

Overseas Investment Office

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Our Ref : 201810148

17 December 2019

Roger Dickie Developments Limited
C/- Alan Lear
Barrister

BY EMAIL : alan.lear@antitrust.co.nz

Attention: Roger Dickie

Dear Mr Dickie

Formal Warning in respect of Roger Dickie Group acting as an associate in the acquisition of Hadleigh Station

1. We write to:
 - (a) formally notify you of our view that the Roger Dickie Group, through the vehicle of Roger Dickie Hadleigh Limited (**RDHL**), breached the Overseas Investment Act 2005 (**the Act**) by entering into an agreement for the sale and purchase of Hadleigh Station as an associate of Veronika Leeb-Goess-Saurau on 10 May 2018, and
 - (b) issue you with a warning that proceedings may be issued if there are any further breaches of the Act.

Details of Breach

2. On 10 May 2018 RDHL entered into an agreement for sale and purchase of Hadleigh Station, in order to secure land on behalf of Veronika Leeb-Goess-Saurau, an overseas person.
3. We consider RDHL was acting as an associate¹ of Veronika Leeb-Goes-Sarau because:
 - (a) There is a trail of correspondence between yourself, Ms Leeb-Goess-Saurau and her husband, which discusses the proposed offer, consults on key details such as the price, and evidences a clear expectation that you were securing the land on her behalf²
 - (b) Your staff were asked to keep Ms Leeb-Goess-Saurau and her husband informed on the progress of the bidding on price "every step of the way"³
 - (c) The deposit for the land paid by RDHL was backed by a guarantee from Ms Leeb-Goess-Saurau

¹ Within the meaning of s8 of the Overseas Investment Act 2005

² See emails between Roger Dickie, Axel Leeb, and Veronika Leeb-Goess-Sarau between 24 April 2018- 21 June 2018

³ Email Roger Dickie dated 2 May 2018

4. RDHL and Veronika Leeb-Goess-Saurau entered a subsequent Deed of Nomination dated 15 June 2018 transferring the agreement for sale and purchase into Ms Leeb-Goess-Saurau's name. The nomination was conditional upon the Overseas Investment Office granting consent. However, by this time Ms Leeb-Goess-Saurau had already obtained an equitable interest in the land due to the agreement entered into on her behalf by RDHL. This interest was obtained without the requisite consent under the Act and was therefore in breach of the Act.
5. We are satisfied that Ms Leeb-Goess-Saurau was unaware she needed consent when you entered into the agreement for sale and purchase on her behalf and that she relied upon your advice. As a result, she has been obliged to obtain retrospective consent for obtaining the equitable interest in the land and to pay a retrospective penalty of \$10,000.

Decision on Enforcement Action

6. You will be aware of public concern over acquisitions of sensitive land by overseas investors without proper authority, as you have been the subject of recent media coverage in respect of the Hadleigh Station purchase.
7. We note that this office had previously corresponded with you on the application of the associate provisions.⁴ Our expectations were that you would have taken time to familiarise yourself with the associate provisions and to have structured your affairs accordingly. This is particularly important given the nature of your business and your experience in dealing with overseas investments.
8. Your correspondence in the present case suggests you were aware of the need to obtain consent for overseas investors but saw it as a potential barrier to a quick purchase.⁵ We do not consider that this justification in any way provides an excuse for not complying with the law.
9. We have balanced these concerns with the fact that you have co-operated fully with our investigation and agreed to attend a voluntary interview.
10. We have also looked at a number of other recent transactions involving the Roger Dickie Group and have not identified any additional breaches. We note that you have actively been engaging with this office on transactions involving overseas investors and as a result have some confidence that a recurrence is unlikely.
11. By issuing this formal warning, we wish to make it clear that we expect you will continue to take steps to ensure that you are not acting as an associate of overseas persons in acquiring sensitive land for forestry or any other purpose. We strongly recommend that you obtain specialist legal advice when you are entering arrangements on behalf of overseas persons to acquire interests in land.
12. We take breaches of the Act seriously, and you are on notice that we will take this warning into account if you act as an associate in any future transaction without the requisite consent under the Act. We may draw this warning to the attention of the Court in any subsequent proceedings brought by us.

⁴ Letter Annelies McLure dated 25 May 2012

⁵ See for instance your emails from Roger Dickie to Axel Leeb, and Veronika Leeb-Goess-Sarau 27 April 2018, 2 May 2018

13. We will be publishing this warning letter on our website. We may make public comment about our investigations and conclusions including issuing a media release or making comment to media. This is important for the public interest for transparency and to act as a deterrent for other investors.
14. If you have any questions or do not fully understand anything in this letter, please do not hesitate to contact either Sarah Scott or Svetlana Malivuk on 0800 665 463.

Yours sincerely

Sarah Scott
Principal Advisor Enforcement
Overseas Investment Office

Svetlana Malivuk
Senior Investigator
Overseas Investment Office