [with Turnbull] was that you'd wait for your money for three years and [receive] a profit share of the development he intended*. The truth is he never actually continued on to develop those properties.* ***There was a non disclosure on my part****.* ***TEL never asked "where's your money/" It may well not have advanced the sums if it had known. I misled them****. If criminal charges are brought and I'm guilty of omission, then I'm guilty of omission.*

21. From the content of the interview above it is clear that **MAYER** has admitted to fraudulently representing to TEL, a cash deposit that was in fact **not** paid and that **MAYER** accepts without reservation that he "*misled them*". This raises significant issues for the lawyers involved as they are required to act only in a manner that is competent and lawful. On virtually all occasions the delayed payments and the unregistered second mortgages are just a ruse and part of an attempt to exculpate **MAYERS** behaviour.

22. In fact this course of action makes it obvious that both **MAYER** and his co-conspirators knew that their behaviour was fraudulent. Why on earth would a purchaser agree to pay up to three times the properties value to only hand it all back to **MAYER** in three years time when the property would **not** be worth half what the purchaser paid for it. But it all makes sense when one considers that it was a ruse for **MAYER** to defraud TEL and the purchaser was **not** really involved in managing the property and had no intention of repaying **MAYER**. It is accepted that on some occasions **MAYER** did fool some co-conspirators in making them believe that the market would increase and that even after **MAYER** was paid out

in three years that they would still have a surplus. However on most occasions **MAYER** paid, or promised to pay, a small fee to the co-conspirator in order that **MAYER** could use their name. The following statement by **MAYER** clearly indicates his promotion of values in contracts he knew were fraudulent; (emphasis that of the writers)

"They probably wouldn't admit it now, but it was pretty clear I had a very warm and close relationship with them. ***I was their person in Auckland. If they wanted an opinion on properties <u>I would go out and give them an opinion for no consultation fee</u>".*** *Mayer estimated he did about $20m worth of business with them "before things turned pear shaped".*

23. It is clear from this statement that **MAYER** knew that TEL would seek and rely upon **MAYERS** opinion knowing full well that **MAYERS** opinion would match the fraudulently high values **MAYER** and the co-conspirators set, which **MAYER** supported by the use of conspiring valuers that **MAYER** paid on the basis that the valuer adopted the fraudulent contract price as the value.

24. After the interview and publication of the article describing **MAYER** as a "*swindler*" **MAYER** wanted the writer to get an interview with Paul **HOLMES** believing that Mr **HOLMES** would somehow comprehend why **MAYER** had committed the fraud, and that **MAYER** could explain to **HOLMES** how he never really wanted to hurt anyone and **MAYER** believed that viewers would somehow feel sorry for him. The writer felt at this time that **MAYERS** narcissism knew no bounds.

25. The writer made **MAYER** understand that he really needed to talk to the Serious Fraud Office as he had promised to do in the article, and **MAYER** said that he would.

26. **MAYER** then did everything he could to put off such an interview. **MAYER** agreed that he had committed the offending to amass a personal fortune alleging this was done so his children would be left a substantial inheritance. **MAYER** stated that a bridge mentor had told him how to effectively commit the offending, although **MAYER** used the words "*schooled"*.

27. **MAYER** admitted to the existence of two yachts in his name and took the writer to see a Bruce **FARR** designed 50ft racing Yacht named **WILL**. See document "**8A1**". **MAYER** considered **WILL** to be worth $500k. The other Yacht is named **INNISMARA** and its worth is, according to **MAYER**, about the $500k mark as well. Annexed as the document marked "**26**" is a picture of **INNISMARA** in Auckland harbour. **INNISMARA** is allegedly a 67ft slim line classic racing Yacht. There are a number of places it could be stored which we can indicate to the authorities if needed.

28. **MAYER** also admitted to the beneficial ownership of various other properties, and to a close association to Mr Stephen **GOULD**. Mr **GOULD** through a legal person allegedly owned 6 St Albans Street Mount Eden which **MAYER** through another legal person leased and operated as a half way house for ex convicts and social dead beats or misfits. The manager of the property and **MAYER** fell out over the manager **not** receiving entitlements that enabled her to pay for power and to feed the occupants that had paid over their sickness or unemployment benefits to **MAYER** and **CHU**.

29. It became very clear to the writer that **GOULD** was in fact a front person for **MAYER** and **CHU** in that **MAYER** had no personal guarantee relating to the lease at 6 St Albans and the operation had been losing over $3,000.00 a month, so why had **MAYER** continued to operate the business suffering such substantial losses when according to **MAYER** he was losing tens of thousands of dollars a month.

30. **MAYER** never introduced the writer to **GOULD** saying that **GOULD** did **not** trust the writer, and that **GOULD** felt that **MAYER** had been tricked into the public confession by the writer, when if **GOULD** was honest he would have been appalled at **MAYERS** disclosures in the Sunday Star Times and supportive of the writers stance in the matter.

31. As already stated the very same **MAYER** and **GOULD** entities (Champion Apartments Limited and Steve G Limited) buy units in the Heritage Hotel being specifically units 436/35, 59/35, 439/35 and 536/35 Hobson Street respectively. As already stated it is presumed that similar fraud occurred in this instance. As already stated 2009 the writer wrote a brief report to TEL disclosing his belief as to the defrauded TEL funds being used to purchase property for **MAYER**, but with **GOULD** and **CHU** '*fronting*' the purchases. The writer invited TEL to caveat the properties alleging same. Those properties thus found were;

536/35 Hobson Street (**GOULD** property)

6 St Albans Ave Mt Eden (**GOULD** property)

2 Ranfurly Court, Kawerau (**GOULD** property)

128 Travers Road 128 Travers Road Te Kauwhata (**GOULD** property)

114 Travers Road Te Kauwhata (**GOULD** property)

53 Dalton Street Napier South **GOULD** property.

43-45 MT Eden Road Auckland (**CHU** "*Teresa*" property; Champion Apartments Limited. A clear indication as to **MAYERS** inferential admission to ownership of the property is that he has recently become a director of Champion Apartments Limited. **MAYER** initially told the writer that he had only a mortgage to Rice Craig Nominees on 43 to 45 Mt Eden Rd, then changed that to an unregistered Mortgage to Kevin **REED** of Malkev Properties Limited and the final story was that there was an unregistered mortgage to **GOULD** of $800k plus interest. The initial story that there was a mortgage for $325K to Rice Craig was confirmed by **CHU** to the writer. Knowing **CHU'S** dishonesty the writer believes that there may be a mortgage registered but as already stated it is likely to be monies **MAYER** has put into a nominee company only to effectively lend it to himself. It is known by the writer (from viewing the various documents from RPNZ etc that **GOULD/MAYER** committed the same type of frauds on the properties owned by them, but in some cases they used some cash as real deposits.

32. **MAYER** had informed the writer that **GOULD** or **GOULDS** wife had attempted to purchase 6 Glenside Street (another property owned by a **MAYER** legal person) with trading two properties *"up north"* as part of the deal. The writers belief is that **MAYER** wanted to cash up 6 Glenside Crescent Auckland City for (on paper) $1.8m paying out TEL the $1.2m mortgage, and changing the ownership away from **MAYER**. But TEL was concerned as to the legitimacy of this deal given the involvement of

MAYER directly, and further would **not** agree to the contract due to the fact that the property was cross collateralised to other TEL securities. **MAYER** kept reiterating to the writer that he wanted to keep the deal alive with **GOULD** at $1.8m, even though TEL preferred a cash offer. When **MAYER** heard about the prospect of the property being sold for $1.8m cash he was livid stating that he preferred **GOULDS** deal. **MAYER** confirmed to the writer that **GOULD** had a deal with **MAYER** for **MAYER** to buy 6 Glenside Crescent back for $5m "sometime in the future".

33. **MAYER** had informed the writer that **GOULD** had placed an offer on 226 Greenlane West for the purchase price of $5.5m, again with a trade of a property the writer believes was a **MAYER** property fronted by **GOULD**. The property was a Hotel in Napier (53 Dalton Street South Napier; see paragraph 31 above). **MAYER** seemed to know the entire portfolio of **GOULD** and initially stated that he meet **GOULD** when they were both looking at units to purchase in the Heritage. Of course when **MAYER** was "*telling stories*" to the writer **MAYER** was unaware of the writers level of research and awareness. **MAYER** played on his perception that he was a "grammer boy" (even though it was Mt Albert), and that a "plum" whether real or false, made you honest and able.

34. The value of $5.5m placed by allegedly **GOULD** on 226 Greenlane West was unsustainable with the writer believing that it was worth between $2.8m and $3.2m. The writer had placed this value on it when discussing the property with **JINGYI**, when it became clear that **JINGYI** wanted out. However the value of $5.5m would allow **MAYER** and **GOULD** to allege that **GOULD** had nearly 50% deposit with the trades. However **GOULDS** problem according to **MAYER** was that he was asset rich but had no cash flow.

35. **MAYER** informed the writer that **GOULD** had also offered $2.7m on 12 Nikau Street (a property **<u>not</u>** mortgaged to TEL and owned in a legal persons name with his wife as a shareholder and **MAYER** as shareholders). **GOULD** was offering a part trade and part cash deal but had **<u>not</u>** been able to raise the cash part. The trade was a Hotel and commercial complex (2 Ranfurly Court) in Kawerau which had a CV $1m and likely value of $600,000.00. See paragraph 31 above. The contracted trade value was in the vicinity of $1.6m. **MAYER** alleged that he wanted to pay his wife the remaining amount of their marriage settlement by giving her the trade. The writer understood the true arrangement to be that the property would be sold out of **MAYERS** effective "*control*" (and the grasp of creditors) and into that of Mr **GOULD** (another front person for **MAYER**), with his wife taking the trade as part payment, but really providing the false deposit for **GOULD'S** purchase of 12 Nikau. In effect it was the same old scam.

36. **MAYER** turned down excellent offers made on various properties through RE/MAX Advantage and countered with ridiculous amounts supporting the fraudulent prices. The properties have since sold for less than **MAYER** was offered through RE/MAX advantage under mortgagee sale.

37. In or around late October 2009 **MAYER** approached the writer with "*an offer yet to be made*" by **GOULD** on 28 Robert Street Ellerslie. The writer made it clear that TEL would be very suspicious of such an offer from **GOULD** as they believed **GOULD** was just another front man for **MAYER**. As already stated the writer, in keeping with his promise to both **MAYER** and **TEL** to protect the interests of the investors in the fund, had reported to **TEL** the writers belief that **GOULD** was a front man for **MAYER** and that **TEL** should caveat all of **GOULDS** properties to recover the losses caused by **MAYER** through related mortgagee fraud.

38. The writer had supplied a detailed list to TEL of the properties to be caveated by TEL. In effect the writer was quite certain that **GOULDS** properties were where **MAYER** had deposited the surplus funds from the massive mortgagee fraud of TEL. To keep in with **MAYER** the writer had been very optimistic about the possibility of obtaining certain prices, but in reality **MAYER** knew the writers real thoughts, and accused the writer openly at times.

39. **MAYER** explained to the writer what the deal on 28 Roberts Street would likely be in some detail, but that the value and exact details of the trades had **<u>not</u>** yet been decided. The writer was stunned that **GOULD** would want to offer $7.3m when most prospective purchasers had valued the building at between $4m and $4.5m real. The writer referred **MAYER** to the fact that TEL wanted to cash up and why would **GOULD** want to offer $7.3m when allegedly he was an astute businessman, and a "*friend*" of **MAYERS**. In other words who sells a "*dog*" to your friends, and if **GOULD** was cash strapped how was paying grossly over the top for a poor performer going to help **GOULD** with his cash flow?. Given the writers knowledge of **MAYER** it was more of a question to see how **MAYER** responded.

40. **MAYERS** reply was that **GOULD** "*shared the same passion*" as **MAYER** did for all of **MAYERS** buildings. The writer informed **MAYER** that this was clearly nonsense and that **GOULD** was a front man for **MAYER** and TEL would simply say no. **MAYER** then stated that there was a lease over 28 Roberts Street for $300k and that therefore TEL would **not** be able to sell it for more than what was owed given that the income only supported that amount. The writers response was how does this make the property worth $7.3m and **MAYER** said people had their own opinions.

41. The writer asked for a copy of the lease and **MAYER** said that "it will be around somewhere". The writer inquired of **MAYER** why the lease had **not** been known to the writer at any other time given its importance in valuing the property, and that the writer believed **MAYER** was asking the writer to be party to a fraud.

42. **MAYERS** answer was that it appeared that the writer "*thought everything he (MAYER) did was fraud*". The writer reiterated to **MAYER** that **MAYER** had given undertakings to repay TEL's investors in his public confession in the Sunday Star Times to swindling TEL out of $50m, and that it seemed to the writer that **MAYER** was simply repeating the fraudulent behaviour and blatantly attempting to defraud the investors of what money was left.

43. The writer has never seen to this day any lease agreement concerning Champion Hotel with a lease figure of $300k. As you will see the actual lease figure fraudulently promoted to TEL was $390k to MDM Holdings Limited. **MAYER** had placed this falsehood in the contract that he had presented to TEL and registered valuer Roger **PHEASANT**.

44. Annexed as the document marked "**27**" is the fraudulent valuation authored by **PHEASANT** as at 5 February 2007 recording a lease to MDM Holdings Limited at $390K and importantly that the current proprietors involved in the sale at $7.7m to Champion Apartments Limited (CHU) are **Shih – Hsieh, Hsiu – Tsu Hsieh, Chang – Fa Kao and B – Hsia Li**. Surely **PHEASANT** would have sought confirmation as to receipts of rent paid etc to confirm income.

45. Annexed as the document marked "**28**" is a copy of the sale and purchase agreement that **MAYER** dated 5 December 2006 presented to TEL on behalf of Champion Apartments. Annexed as the document marked "**29**" are the original tender documents between **Shih – Hsieh, Hsiu – Tsu Hsieh, Chang – Fa Kao and B – Hsia Li** signed by **MAYER** for Artizanz Limited recording an offer of $5.1m (zero rated for GST) for the property and $1,000.00 for the business both dated 28 September 2006. The agents involved are Barfoot and Thompson. Annexed to document "**29**" is also a Deed of Assignment of Lease of the previous Thai Restaurant with the value of the lease being $78,000.00 excluding GST.

46. Of interest the possession date on the sale and purchase agreement for $7.7m is 8 February 2007 or one week after settlement between Artizanz Limited and the **Shih – Hsieh, Hsiu – Hsieh, Chang – Fa Kao and Bi – Hsia Li** party.

47. As stated the $7.7m agreement discloses that MDM Holdings Limited having a lease agreement with an income of $390,000.00 and that KK Restaurant Limited having a lease agreement with an income of $78,000.00. Payment for the property is part in cash being $5.45m and $2.25m in property trade. The traded units are Unit 1A CTNA85A/7 and Unit 16A CTNAA22 at 126 Vincent Street Auckland. Finally, according to the agreement, an agent from Focus Realty Limited MREINZ negotiated the sale and would have been paid a commission in the vicinity of $140K to $200K. As can be evidenced by the content of the document marked "**5A**" Focus Real Estate deny that they had anything to do with **MAYER** or this property. Whether that firm was involved in the conspiracy is yet to be determined.

48. Annexed as the documents marked "**30"** and "**31**" are the RPNZ reports disclosing that **SHO CHU** still owns the properties that were supposed to be traded as at February 2008. The RPNZ reports disclose that Champion Apartments never owned the two properties supposedly traded. The fact that they were never owned by Champion Apartments and never traded points to both lawyers being involved in the conspiracy for the following reasons.

    49.1 Firstly the vendors lawyer would have checked ownership and found out that a party not a party to the contract owned the properties.

    49.2 Secondly surely the vendors lawyer would have demanded that the transfer occurred.

    49.3 Surely the purchasers lawyer would have insured transfer of the properties occurred.

49. But probably the most damning evidence against the two lawyers involved is that the contract for $7.7m (presented to TEL) records the same vendors (being **Shih – Hsieh, Hsiu – Hsieh, Chang – Fa Kao and Bi – Hsia Li**) as the original contract for $5.1m handled by Barfoots and not Focus. This is the same ploy that **MAYER** used on 226 Greenlane West Rd where unbeknown to the actual vendors **MAYER** used their name on the second fraudulent contract. This hid the "fraudulent agreement in the middle" from public records. **MAYER** thought that the law as to privacy and privilege would protect the fraudulent contracts from discovery. How could the lawyer acting for **MAYER** in the original contract for $5.1 not know that **MAYER** had simply used that vendors name on the second

contract for $7.7m. It beggars belief. The use of the same vendor also disguises the alleged profit which could have drawn interest from the IRD.

50. Again **MAYER** uses the "*special clauses*" to add inherent credibility to the transaction. In this case these 'special conditions" include;

50.1 Champion Apartment Limited wanted a period of 5 working days to do due diligence.

50.2 That the property was subject to another offer for a similar amount that was due to expire and that **Shih – Hsieh, Hsiu – Hsieh, Chang – Fa Kao and Bi – Hsia Li** would not grant an extension past 5pm 22 January 2007.

50.3 There was no finance clause so Champion Apartments Limited had sufficient funding to settle the $5.45m needed in cash. In this case **MAYER** must have put in $1.1m of previously defrauded TEL funds because he only drew a mortgage from TEL of $4m. But this does prove that any surplus from the sale should be the property of TEL.

50.4 There is a confidentiality clause

50.5 Champion Apartments Limited wanted access prior to settlement and that this clause was for the sole benefit of the purchaser.

50.6 There was a facsimile clause to enable the transmission of the agreements to be signed by each party.

50.7 That Champion Apartments Limited would transfer two units it owned worth $2.25m into the name of Artizanz upon settlement.

50.8 That settlement could be brought forward by mutual agreement but requiring three weeks written notice through solicitors.

51. As already stated these clauses prove the fraud once the related parties aspect is proven. In relation to the value of the trades being $2.25m as at December 2006 the writer annexes as the document marked "**32**" a contract dated 21 November 2007 wherein allegedly **CHU** as selling only Unit 1A, 126 Vincent Street to co-conspirator **TURNBULL** for the sum of $1m inclusive of GST. Obviously this document was presented to various funders but luckily the scam was not successful as **CHU** still owns the dilapidated light deprived units worth around $350k to $400k with a bullet up their proverbial _____.

52. Returning now to **GOULDS** ludicrous offer of $7.3m for 28 Robert Street. The writer believes that **MAYERS** plan was to rely on the offer to prove that the contract price he had placed on the property of $7.7m, when he defrauded TEL in early 2007, was "*market*" enabling a defence to the allegation of fraud, and that simultaneously he wanted to coerce TEL into accepting the offer with his plan being only to repay TEL the mortgage amount and thus keep the traded properties for himself albeit in **CHU'S** name. The writer believes that **MAYER** has hidden funds offshore and would have obtained those monies back to pay the $500k or so shortfall between the cash part of the deal and the amount owed to TEL. The writer stated as much to **MAYER** and at this point the relationship was at its useful end. To fulfill obligations the writer did send the offer through to TEL which consisted of the following (a true copy of the offer is annexed as the document marked "**33**");

52.1 Purchase price of $7.3 million.

52.2 Part payment of $3.5m in cash (to be financed by the next victim)

52.3 Part payment in property being the same commercial complex in Kawerau offered in the 12 Nikau Street deal which had a CV of $600,000 and likely value of $600,000.00 (see paragraph 22.5 of this report) and a property at 114 Travers Road Te Kehauwata has a CV of $774K and a likely value of $400,000.00. **MAYER** had placed values of $1.2m and $2.5m respectively. The writer believed that the joint values were in the vicinity of around the $1m to $1.3m meaning that **MAYER** was actually offering the property to **GOULD** at the $4.5m to $4.8m mark. **MAYERS** goal was that he would hope that he could replace TEL with another mortgagee with that mortgagee believing that the property was worth the $7.3m fraudulently alleged. Again **MAYER** included the due diligence clauses etc. Unbelievably **MAYER** thought that the writers greed for a commission would see the writer promote the deal.

52.4 $100,000.00 deposit to be paid upon acceptance (which means **MAYER** has got cash (because **GOULD** has not).

52.5 Several months for settlement, that could be brought forward by suitable notice and mutual agreement.

52.6 There was a lease which was **not** attached (without even amounts stated on the contract which would seem most odd if **GOULD** was independent and commercially aware) to Champion Hotel. **MAYER** was unaware that the writer would obtain a copy of document

"**28"** which disclosed "MDM Holdings Limited" had the lease allegedly for $390K.

52.7 REMAX Advantage was the real estate agent presenting the contract.

53. After meeting with **MAYER** and receiving the deal from allegedly **GOULD** for $7.3m the writer had interviewed **CHU** and co-conspirator **JINGYI** who was the front person for **MAYER** on the purchase of 226 Greenlane West Rd where **MAYER** had contracted the property for $3.375m and then allegedly on sold it to **JINGYI** for $5.5m cash. As stated **no** cash difference between the $3.375m contracted by **MAYER** (or a related party) on 226 Greenlane West and the $5.5m paid by **JINGYI** for the same property was ever paid.

54. The writer covertly filmed **JINGYI** at the commencement of his involvement where **JINGYI** stated that **MAYER** had promised her $2,000.00 for fronting the deal to TEL, but that **MAYER** had never made good on the payment. Thankfully TEL did **not** suffer a loss of this property as it was sold for $3m cash by REMAX Advantage.

55. **CHU** and **JINGYI** were initially quite inseparable. As stated **MAYER** had made **CHU** his virtual very resourceful concubine with **MAYER** referring to **CHU** as his "*bodyguard*". **MAYER** also referred to his co-conspirators as the "*Mexican Mafia*".

56. **CHU** was already married to a Chinese man who was also a front man for **MAYER** on several properties but who is to this day blissfully unaware of **CHU'S** incongruous coupling to **MAYER** given the age difference, and physical appearance.

57. It would seem that **CHU'S** major attraction to **MAYER** was the promised criminal gains to be made in the conspiracy. At the beginning the writer felt sorry for **CHU** and **JINGYI** and arranged for independent legal advice. But as the investigation went on it became very clear that the two were placing bets both ways **<u>not</u>** reporting to **MAYER** their lack of loyalty to **MAYER** whilst continuing to be obstructive to the sale of the properties to anyone but **GOULD**.

58. Both **CHU** and **JINGYI** knew that 226 Greenlane West and 28 Roberts Road were **<u>not</u>** ever worth the amounts fraudulently contracted by **MAYER** for $7.7m and $5.5m respectively. To put it in the plainest possible terms **GOULD** was aware of the massive amounts of fraud committed by **MAYER** (as was the rest of New Zealand), but felt it prudent to pay effectively $5m over the market prices for two properties being 226 Greenlane West and 28 Roberts street.

59. This incomprehensible action proves that **GOULD** is a front man for **MAYER** interests and that **GOULDS** property portfolio which is considerable is in fact owned by **MAYER**. In any event **GOULD** is definitely a co-conspirator with **MAYER** and **CHU** in the most recent offers made to TEL for $7.3m on 28 Robert Street and $5.5m for 226 Greenlane West respectively.

60. During the interview of **CHU** and **JINGYI** about the **GOULD** offer to TEL **CHU** admitted to the writer to writing the handwritten parts to the document (document "**33"**) at **MAYERS** instruction, **<u>not</u>** that of Mr **GOULDS**.

61. **CHU** also confirmed that there was no legal person of the name Champion Hotel that she was aware of and that there had never been a bona fide lease for $300k in place at 28 Roberts Street.

62. **CHU** made these admissions only after being pressed by the writer to provide documentation inclusive of lease payments. **CHU** and **JINGYI** also spoke in Chinese for several minutes after every question posed by the writer and at one point asked to be alone to consider their position and to seek legal advice.

63. As the writer had a conditional offer of $5m which **MAYER** refused to sign the writer put that offer to **CHU** who ultimately refused to sign even though it would have given TEL a surplus of $800k in line with **MAYER'S** public undertakings and would have cleared her of any liability.

64. **MAYER**, when made aware that a deal was close on 6 Glenside Crescent alleged that the deal with **GOULD** was alive. When he was told by the writer that **GOULD** was a fraud as was the deal on Glenside **MAYER** wrote to TEL in a letter dated 24 November 2009 (a true copy of which is annexed as the document marked "**34**") on behalf of an unnamed "*third party*" stating that;

 64.1 The chattels of 6 Glenside Crescent are owned by another and **not** MDM Holdings Limited (in liquidation). **MAYER** claimed that the matters/items described as chattels include but are **<u>not</u>** necessarily limited to the following;

 All non structural partitions *
 Electrical wiring *
 Plumbing *

Floor coverings *

Kitchens *

Appliances

Ceilings *

Light fittings *

Wardrobes

Bathrooms *

Laundries *

And any other fittings that are above the standard of a bare shell base building *.

65. The writer notes the following that the writer considers is of some considerable importance to the likely veracity of **MAYERS** assertions relating to a unnamed *"third party"* having some form of *"security or ownership"* over the *"chattels and other materials or improvements"* of 6 Glenside Crescent;

65.1 **MAYER** never asserted this alleged position in any discussion with the writer or any staff of REMAX Advantage when taken through Glenside Crescent prior to the property being listed with REMAX Advantage.

65.2 **MAYER** never noted this considerable *"security or ownership"* on the listing form which the writer annexes as the document marked "**35**".

65.3 **MAYER'S** instruction was to sell 6 Glenside Crescent as a going concern (albeit preferably to **GOULD**).

65.4 The offer to TEL from effectively **GOULD** on 6 Glenside Crescent did **not** disclose this '*security*' or "*other ownership*" of the chattels which is a significant error by **MAYER** given the offer (allegedly by Mr **GOULD**) was designed by **MAYER**, and had a swap of two properties to the value of around $300,000.00.

65.5 The only time that **MAYER** previously asserted that *"another entity"* owned the furniture in the rooms at 6 Glenside Crescent and the television set and a few chattels *"here and there"* was when TEL had begun collecting the rents. **MAYER** estimated the value at around $60,000.00 which the writer did **not** agree to, stating to **MAYER** that this figure was unfathomable given the condition and type of chattel. The writer thought a figure closer to $8,000.00 was likely to which **MAYER** replied that $20,000.00 was more reasonable.

65.6 From memory **MAYER** wanted $800.00 to a $1,000.00 a week in rent from TEL or an annual return of 500% to be paid by TEL or he would take the furniture out causing hardship to the illegal doss house business being run in the property.

65.7 When the writer asked **MAYER** which entity owned the chattels **MAYERS** reply was he could **not** remember but that **MAYER** was sure it was **not** MDM Holdings Limited (now in liquidation). The writer told **MAYER** at that time that the writer did **not** believe **MAYERS** claim and that neither would TEL.

65.8 It would seem that **MAYERS** "***memory"*** had **not** improved with time. The writer asked whether **MAYER** could prove title by providing details of payments of rent for the chattels, initial

payment for chattels inclusive of GST claims, and there was never ever any assertion by **MAYER** that he could do so.

65.9 **MAYER** then asked the writer to demand a rental payment from the receivers of the rent (at that time) TEL and the writer did so on **MAYERS** behalf knowing that this would be turned down by TEL in any event. TEL informed the writer that they did not believe **MAYERS** claims due to a lack of paperwork, and even if there was paperwork **MAYER** had confessed to swindling TEL of $50m using double contracts in the Sunday Star Times article headlined "*The $50m swindler: I confess*". Upon TEL turning down the payment of rent **MAYER** clearly admitted to the writer (with one other agent present) that **MAYERS** claim of a rental agreement over the rooms chattels was effectively a ruse de guerre in order to cause TEL problems, and to obtain payment for **MAYERS** living expenses. **MAYER** stated "*who is to pay me as I need to make a living*". The writer tolerated **MAYERS** mendacious behaviour because the writer knew that TEL and the fund was **not** at risk from further harm.

66 Annexed as the document marked "**36**" number page 1 and 2 are various letters signed by **MAYER** or employee **PARRY-COOKE** asserting that Sage Corp Limited and Victoria Property Trust have borrowed (and thus owe) Beauregard Properties Limited as at 3 May 2007 the sum of $2.7m secured over property. The writer believes that these assertions are fictitious and thus fraudulent, but relied on the differences between the actual value and the fraudulent contracted value. The writers interview of Glemelda **DOMINGO** was comprehensive and she was never aware of such amounts of cash being advanced by Beauregard Properties Limited. Page 3 of document shows **MAYER** as at the same date 3 May 2007

instructing **HART** to transfer $144,000.00 into the account of Beauregard Properties Limited.

67. Annexed as the document marked "**37**" is a facsimile from John **GELB** of real estate firm Brown Taunt Real Estate Ltd that has annexed to it a contact for 12 Karaka Street. The facsimile is dated 28 October 2003. The importance of this contract is that Marilou **DOMINGO** is the purchaser and **ORTEM** Developments Limited is the vendor. The sale price is $1.16m. Annexed as the document marked "**38**" is the Companies Office on line record for Ortem Developments which discloses that Marilou **DOMINGO's** sister is majority shareholder in Ortem so this begs the question why would John **GELB** be involved in the sale as an agent, if not to deceive a funder as to the independence.

68. Surely this is proved when **GELB** is sending the contract <u>unsigned</u> by either related party to **MAYER** for his approval. Annexed as the document marked "**39**" is a facsimile from the irrepressible real estate agent Julija **WILSON**. From its content again why would an agent be writing to **MAYER** about two properties that he already owned (albeit through other parties). Should not the agents have been suspicious as to how **MAYER** was somehow the "puppet master" of all of these other people. It will be interesting to find out how many contracts LJ Hookers Ponsonby were involved in with **MAYER** because it is fairly much a sure bet that **MAYER** never did an honest deal in the last decade. As the writer has stated the writer believes that **WILSON** will be proved to have been a major facilitator for **MAYER**.

69. Annexed as the documents marked "**37A**" and "**37B**" is a sale and purchase contract for level 2 2 St Martins Lane, and an RPNZ report on the same property. The crux of content of the two documents is that

both record a price of $560K, but that document “**37B**” (the RPNZ report) records an almost contemporaneous sale from the same vendor Holdwell Group Eight Limited named in document “**37A**”. Once again this is proof that **MAYER** has “cut and pasted” the vendors signature (that would have been of document “**37A**” onto the contract that resulted in the sale at $920k recorded on document “**37B**”.

D THE LAW

70. As already stated the writer believes that proven facts win major court cases, especially where the hurdle of proof required is high. In this case the writer obtaining a public confession to dishonesty from **MAYER** is a significant ‘fact’.

71. However **MAYERS** level of dishonesty proven by the content of this report seals **MAYERS** lack of any cogent defence to the allegations to be made by TEL. **MAYER** will have no credibility in the stand whatsoever, and will **not** want to defend the matter. When interviewed by the SFO **MAYER** will **not** have the right to silence and must answer questions as best he can. This is why the SFO will want the annexed documents to this report, which the likes of they have **not** managed to obtain, and likely would **not** have obtained because **MAYER** would have destroyed them.

72. The other conspirators will likely want to settle as well as long as TEL brings to their attention the factual matrix that makes the defence of the allegations a serious abuse of their right to justice. In other words settlement will likely lead to a better result for them and or their insurers.

73. The writer does not intend to go into great detail on the civil and criminal aspects of law that relate to TEL obtaining compensation from the

conspirators. But put simply the hurdle gets higher in the civil arena if the allegation is one of fraud and conspiracy. Although given the type of person involved and the blatant nature of the frauds the Court will hardly be requiring matters to be proven on every single matter. Moreover the Court will likely deal with the matter of the conspiracy to defraud in a representative manner. The losses are such that it is likely that the Court will award as much as is needed representatively to cover as much of the losses as possible rather than requiring specifics on every case. This approach has been used when Courts consider liability of directors once the Corporate veil has been broken. It must be remembered that there can be no doubt that **MAYER** has acted as a deemed director of all of the legal persons involved in the conspiracy and so therefore the Courts should adopt an all encompassing approach. However the writer is aware that counsel is often **<u>not</u>** happy to plead conspiracy unless it can be proven from the get go. This reticence is based on the following law.

74. The germane rules of conduct of the New Zealand Law Society, specifically those that apply to the making of scandalous allegations, whether by letter, in pleadings, or indeed in any other way, against another; (emphasis that of the writers)

"8.05 Rule

A practitioner must not attack a persons reputation without good cause.

Commentary

(1) This rule applies equally both in court during the course of proceedings <u>and out of court by inclusion of statements in documents which are to be filed in court</u>.

(2) A practitioner should not be party to the filing of a pleading or other document containing an allegation of fraud, dishonesty, undue influence, duress or other reprehensible conduct, <u>unless the practitioner has first satisfied himself or</u>

*herself that such an allegation can be **properly justified on the facts of the case**. For a practitioner to allow such an allegation to be made **without the fullest investigation**, could be an abuse of the protection which the law affords to the practitioner in the drawing and filing of pleadings and other court documents. **Practitioners should also bear in mind that costs can be awarded against a practitioner for unfounded allegations of fraud**.*

(3) *If necessary, a practitioner **must test** the instructions which have been given**, by independent inquiry, before making such allegations.**"*

75. The salient authorities of New Zealand Courts such as **Gazley v Wellington District Law Society** [1976] 1 NZLR 452 and **Mckaskell v Benseman** [1989] 3 NZLR 75. The writer believes that English and Australian cases and learned writings best elucidate the over riding duty of an advocate to insure that they have sufficient evidence to support the making of an allegation that is, by its mere making, damaging. In **Rondell v Worsley** [1969] 1 AC 191 Lord Reid opined;

*"Counsel…has an overriding duty to the court, to the standards of the profession, and to the public, which may and often does lead to a conflict with his clients wishes or with what the client thinks are his personal interests. Counsel must not mislead the court**, he must not lend himself to casting aspersions on the other party or witnesses for which there is no sufficient basis in the information….The same duty applies to drawing pleadings…as applies to counsels conduct during trial**."*

76. In relation to an allegation of effectively alleging fraud or dishonest or grossly inappropriate behaviour; see **Halsburys laws of England** at para 470, page 377 line 36;

"A barrister may only suggest that a witness is guilty of fraud, misconduct or crime if such allegations go to a matter in issue which is material to the client's case. ***Where the only such matter is the credibility of the witness, the barrister must be satisfied as for the reasons of such allegations being made and that they are supported by such reasonable grounds****. A barrister may regard instructions from his professional client that such allegations are well founded as reasonable grounds to support such allegations****; but he may not rely on a statement from any other person unless he has ascertained so far as is practicable that the person can give satisfactory reasons for his statements..***

Page 375 Para 467,468

"He may not make any allegation unsupported by his instructions and he may not allege fraud unless ***(1) he has clear instructions to plead fraud; (2) he has before him reasonably credible material which, as it stands, establishes a prima facie case of fraud. "***

77. The noted Australian case of **Strange v Hybinett** [1988] VR 418, wherein a member of the inner bar, (Queens Counsel), made accusations of collusion against a solicitor for the opposing side and others during a proceeding. In this case it was held;

"Legal practitioners-Counsel's duties-attack on witness-allegation of corruption – ***duty of counsel to ensure evidence exists justifying allegation.***

> *(1) Counsel's right of audience carries with it complete immunity from liability for defamation. But, as with every substantial right,* ***there is a corresponding duty on counsel to ensure that privilege is not abused****.*
>
> ***(2)*** *Where there are grounds to doubt the evidence of a witness, counsel may be justified in submitting that the evidence of that witness ought not to be accepted. However,* ***before making allegations of corruption or otherwise suggesting that an individual has deviated from standards of personal or professional propriety, counsel must be scrupulous to ensure that sufficient evidence exists to warrant that allegation."***

78. In the **Strange v Hybinett** case Justice Gray quoted from various authorities, which are of relevance to the matters at hand. At page 424 line 4, Gray J quotes from a passage of **Lord MACMILLAN'S** book "**Law and Other Things**", at pp 191-2:

> *"Written pleadings are frequently sent to counsel for revisal containing serious allegations of fraud, dishonesty, or misconduct.* ***The consequence of lodging such pleadings in Court may be to cause irreparable injury to the person thus publicly accused****. For an advocate to allow such charges to be launched with his name attached to them without the fullest investigation would be to abuse the absolute protection against actions for slander which the law affords counsel. Counsel is not worthy of that protection unless he justifies it by the most scrupulous care in his written or oral attacks on character.* ***He must insist on being supplied with all information which is thought by his client to justify his attack.*** *And then he must decide for himself whether the charges made are such as can be justifiably made. In exercising his judgment in such a manner the advocate is fulfilling one of the most delicate duties to society which his profession casts upon him.* ***It is no small responsibility which the state throws upon the lawyer in thus confiding to his discretion the reputation of the citizen. No enthusiasm for his clients case, no specious assurance from his client that the insertion some strong allegations will coerce a settlement, no desire to fortify the relevance of his clients case, entitles the advocate to trespass, in matters involving reputation, a hairs breath beyond what the facts as laid before him and duly vouched and tested will justify. It will not do to say lightly that the court will decide the matter. It is for counsel to see that no mans good name is wantonly attacked****."*

79. The writer also brings your attention to the sagacious thoughts of Hibery J as they relate to the ethical restrictions on counsel, and as the writer suggests any advocate conducting a sustained, but appropriate, attack on a persons reputation especially in the day of the internet trial per se: Published in 1946-**Duty and Art in Advocacy** at p 19 the learned judge commented;

"The man who is worthy of his calling will always remember that the right of audience, which he enjoys, and the privilege which covers all he says and does in the course of a trial, ***lays upon him a heavy obligation never to abuse the occasion.*** *He must decide what he says and what he asks.* ***With him rests the selection of the language to be used and the questions to be asked."***

80. Later in the Courts judgment in **Strange v Hybinett** the Court qualified as to what counsel was required to do before casting an allegation into the air, or as the writer has already stated on the internet, be it by imputation in the nature or formulation of a question, or by a specific allegation of fact;

"No question which conveys a definite and damaging imputation on the character of a party or witness ought to be put ***unless the solicitor instructing counsel vouches the truth of the matter and can show that there is material in existence for making the allegation****."*

81. This extract from **Oldfield v Keogh** also appears in **Strange v Hybinett** at page 424 line 43 and emphasizes the need to secure, before the making by a witness or advocate, a serious allegation of wrongdoing against another, corroborating evidence that makes the allegation seem appropriate in the circumstances;

"In Oldfield v Keogh, Jordan C.J., in dealing with the imputation in that case, said (at p210); "It is difficult to speak with becoming moderation of the charge. ***There is not a tittle of evidence to support it."***
I find myself labouring under the same difficulty in this case. I regret to say that, in my opinion, ***senior counsel did abuse the privilege conferred upon him by his right of audience. As I have said I am satisfied that a miscarriage of justice resulted****.*

82. The writer, as every investigator starts out in an investigation, wants to get to the truth and to obtain justice for those afflicted by wrong but is

mindful of what Paul Lloyd **STRYKER** had to say about enthusiasm and chivalry when it comes to the exercise of good judgment in his learned writings;

"A tendency toward enthusiasm and a chivalrous instinct have more than once been weighed as evidence of a lack of judgment"

83. The real issue for any accused or indeed accuser is whether the evidence is likely true or likely false, and actually material to the allegations. As we all know just the mere making of an allegation of wrongdoing does not make anyone guilty of wrongdoing, nor does the mere protestation of innocence make one innocent of wrongdoing. The writer believes that objectivity is elementary to the investigators role; **BEVERIDGE**, W.L.B, The Art of Scientific Investigation, (Second Edition; London: William Heinemann; 1953), page 111;

"What we must aim at is honest, objective judgment of the evidence, freeing our minds as much as possible from opinion not based on fact, and suspend judgment where the evidence is incomplete. There is a very important distinction between a critical attitude of mind (or critical "faculty") and a skeptical attitude"

84. This is not to say that an investigator cannot after obtaining a certain amount of evidence be certain, as far as he is concerned that a suspect is "guilty as", and this stage must be reached before he decides to make public his allegations in language that is suitable depending on the amount of evidence at hand and the seriousness of the allegations and the possibility that other victims may exist that may have further evidence.

85. Returning to the issue of **MAYER** being a deemed director the writer is certain that the Court will rule accordingly based on the following law

when considered against the facts proven. see **Fatipaito v Bates** [2001] 3 NZLR 386. Section 126(1) of the Companies Act 1993 provides; (emphasis that of the writers)

126. Meaning of "director" –(1) In this Act, "director", in relation to a company , includes –
(a) A person occupying the position of director of the company by whatever name called; and
(i) For the purposes of sections 131 to 141, 145 to 149, 298, 299 and 301 of this Act
(ii) ***A Person who*** *exercises or who is entitled to exercise or who* ***controls or who is entitled to control the exercise of powers which****, apart from the constitution of the company,* ***would fall to be exercised by the Board****;*

86. When talking to **MAYER** the writer was very much aware of the liabilities of directors (or "shadow" or "deemed" directors) under the Companies Act 1993 relating to trading whilst insolvent; see;

- Decision of the High Court in **Mountfort v Tasman Pacific Airlines of NZ Ltd** 1 NZLR [2006] 104 at paragraphs at [20] to [30] and **Fatipaito v Bates** [2001] 3 NZLR 386;

- Section 131 [Duty of directors to act in good faith and in the best interests of company]; Companies Act 1993

- Section 135 [Reckless Trading [not to allow substantial risk of serious loss]; Companies Act 1993

- Section 136 [Duty in relation to obligations [need for belief on reasonable grounds in ability to perform obligations]; Companies Act 1993

- Section 137 [Directors duty of care]; Companies Act 1993

- Section 138 Use of information and advice]; Companies Act 1993

- Section 194 [Accounting records to be kept]; and

- Section 300 [liability if proper accounting records not kept]; Companies Act 1993

- Sections 377 [False Statements]; 378 [Fraudulent use or destruction of property], 379 [Falsification of records]; 380 [Carrying on business fraudulently]; Companies Act 1993

87. **MAYERS** only possible hope was that he relied on the valuations supplied by registered valuers, but this defence found in section 138 of the Companies Act 1993 is voided by **MAYERS** actions in conspiring in "bad faith" with the valuers. **MAYER** is squarely caught by subsections 138(2)(a), (b), and (c). Section 138 of the Companies Act 1993 provides; (emphasis that of the writers)

138 Use of information and advice
(1) Subject to subsection (2) of this section, ***a director of a company, when exercising powers or performing duties as a director, may rely on reports, statements, and financial data and other information prepared or supplied, and on professional or expert advice given, by any of the following persons:***
(a) An employee of the company whom the director believes on reasonable grounds to be reliable and competent in relation to the matters concerned:
(b) ***A professional adviser or expert in relation to matters which the director believes on reasonable grounds to be within the person's professional or expert competence:***
(c) Any other director or committee of directors upon which the director did not serve in relation to matters within the director's or committee's designated authority.

(2) ***Subsection (1) of this section applies to a director only if the director—***
(a) Acts in good faith; and
(b) Makes proper inquiry where the need for inquiry is indicated by the circumstances; and
(c) Has no knowledge that such reliance is unwarranted*.*

88. **MAYER** knew that the loan advances made by TEL were such that the properties could never have funded them through income from the property, the company involved, or the guarantor, and additionally that **MAYER** had purchased the properties on the open market and then deceived funders in order to obtain such a level of funding that the company or individual involved was as a result of the advance, insolvent. Section 4 of the Companies Act provides;

4 Meaning of solvency test

(1) For the purposes of this Act, a company satisfies the solvency test if---
(a) the company is able to pay its debts as they become due in the normal course of business; and
(b) the value of the company's assets is greater than the value of its liabilities, including contingent liabilities*.*
(2) Without limiting sections 52 and 55(3), in determining for the purposes of this Act (other than sections 221 and 222 which relate to amalgamations) whether the value of a company's assets is greater than the value of its liabilities, including contingent liabilities, the directors*---*
(a) must have regard to---
(i) the most recent financial statements of the company that comply with section 10 of the Financial Reporting Act 1993; and
(ii) ***all other circumstances that the directors know or ought to know affect, or may affect, the value of the company's assets and the value of the company's liabilities, including its contingent liabilities****:*
(b) ***may rely on valuations of assets or estimates of liabilities that are reasonable in the circumstances****.*
(3) Without limiting sections 221 and 222, in determining for the purposes of those sections whether the value of the amalgamated

company's assets will be greater than the value of its liabilities, including contingent liabilities, the directors of each amalgamating company---
(a) must have regard to---
(i) financial statements that comply with section 10 of the Financial Reporting Act 1993 and that are prepared as if the amalgamation had become effective; and
***(ii) all other circumstances that the directors know or ought to know would affect, or may affect, the value of the amalgamated company's assets and the value of its liabilities, including contingent liabilities**:*
(b) ***may rely on valuations of assets or estimates of liabilities that are reasonable in the circumstances**.*
(4) In determining, for the purposes of this section, the value of a contingent liability, account may be taken of---
*(**a) the likelihood of the contingency occurring**; and*
(b) any claim the company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

89. Importantly the Companies Act 1993 does **not** of itself allow for a defence as to lack of understanding. The solvency test as it related to the valuation of assets and otherwise the position of the companies ran by **MAYER** in regard to subsection 4(2)(a)(i) and (ii) and 4(2)(b) above are simple. The subsections impose a strict adherence to sound accounting practices such as the directors **must have regard to** the most recent financial statements that comply with section 10 of the Financial Reporting Act 1993, and otherwise what the directors ought to have known, and finally that if an asset can only be sold at that time for say $100,000.00 then that was the value of the asset for the purposes of the test, and not a cent more.

90. Section 301 of the Companies Act 1993 states *"if past or present directors, managers, liquidators, or receivers of the company, have misapplied, or retained, or become liable or accountable for, money or property of the company, or has been guilty of negligence, default, or breach of duty or trust in relation to the company*". If the Court finds any

one liable it can order compensation to the afflicted parties pursuant to subsection 301(2) even though the behaviour may "*constitute an offence*", and further any such judgment is '*deemed to be a final judgment within the meaning of section 17(1)(a)) of the Insolvency Act 2006*" pursuant subsection 301(3) which would enable the judgment creditor to seek an order of adjudication of bankruptcy against the judgment debtor within weeks without the judgment debtor being able to waste time with the strategy of vexatious and frivolous appeals. When adjudicated bankrupt the bankrupts assets are to be applied to pay the judgment debts.

91 In greater detail sections 300 and 301 of the Companies Act 1993 impact significantly on anyone promoting or concurring with non-compliance with the expected reporting standards as they relate to a persons liabilities to disclose information (relevant to the companys value, or the liabilities of the directors) to those that require it for proper use or purpose and the personal liability of those that impede the disclosure of such information for the proper use and purpose of others; (emphasis that of the writers)

300 Liability if proper accounting records not kept
(1) Subject to subsection (2) of this section, if—
(a) ***A company that is in liquidation and is unable to pay all its debts has failed to comply with—***
(i) Section 194 of this Act (which relates to the keeping of accounting records); or
(ii) <u>Section 10 of the Financial Reporting Act 1993 (which relates to the preparation of financial statements</u>); and
*(****b) The Court considers that—***
(i) The failure to comply has contributed to the company's inability to pay all its debts, or has resulted in substantial uncertainty as to the assets and liabilities
of the company, or has substantially impeded the orderly liquidation*; or*
*(****ii) For any other reason it is proper to make a declaration under this section,— <u>the Court, on the application of the liquidator, may, if it thinks it proper to do so, declare that any one or more of the directors and former directors of the company is, or are, personally responsible,</u>***

without limitation of liability, for all or any part of the debts and other liabilities of the company as the Court may direct.

(2) ***The Court must not make a declaration under subsection (1) of this section in relation to a person if the Court considers that the person****—*

(a) Took all reasonable steps to secure compliance by the company with the applicable provision referred to in paragraph (a) of that subsection; or

(b) Had reasonable grounds to believe and did believe that a competent and reliable person was charged with the duty of seeing that that provision was complied with

and was in a position to discharge that duty.

(3) ***The Court may give any direction it thinks fit for the purpose of giving effect to the declaration.***

(4) The Court may make a declaration under this section even though the person concerned is liable to be convicted of an offence*.*

(5) An order under this section is deemed to be a final judgment within the meaning of section 17(1)(a) of the Insolvency Act 2006.

301 Power of Court to require persons to repay money or return property

(1) If, in the course of the liquidation of a company, it appears to the Court that a person who has taken part in the formation or promotion of the company, or a past or present director, manager, administrator, liquidator, or receiver of the company, has misapplied, or retained, or become liable or accountable for, money or property of the company, or been guilty of negligence, default, or breach of duty or trust in relation to the company, the Court may, on the application of the liquidator or a

creditor or shareholder*,—*

(a) ***Inquire into the conduct of the promoter, director, manager, administrator, liquidator, or receiver;*** *and*

(b) ***Order that person—***

(i) To repay or restore the money or property or any part of it with interest at a rate the Court thinks just*; or*

(ii) ***To contribute such sum to the assets of the company by way of compensation as the Court thinks just; or***

(c) ***Where the application is made by a creditor, order that person to pay or transfer the money or property or any part of it with interest at a rate the Court thinks just to***

the creditor*.*

(2) This section has effect even though the conduct may constitute an offence.

(3) An order for payment of money under this section is deemed to be a final judgment within the meaning of section 17(1)(a) of the Insolvency Act 2006.

(4) In making an order under subsection (1) against a past or present director, the Court must, where relevant, take into account any action that person took for the appointment of an administrator to the company under Part 15A.

92. As **MAYER** was hiding from TEL and other funders the true value of the properties and promoting a grossly inflated value in order to defraud TEL and other funders then surely **MAYER** could be found to be in contravention of section 301 in that he had been guilty of a breach of trust and found liable for a personal contribution to losses incurred pursuant to subsection (1)(b)(ii). Equally the breach of trust argument against **MAYER** and any of the other co-conspirators could apply to their treatment TEL and other funders. To this legislative mix of liability that could be rounded on **MAYER** section 194 of the Companies Act 1993 provides the following rules of governance for directors keeping sufficiently informative records;

194 Accounting records to be kept
(1) The board of a company must cause accounting records to be kept that—
(a) Correctly record and explain the transactions of the company; and
(b) ***Will at any time enable the financial position of the company to be determined with reasonable accuracy****; and*
(c) ***Will enable the directors to ensure that the financial statements of the company comply with section 10 of the Financial Reporting Act 1993 and any group financial***
statements comply with section 13 of that Act; and
(d) Will enable the financial statements of the company to be readily and properly audited.
(2) Without limiting subsection (1) of this section, the accounting records must contain—
(a) Entries of money received and spent each day and the matters to which it relates:
(b) ***A record of the assets and liabilities of the company****:*
(c) If the company's business involves dealing in goods—
(i) A record of goods bought and sold, except goods sold for cash in the ordinary course of carrying on a retail business, that identifies both the goods and buyers and sellers and relevant invoices:
(ii) A record of stock held at the end of the financial year together with records of any stocktakings during the year:
(d) If the company's business involves providing services, a record of services provided and relevant invoices.
(3) The accounting records must be kept—
(a) In written form and in English; or

(b) In a form or manner in which they are easily accessible and convertible into written form in English.
*(**__4) If the board of a company fails to comply with the requirements of this section, every director of the company commits an offence and is liable on conviction to the penalty set out in section 374(2) of this Act.__***

93. It is strongly suggested by the writer that TEL should promote this line of attack against **MAYER** (being initially a deemed director) along side a general allegation in tort that **MAYER** and **CHU** and others in collusion with **MAYER** defrauded them. The writer is sure that TEL counsel will be well aware of issues such as constructive trust etc.

94. Although the criminal and civil Courts are distinct the principles of law are very similar in their most basic forms. In essence to defraud when argued in the civil Courts will **__not__** have a great deal of difference in the Criminal Courts. To defraud requires a mental element as already explained. To this end it is necessary to consider what is meant by the term "*deceive*". Buckley J's explanation of the words meaning in **Re London & Globe Finance Corporation Ltd** [1903] 1 Ch 728 at 732 733 was adopted by Heath J in the case already mentioned **Queen v Harris** CRI 2006 – 419 - 134 unreported High Court 15 December 2006 para [45];

*"To deceive is, I apprehend, to induce a man to believe that a thing is true which is false, **__and which the person practicing the deceit knows or believes to be false"__***

95. Without doubt the writer believes that it can be proven that **MAYER** knew that TEL would **not** have advanced the amounts if it was aware of the actual factual matrix as to how the contracted prices came to pass.

96. In relation to the likely excuses to be given by other professionals involved like conspiring lawyers, real estate agents and valuers, the writer belives that any presiding judge will adopt Heath Js findings at paragraph [51] and [53] of **Queen v Harris**; (emphasis that of the writers)

"Mr Harris struck me as being in denial of the role he performed in the transactions. I believe he was trying to give honest evidence. However, making due allowance for the inherent difficulties in recalling events that happened between September 2002 and December 2002, it became clear to me that Mr Harris had no real memory of much detail and, not unnaturally, ***was reconstructing events in order to give evidence. Understandably, that reconstruction tended to minimize his conduct.*** *Unless his evidence on material issues is confirmed by other evidence I accept, T disregard his testimony as unreliable"*

Mr Fong in maintaining that he deliberately altered a Land Transfer Act document though a genuine mistake, was conscious that he was obliged to convey a general impression of incompetence and failure to adhere to the most basic professional obligations.

In relation to surround events, I am satisfied that Mr Fong has given truthful evidence, to the best of his ability to recollect. However, like Mr Harris, I find that he is in denial as to his involvement in doing something as serious as altering a Land Transfer Act document tendered to him for registration in a different form.

97. The writers annexes as the document s marked "**40"** the full judgment of Heath J in **Queen v Harris** as this judgment gives findings on very similar factual issues, albeit with a lot less evidence than the writer has obtained. In relation to a case where a large award was given against a director for reckless trading the writer annexes as the document marked "**41**" the Court of Appeals decision in **Lower v Traveller** CA 36/04. The Court of Appeal upheld the High Courts award against **LOWER** for in excess of $8.5m.

98. Whether arguing a tort of constructive trust with all of the obligations the various conspirators had to TEL and other funders, the cause of action will

include the words 'collusion' and 'conspiracy' in that they formed a "criminal group' to effect their joint or shared purpose.

99. Notwithstanding the civil remedies available to obtain compensation, this groups actions in dealing in the property in the role of directors/grantors, lawyers, valuers, and real estate agents was for the purpose of making TEL do what their overt acts intended which has ultimately le d to TEL suffering massive losses. The writer strongly opines they are caught as being individuals "*participating in an organized criminal group*". Section 98A of the Crimes Act 1961 provides;

98A Participation in organised criminal group
(1) Every one is liable to imprisonment for a term not exceeding 5 years who participates (whether as a member or an associate member or prospective member) in an organised criminal group, knowing that it is an organised criminal group*, and—*
(a) ***knowing that his or her participation contributes to the occurrence of criminal activity; or***
(b) reckless as to whether his or her participation may contribute to the occurrence of criminal activity.
*(****2) For the purposes of this Act, a group is an organised criminal group if it is a group of 3 or more people who have as their objective or one of their objectives—***
(a) ***obtaining material benefits from the commission of offences that are punishable by imprisonment for a term of 4 years or mor****e; or*
(b) obtaining material benefits from conduct outside New Zealand that, if it occurred in New Zealand, would constitute the commission of offences that are punishable by imprisonment for a term of 4 years or more; or
(c) the commission of serious violent offences (within the meaning of section 312A(1)) that are punishable by imprisonment for a term of 10 years or more; or
(d) conduct outside New Zealand that, if it occurred in New Zealand, would constitute the commission of serious violent offences (within the meaning of section 312A(1)) that are punishable by imprisonment for a term of 10 years or more.
(3) A group of people is capable of being an organised criminal group for the purposes of this Act whether or not—
(a) some of them are subordinates or employees of others; or
(b) only some of the people involved in it at a particular time are involved in the planning, arrangement, or execution at that time of any particular action, activity, or transaction; or
(c) its membership changes from time to time.

100. If the writer was correct then this group, (of more than 3 persons obtaining benefits from the commission of serious offences inside New Zealand that had a penalty upon conviction of more than 4 years) would have known that their participation, or were reckless as to whether their participation, contributed to criminal activity, and thus caught by subsections 98A(1)(a) or (b), (2)(b) and (3) (a) through (c) of the Crimes Act 1961.

101. Moving back into the realm of civilian judgments about reckless or dishonest behaviour involving companies the sagacious judgment of O'Regan J in **Fatupaito v Bates** 3 NZLR 401 386 at para [67] (after the Court had considered the authorities **Nippon Express (New Zealand) Ltd v Woodward** (1998) 8 NZCLC 261,765, **Re Hilltop Group Ltd (in Liquidation)** (2001) (NZCLC 262,477, and **Re B M & C B Jackson Ltd (in liquidation)**, (HC) CP 26/99, 29 March 2001 (unreported)), found the position regarding what constitutes reckless trading that would allow the Court to make any order to have a director repay monies to a creditor plaintiff to be the following; (emphasis that of the writers)

> *[67] Having considered them, I think that the position in relation to s135, when read together with s301 is as follows;*
>
> *Section 135 imposes a duty which is owed by a director to the company rather than to any particular creditor;* ***The test is an objective one;*** *Although the law reform process makes its difficult to elicit any legislative intent in relation to the wording of s135,* ***it appears to impose a stringent duty on directors to avoid substantial risks of serious loss to creditors and does not appear to allow such risks to be incurred, <u>even in circumstances where potential for great rewards exists;</u>***
> ***In situations where a company has little or no equity (as is the case here), <u>directors will need to consider very carefully whether continuing to trade has realistic prospects of generating cash which will allow for the</u>***

servicing of pre-existing debt and the meeting of commitments which such trading will inevitably attract*.* *As Anderson J said, the reference to "substantial risk" and "serious loss" does appear to set a higher standard than simply any risk at all to creditors which* ***must be inevitably where a company is operating at a loss and has few, if any, realizable assets****;*
Where a breach of duty is found, the assessment of the amount to be paid by a director under s301 should be "neither more or less than that [directors] just desserts*.*

102. The argument of great reward against great risk for **MAYER** and his co-conspirators was merely the likely success of the conspiracy to defraud the funder. **MAYER** insured the likely success by inveigling professionals, but it must be remembered that they came willingly. Although the writer has dealt already with the law on conspiracy earlier in the report the writer feels that the matter should be covered more fully so that TEL executives have somewhat of a handle of what has transpired against them and the law that is available for prosecutors to extract justice from the situation. Equally it could play out to a lesser extent in the civil arena.

103. Under conspiracy law the conclusion of the actual agreement between two or more persons to commit to a course of action that they believe will result in the commission of a crime is the act that is inimical to the public good and justly is a crime pursuant to section 310 of the Crimes Act 1961. The commission of a conspiracy is not that the agreement, if even carried out, would result in the commission of a criminal offence, but that the individuals who made the agreement thought the course of action in agreement, if carried out, would be result in a criminal act; **R v Anderson** [1986] AC 27; [1985] 2 ALL ER 961.

104. A classic case is where two drug addled addicts amass certain chemicals that they believe will, when combined, make a prohibited drug, and the

truth is that the chemical cocktail could never have resulted in a prohibited drug. The mere belief that their agreement would result in the manufacture of a prohibited substance is the commission of the crime of conspiracy. New Zealand has followed the Canadian cases in this regard with **R v Sew Hoy** (1993) 10 CRNZ 581(CA) not following the English case of **DPP v Nock** [1978] 2 ALL ER 654. In **USA v Dynar** (1997) 147 DLR (4th) 399, 431 – 6; 115 CCC (3d) 481, 513 - 518 it was held that "impossibility" could only be a defence to conspiracy charges where the conspiracy was to commit an "imaginery" crime. That would be to commit something lawful in the belief that it was actually unlawful. Conspirators can be charged with the crime of conspiracy and with the individual overt acts that are substantive criminal offences in the conspiracy. The relevant law and policy provisions are available in **R v Humphries** [1982] 1 NZLR 353, 355 (CA) where the court found that it was appropriate that joinder of four substantive counts of separate offences to the actual conspiracy charge were allowed to proceed to trial because the crown case alleged a continuing conspiracy, of which the substantive offences were no more than incidents.

105. Various individuals that are involved in a conspiracy do **<u>not</u>** need to even be in an agreement with all of the conspirators involved or know of the result of the entire agreement. A conspirator need not know what he has agreed to do is unlawful. A conspirator can enter and leave and re-enter a conspiracy numerous times and a conspiracy can have numerous lesser agreements as part of a much larger plan. All that a conspirator needs to believe is that his involvement with others is for the intention of carrying out the purpose of the agreement; **Churchill v Walton** [1967] 2 AC 224; [1967] ALL ER 497. The writer believes that various conspiracies have occurred in the matters at hand. In **R v Gemmell** 2 NZLR 740 (Court of Appeal) **MCMULLIN** J refers to the "*locus classicus*"

definition of the elements of a conspiracy found in the judgment of **WILLES** J delivered to the House of Lords on four questions posed by the then Lord Chancellor Lord **CAIRNS**, in **Mulcahy v R** (1868) LR 3 HL 306. **WILLES** J said; (emphasis that of the writers)

"A conspiracy consists not merely in the intention of two or more, but in the agreement of two or more to do an unlawful act, or to do a lawful act by unlawful means. So long as such a design rests in intention only, it is not indictable. ***When two agree to carry it into effect, the very plot is an act in itself, and the act of each of the parties, promise against promise,*** *actus contra actum, capable of being enforced, if lawful,* ***punishable if for a criminal object or for the use of criminal means or for the use of criminal means****. And so far* ***as proof goes, conspiracy, as Grose J said in Rex v Brissac 4 East, 171, is generally "matter of inference deduced from certain criminal acts of the parties accused, done in pursuance of an apparent criminal purposes in common between them****" (ibid,317)"*

106. For professionals or experts alleged to have been involved in a conspiracy, with related offences to their profession or expertise, the law of inference weighs in dramatically and for certain individuals, in the events the writer has uncovered, prejudicially. Such powerful inferences often require an accused, or in the civil setting the defendant, who is by the nature of their qualifications or experience presumed "an expert", to take the stand and give evidence, inclusive of providing corroborative documentary material. A failure to do so, without a very good excuse, would infer guilt before a Court. This will present a major hurdle to the professionals involved when no doubt some records that should be available are not available. The law in this regard, relating to a civil case, can be found in 2 **Wigmore on Evidence** (Chadborn Revision 179), para 285 at page 192; (emphasis that of the writers).

"The failure to bring before the Tribunal some circumstance, document, or witness, when either the party himself, or his opponent claims that the

facts would thereby be elucidated, serves to indicate, as the most natural inference, that the party fears to do so, ***and this fear is some evidence that the circumstance or document or witness, if brought, would have exposed facts unfavourable to the party.*** *These inferences are always open to explanation by circumstances which make some other hypothesis a more natural one than the party's fear of exposure. But the propriety of such an inference in general is not doubted."*

107. Once there is evidence that a particular person is a party to the conspiracy, the Courts will accept hearsay evidence of the statements or conduct of alleged co-conspirators acting in furtherance of the common design, even where the statements were made, or the conduct took place, in the absence of the accused; **R v Buckton** [1985] 2 NZLR 257 (CA) and **R v Ahern** (1988) 80 ALR 161.

108. The writer believes that the individuals charged in this report with misfeasance/skullduggery believed that they had successfully duped everyone involved and that any inquiry into the matters of deceit would be simplistic and perfunctory in order to preserve "what little remained" after they had all but emptied the pantry. A conspiracy can last for many years, and inside a "global" conspiracy their can be many lesser conspiracies made up of other agreements ultimately inimical to the public interest. The Court of Appeal had this to say about the duration of a conspiracy in **R v Johnston** (1986) 2 CRNZ 289, 291;

"A conspiracy does not end with the making of the agreement. The conspiratorial agreement continues in operation and therefore in existence until it is ended by completion of its performance or abandonment or in any other manner by which agreements are discharged"

Simple, circle or chain conspiracy

109. There are effectively three accepted kinds of conspiracies although the law on conspiracy is expanding as societies practices change. The most

common is the simple conspiracy where everyone knows everyone else and is aware of their involvement in the agreement, not that they will know the true identity of each person, but maybe know their position in the agreement.

110. Then there are two more complex conspiracies. The first known as the "circle" or "wheel" and the second is referred to as a "chain" conspiracy. Both are discussed in **R v Meyrick** (1929) 21 CR App R 94, 101-102. The "circle" conspiracy involves one global agreement between numerous parties with one central person, or groups of persons, managing the involvement of others that do not have any contact with anyone else but the central management entity. This is much like the spokes all leading to the hub of a wheel; compare **Ex O Coffey, re Evans** [1971] NSWLR 434. In a "chain" conspiracy the overall agreement is made by a series of groups of conspirators where say only one conspirator from a group has contact with another member of another group, and so on, thus forming the "chain".

111. The writer also believes the individuals involved in the matter at hand, (and the individuals as a group), felt that what they had done had been "signed off" by individuals and organizations that would appear independent (and beyond reproach) to outsiders, and thus impregnable from successful assail from interested (and thus prejudiced) parties such as funders like TEL. A key focus in this report is to expose the overt acts by the various individuals involved and to show an uninterrupted flow of evidence towards an inescapable conclusion. That being significant wrongdoing pursuant to the provisions of the Crimes Act specified at paragraph 2 and of this report and the Companies Act specified at paragraphs 88 to 93 of this report. The writer sincerely

hopes that this report will assist both TEL and the prosecuting authorities to make the appropriate decisions to obtain justice.

112. As stated there is probably a lot more material available for the writer to build a stronger case, but the writer feels that the case is so strong at this stage that the only matter that could improve it would be for the lesser co-conspirators to supply briefs of evidence to be given to the "king pins" in order that they not only admit their participation in the offending, but more importantly that they return what they took by fraudulent means. If our corporate provident governance division can be of any further assistance please do not hesitate to ask.

113. The media has made much of funders incompetence but the writer must say that TEL should be thankful that no dishonesty has (as yet) been found against its officers because that would **not** assist it in its civil cause. The writer strongly believes that TEL given its long history and standing in the corporate community must set out to right the wrong as best it can and to insure that systems are in place to protect the groups activities in the future. The starting place is the caveating of all property owned by any of the conspirators that are clearly involved and the reporting of their behaviour to their professional bodies.

114. Most importantly to the matter at hand the more serious the charge of wrongdoing the greater the need for powerful conclusive evidence. All of the above considerations is not to say that one piece of evidence that strongly indicates guilt is not enough on its own to make an allegation worth making and may in the end be enough to prove guilt, but to simply indicate that before making any allegation, an investigator should, as a ubiquitous duty, seek to find all evidence for and against the need to make a damaging allegation. The integrity of the investigation decides

the justice of the case to be made in Court. The Courts role is to see that fair play, as much as it can, is present, but it is extremely rare that the Court will, of itself, discover a truth different to that which a strong prosecution case makes out. The writer reiterates that he believes he has done this to the best of his ability given his resources and access to documentation and witnesses and has always been mindful of the frailty of justice, or moreover the frailty of the observance of justice by mankind;

"Justice" said Daniel Webster in his eulogy of Mr. Justice Story, "is the great interest of man on earth". Much as we wish this were so, there is unfortunately a staggering mass of evidence to the contrary" **VANDERBIL**, Arthur T, **The Challenge of Law Reform** (Princton, New Jersey, Princeton University press, 1955), p.3

Of relative justice the law may know something; of expediency it knows much; with absolute justice it does not concern itself" **HOLMES**, Dr Oliver Wendell, VIII **The works of Oliver Wendell Holmes**; Pages from an Old Volume of Life, "Crime and Automatism" (Boston; Houghton, Miffen and Company, 1891),p.324.

Justice has been described as a lady who has been subject to so many miscarriages as to cast serious reflections upon her virtue" **PROSSER**, William L, **The Judicial Humourist** (Boston: Little, Brown, and Company, 1952, Preface, p.viii.

"…..a long line of cases shows that it is not merely of some importance, but is of fundamental importance that justice should not only be done, but should manifestly and undoubtedly be seen to be done. ….Nothing is to be done which creates even a suspicion that there has been an improper interference with the course of justice" Lord **HEWART Rex v Sussex Justices** [1924], 1 K.B 256, 259.

115. The writer believes that TEL needs to ready itself for the inevitable which will be a resounding success against the fraudsters if enough funds are supplied to that cause and result, which when obtained will put its name back on top of its area of expertise. The writer hopes that he has in

some way assisted TEL to make what is the only appropriate decision to instruct lawyers to commence proceedings.

116. The writer has released this document to TEL in draft form for its urgent consideration as to whether it should be released to the SFO. The SFO'S investigator was very excited about the content of the report and more importantly what its annexures prove. The SFO are due to interview **MAYER** on Thursday and want to be able to interview **MAYER** on the reports content. The writer is of the belief that as **MAYER** is totally unaware of the reports content it is very important that the SFO are fully up to speed and can make the most of surprise.

E FLIGHT FROM JUSTICE

117. The last issue that the writer wishes to cover is the likelihood of **MAYER** absconding once charged no matter the bail conditions. **MAYER** has family and friends overseas that have operated inside the *"swindlers conspiracy"* and **MAYER** has access to ocean going yachts which could easily serve his flight from justice. **MAYER** has raised this issue with the writer asking whether the Philippines had an extradition treaty with New Zealand when **MAYER** took the writer to see his yacht "**WILL**". The writer noted that **MAYER** was taking the boat to "*another mooring*" to "ready it for sailing". The writer has also noted that a large amount of modern yachting equipment has been taken from various levels of Peace Tower. **MAYER** has stated quite clearly to the writer and others that he has no intention of serving any jail time.

118. Additionally there is the issue of further offending being committed by **MAYER** which is more than likely, whether it is done by him directly or indirectly through using the likes of **GOULD**. Such offending would no doubt include;

118.1 Defeating and Perverting the course of justice. It was clear that **MAYER** wanted the writer to 'do as much' at various times. This would be by removing persons from the country, falsifying documents and obtaining others involvement in doing same to exculpate all concerned.

118.2 Dealing in the properties that have equity (as a result of the defrauded funds from TEL) to move the proceeds of offending out of the reach of the victims.

118.3 Theft of property (**MAYER** has already stolen property from TEL properties and has threatened to remove the entire innards of buildings in order to destroy value. **MAYER** uses others to do such work. Complaints have been made to the New Zealand Police Service.

119. It is the writers opinion that TEL must, as a result of this report and the extensive work done by Advantage Advocacy Limited staff, write to the charging authority seeking that the authority strongly oppose bail until **MAYER** can provide suitable security and undertakings. The writer believes most earnestly that unless **MAYER** is kept in custody he will abscond, irrelevant of how much remorse **MAYER** shows if he duly confesses to all offending on Thursday.

120. As stated **MAYER** is **not** an individual that will admit defeat easily. Any show of such behaviour will merely be another deceit employed to enable his escape from justice. Proof of that is **MAYERS** further serious offending after publicly confessing in the Sunday Star Times, and his complete refusal to visit the SFO or act in a way to see TEL compensated. A matter to be taken into account is that **MAYER** will be given a prison sentence, and therefore time spent in prison awaiting trial is **not** of significance against the probability of flight. These matters are very serious and the suffering of the victims has been extensive inclusive of the employees of TEL.

121. The last issue that indicates that **MAYER** will seek to evade justice as his chief cohort **TURNBULL** did. The writer believes that **MAYER** likely paid for **TURNBULL** to leave and may be funding **TURNBULLS** existence overseas. There are many lawyers, accountants and valuers involved in this conspiracy, and the writer understands that a prosecuting authority will not want to over complicate a prosecution, nor to promote a massive number of proceedings that can be only proceeded on a separate [repetitive] basis, but the writer believes that this conspiracy proves that the level of professional and corporate corruption in New Zealand is exponentially higher than that represented by New Zealand's ranking as one of the least corrupt nations in the world. Therefore a conviction should be obtained against **MAYER** first, with a deterrent sentence of say 7 to 8 years prison being sought, and then a clean up process taking individual natural persons, such as Alexis **HART**, [and other lawyers] Julija **WILSON**, [and other Real Estate Agents] and Richard **PARKINSON**, [and other valuers], down the same path to long prison terms. No one should be ultimately spared their time in the limelight. As the Romans said; **fiat justitia, ruat caelum.**

__________________ released by email as at _________________

Dermot Nottingham

Corporate Director (Provident Governance) Advantage Advocacy Limited