

ENTITY NAME: Wolfbrook Capital Limited

(the **Offeror**)

DATE: 20 October 2022

REASON FOR WARNING:

1. Following the FMA’s review of the use of the wholesale investor exclusion, particularly relating to property-related offers, the FMA has issued a formal warning to the Offeror.
2. Information provided by the Offeror raised concerns that it may have failed to give disclosures to investors as required by Part 3 of the Financial Markets Conduct Act 2013 (**FMC Act**), because it relied on the wholesale investor exclusion in circumstances where it was not entitled to.
3. This is because:
 - a. the Offeror identified some investors as “eligible investors” in circumstances where there was no evidence of the relevant investor providing an eligible investor certificate;
 - b. some eligible investor certificates were incomplete (and therefore defective) as they did not meet the requirement under clause 41(1)(b) of Schedule 1 of the FMC Act, namely, no grounds for the certification were stated in the eligible investor certificate; and
 - c. some of eligible investor certificates were incomplete (and therefore defective) as they did not meet the requirement under clause 41(1)(c) of Schedule 1 of the FMC Act that a financial adviser, a qualified statutory accountant, or a lawyer signs a written confirmation of the certification in accordance with clause 43 of Schedule 1 of the FMC Act.
4. The FMA has concluded that the Offeror should receive a formal warning concerning this conduct, and that it is in the interest of fair and transparent financial markets that this warning should be published.
5. The FMA notes, prior to the FMA raising this matter with the Offeror, the Offeror had already commissioned advisers to complete a review of its investor onboarding process and an audit of documentation, including eligible investor certificates. The Offeror advised it has taken steps to improve its investor onboarding processes and documentation.