

ENFORCEABLE UNDERTAKING

Pursuant to section 46 of the Financial Markets Authority Act 2011

The commitments in this undertaking are offered to the Financial Markets Authority (FMA) by

David John Hobbs

Jacqueline Hobbs

(the **Hobbs**)

1. BACKGROUND

- 1.1 David Hobbs and Jacqueline Hobbs are New Zealand residents and company directors.
- 1.2 On 24 October 2012, the Supreme Court of New South Wales held the Hobbs liable for financial misconduct relating to the operation of 14 individual unregistered offshore managed investment funds administered in Australia.
- 1.3 On 21 February 2013, the Supreme Court of New South Wales imposed the following penalties against Mr Hobbs and Mrs Hobbs:
 - (a) Mr Hobbs was permanently banned from providing financial services and managing corporations in Australia. Mr Hobbs was also ordered to pay a AU\$500,000 pecuniary penalty; and
 - (b) Mrs Hobbs was banned from providing financial services for 8 years and banned from managing corporations for 6 years in Australia. Mrs Hobbs was ordered to pay a AU\$20,000 pecuniary penalty.
- 1.4 On the basis of the findings of the Supreme Court of New South Wales, the FMA considers that Mr and Mrs Hobbs have engaged in serious financial misconduct involving false misrepresentations to the investing public.
- 1.5 Pursuant to section 517(1)(f) of the Financial Markets Conduct Act 2013 (**the FMC Act**), the High Court of New Zealand may, on application of the FMA, make a management banning order against a person if that person has been prohibited in an overseas jurisdiction from carrying on activities that the Court is satisfied are substantially similar to any of the activities outlined in section 518 of the FMC Act in connection with a contravention of any law relating to the offering or trading of financial products or the supply of financial services.
- 1.6 As the Australian Courts have prohibited Mr and Mrs Hobbs from activities which are likely to be considered substantially similar to those activities set out in section 518 of FMC Act, the FMA considers it would be able to successfully apply for a management ban preventing the Hobbs from:
 - (a) being a director or promoter of, or in any way (whether directly or indirectly) being concerned or taking part in the management of, an entity (other than an overseas company, or other entity, that does not carry on business in New Zealand); and/or
 - (b) providing financial adviser services or broking services (within the meaning of those terms in section 5 of the Financial Advisers Act 2008), or contributing, as employee or agent, to the provision of those services.

- 1.7 Mr and Mrs Hobbs have offered to provide the enforceable undertakings set out below pursuant to section 46 of the FMA Act. These enforceable undertakings have been accepted by FMA. Compliance with these undertakings may be enforced through the Courts pursuant to section 47 of the FMA Act.

2. ENFORCEABLE UNDERTAKINGS

2.1 Mr Hobbs undertakes:

- (a) that he will not at any time, without the prior written approval of the FMA:
 - (i) be a director or promoter of, or in any way (whether directly or indirectly) be concerned in the management of, an entity other than:
 - A Hobbs Trustee Limited;
 - B Seaview Wholesale Limited;
 - C Any overseas company, or other entity, that does not carry on business in New Zealand,
 - with the express conditions that:
 - AA none of the above named entities will seek to raise funds from the public or offer any securities or financial products to members of the public; and
 - AB Mr Hobbs will not borrow or lend money, or be involved in the provision of financial services, whether directly or indirectly, in respect of customers purchasing or selling vehicles through the car dealership operated by Hobbs Trustee Limited and Seaview Wholesale Limited.
 - (ii) provide financial adviser services or broking services (within the meaning of those terms in section 5 of the Financial Advisers Act 2008), or contribute, as an employee or agent, to the provision of those services;
- (b) to divest himself of the shares that he owns in Whitewall Color Wheel Ltd and L'Attitude 05 Limited by 31 December 2015.

2.2 Mrs Hobbs undertakes that she will not, without the prior written approval of the FMA:

- (a) for a period of four years from the execution of this undertaking, be a director or promoter of, or in any way (whether directly or indirectly) be concerned in the management of, an entity other than:

- (i) Hobbs Trustee Limited;

- (ii) Seaview Wholesale Limited; and

- (iii) Any overseas company, or other entity, that does not carry on business in New Zealand,

with the express conditions that:

- AA none of the above named entities will seek to raise funds from the public or offer any securities or financial products to members of the public; and

- AB Mrs Hobbs will not borrow or lend money, or be involved in the provision of financial services, whether directly or indirectly, in respect of customers purchasing or selling vehicles through the car dealership operated by Hobbs Trustee Limited and Seaview Wholesale Limited.

- (b) for a period of four years from the execution of this undertaking, provide financial adviser services or broking services (within the meaning of those terms in section 5 of the Financial Advisers Act 2008), or contribute, as an employee or agent, to the provision of those services;

2.3 Mr and Mrs Hobbs, jointly and severally, undertake to:

- (a) wind up Tasman Business Consultants Limited by 31 August 2015;

- (b) fully co-operate with any requests by the FMA to assess, or conduct an assessment of, their compliance with these undertakings;

- (c) comply with the following process should Mr and/or Mrs Hobbs seek approval to be a director, promoter or be concerned in the management of an entity:

- (i) Mr and/or Mrs Hobbs will seek approval from the FMA in writing; and
- (ii) will provide the FMA with reasonable information and documents in a timely manner, including financial information and any other information that FMA requests relating to the proposed or actual operation of the intended company.

3. ACKNOWLEDGEMENTS

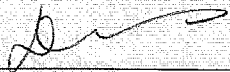
- 3.1 These undertakings are enforceable at the date this document is executed by Mr and Mrs Hobbs.
- 3.2 These undertakings in no way limit the rights and remedies available to any other person or entity arising from any conduct described in these undertakings or arising from future conduct.

Signed by:



David John Hobbs

In the presence of:



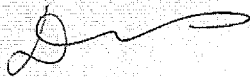
Name: Doreen Andrews
Occupation: Office worker
Address: 17 Appaloosa Ave, Richmond
Date: 9 July 2015

Signed by:



Jacqueline Hobbs

In the presence of :



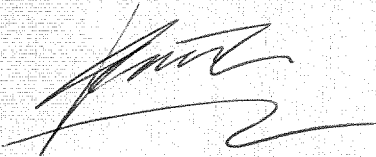
Name : Doreen Andrews
Occupation : Office Worker
Address : 17 Appaloosa Ave, Richmond
Date : 9 July 2015

Accepted by the FMA pursuant to section 46 of the FMA Act by its authorised delegate:



Name :
Occupation :
Address :
Date :

In the presence of :



Name : Grace Ng
Occupation : Senior Adviser
Address : 137, 4 Dockside Lane, Auckland
Date : 13 July 2015