

*The #1 bestseller*



# **Lawyers, Guns & Money**

*Ian Wishart*



*A true story of horses & fairies,  
bankers & thieves...*

*For Matthew & Melissa*

# ***Lawyers, Guns & Money***

*A true story of horses & fairies,  
bankers & thieves...*

by Ian Wishart

This book is dedicated to the broken hearts, broken promises, broken homes and broken dreams of all of those affected by both the Winebox Inquiry and the film and bloodstock investigations.

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## **WARNING!**

PLEASE NOTE: This book is about civil lawsuits filed in the High Court at Auckland and Jersey, in the Channel Islands. In those proceedings an allegation of fraud was made. This does not and did not mean fraud in the criminal sense.

Allegations of fraud in that sense are not made in this book, unless otherwise specified.

This book traces an investigation into allegations of “deception” or “concealment” practised on a group of investors. They are allegations of fraud in the civil sense.

It should be pointed out also that the defendants in this case have steadfastly denied these allegations. Readers should not make any assumptions, and should maintain an open mind.

## prologue

“The Right Honourable gentleman is indebted to his memory for his jests, and to his imagination for his facts.”

– Richard Sheridan, British MP, 1751-1816

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### **April 1992, Auckland:**

*The cars swept up the driveway to the rural retreat one at a time but linked by a common purpose. The faces of the occupants remained largely hidden by the trees lining the carriageway, although to any hidden watchers it would have been almost irrelevant – most of the men meeting here secretly on this day, while each powerful, were not well known publicly.*

*The dappled April sunlight played shadow-games in the craggy lines of one particular face though. It was a face worn down and aged beyond its years. And yet for him, and most of the others who'd gathered, the ordeal hadn't really even begun.*

*Half an hour away, the city of Auckland – home to a third of New Zealand's three and a half million citizens – buzzed on the horizon as a new work day dawned. Out here though, the noise and the pace of the city could not intrude. The only sounds: the crunch of car tyres and footsteps on gravel, and the occasional chirp of a bird or an insect.*

*It was an inspired choice of locations. The long drive meandered to a halt in front of a rambling farmhouse mansion, and a converted stable now provided extra parking. Behind, visitors could glimpse the vines of St. Nesbit's winery stretching down into a valley and up the other side, clusters of Cabernet Sauvignon and Merlot grapes hanging like purple icicles from the branches, sparkling as the last of the morning dew captured the sunlight. It would be harvest time soon.*

*St. Nesbit's was the passion of prominent Auckland lawyer, Tony Molloy and his Dutch-born wife, Petra. Molloy, with a doctorate in law under his belt and a Queens Counsel by trade, was a specialist tax lawyer by day and a vintner of premium wines by night and weekends. Although small in terms of turnover,*

*the vineyard's reds are highly prized, earning St Nesbit's five-star accolades in New Zealand and Australia.*

*But it wasn't wine, or even wineboxes, that they'd gathered to discuss. From the elegant porch, guests who chanced a look through the large leadlight windows could see the living room had been converted into a conference room. Against the far wall, a whiteboard stood ready to play its part.*

*There would be repercussions from today's rendezvous. They were inserting dynamite into the cracks of a political tectonic plate, and the earthquakes that began here, at an exclusive vineyard south of Auckland on April 22 1992, would reverberate through the country for the next five years.*

*One of the guests would bear a personal cost as well: the price of being seen at this clandestine gathering – particularly in the presence of the man with the craggy face – would be his career. Alan May was a top fraud investigator with the Inland Revenue Department's Auckland office, but he would discover that even a reputation as an IRD "golden boy" couldn't save him from the witch hunt that would follow.*

*Introductions were brief. May, whose attendance was unofficial and in his own time, was joined by two investigators from the Serious Fraud Office, Geoff Downey and Neil Morris. The invitation had been extended to the man in charge of the SFO, Charles Sturt, but Sturt had declined the offer, sending two of his staff instead.*

*The man with the well-worn face grinned briefly as the group made small talk. Winston Peters was instantly recognisable to everyone in the room, but if his appearance was a surprise none of the three public servants were prepared to show it. The two SFO investigators, in particular, remembered one of the guests later, "sat on the couch looking like two rejects from the KGB – expressionless, emotionless and impassive."*

*Peters' barrister, Brian Henry, was one of the prime movers behind the meeting, and he too watched quietly from the sidelines, searching the faces of those around him for signs of reaction. This discussion, he thought, would spell out in words of one syllable for the benefit of the IRD and the SFO, the fraud he believed was present in a series of major financial deals involving bloodstock and movies.*

*Molloy, as host, was to be assisted in this operation by two more lawyers. Chris Dickie and Peter Edwards were partners in a mid-size city lawfirm, McVeagh Fleming & Co, who'd been investigating the deals for a long time.*

*Too long, thought Dickie to himself as his mind drifted back to the events of the previous few weeks that had led to this meeting. "Weeks!," he muttered to himself. Hell, if you measured this investigation by the old nuclear Doomsday Clock, the past month was merely minutes to midnight in comparison with an*

*inquiry that had begun four years earlier into events going as far back as 1982.*

*And yet, as “midnight” ticked ever closer in this operation, no-one was sure whether – at the crucial moment – the clock would chime, or explode.*

**August 1992, Parliament:**

“The Inland Revenue Department determined those transactions to be a sham... Why has it not acted on what is clearly massive, criminal, fraudulent activity? What immunity from prosecution do those perpetrators of fraud have in this country?

“What pressure was brought to bear on the Commissioner of Inland Revenue? Was he threatened by those two gentlemen from Russell McVeagh McKenzie Bartleet & Co?

“Because of inaction, inexplicable inaction, I have referred this matter to the Serious Fraud Office.” – Winston Peters, MP

**March 1994, Parliament:**

“If the Inland Revenue Commissioner David Henry can find no evidence of tax fraud in the Magnum Corporation transaction alone, he should resign or be sacked.

“Decisions by the Serious Fraud Office and Inland Revenue Department not to prosecute have been made behind closed doors and I ask what right have they to be judge and jury away from the scrutiny of justifiably suspicious New Zealand people?

“Who knows what favours are being called in, or bribes are being paid, even as we speak, to save the reputations of some of New Zealand’s so-called leading business figures and top political campaign donors.” – Winston Peters, MP

**July 1995, the Fay Richwhite tower:**

*The manuscript landed with a thud on Sir Michael Fay’s desk, sliding a couple of centimetres before coming to rest in front of the multi-millionaire. Across the table from him, three sets of eyes waited for a reaction.*

*John Hughes, a silver-haired former Detective Inspector in the New Zealand Police Force, probably felt a sense of triumph in the moment. A boutique private security consultant now, he’d been searching for a copy of a book that a TV journalist was rumoured to be writing on the winebox and related issues.*

*Hughes had been part of the police team that put Arthur Allan Thomas behind bars for the Crewe murders in the early 1970’s. He’d led the manhunt to find the killer of Swedish tourists Urban Hoglin and Heidi Paakonon in 1989. Latterly*

*he'd come to public notice as the security consultant to millionaire businessman Alex van Heeren who'd nabbed a British security team in controversial circumstances that had been tracking van Heeren through Auckland.*

*Hughes drank in the view from Fay's 27th floor office, but not for long. His eyes flicked back to the cover page of the manuscript.*

*"Uncorking The Genie – by Ian Wishart," was printed in large type across the page.*

*The second set of eyes belonged to one of Hughes' boys – the man who'd found and delivered the package to the Fay office, a fact of which the private eye was quietly proud. He could still rattle cages in this city, still shake the gorillas out of the trees. Fay had wanted Wishart's book. Now he had it.*

*The third set of eyes watched more cautiously. Rhys Harrison QC was well known to journalists in town as a defamation law specialist, acting on behalf of magazines like North & South or Metro. But he wasn't here today to guard media freedom. Harrison was here as Fay Richwhite's hired legal gun, lead counsel for the merchant bank at the Winebox Inquiry.*

*And still they all watched in silence, as Fay flicked through the manuscript, particularly portions that had been tagged with yellow Post-It notes.*

*Finally, the merchant banker lifted his gaze from the page and looked at each of the men sharing this moment in time.*

*"How do we stop it from coming out?"*

### **July 1995, later the same day:**

*The cellphone on the seat beside the driver was flashing furiously, but he couldn't hear it ringing. He didn't need to really: the dashboard lights were going bananas and the Dire Straits cassette in the car stereo suddenly sounded like a flock of strangled seagulls. It was, after all, a digital cellphone with a signature tune of electronic interference far more effective than any annoying ring tone.*

*As he reached for the phone, he wondered if it would be the managing editor of the publishing company he'd been dealing with. The guy was supposed to have rung by midday with contract details for the new book, but had missed the deadline. Better late than never, thought the journalist.*

*"Yeah, Wishart speaking."*

*"Giddyay," replied the voice of Spook, a shadowy informant who'd been across the journalist's investigations since 1992. "I've got some news for you," he said furtively. "I hear you're working on a book."*

*A string of earthy Anglo-Saxon profanities pranced through his mind, but Wishart didn't give them voice as he listened to Spook. The journalist had, after all, deliberately kept him in the dark about the book's existence because*

*of the absolute need for secrecy about the project. How the hell had he found out about it?*

*“I also hear that you gave it to someone,” Spook continued, “someone you trust, who has secretly slipped a copy to Michael Fay.”*

*Wishart’s nerves were a wreck. It was definitely time to pull the car over and stop. Spook explained there’d been a top level meeting in Fay Richwhite earlier in the day to discuss the crisis caused by the existence of the book draft that was to become The Paradise Conspiracy. Spook, Wishart had known for some time, had a highly-placed mole within the merchant bank.*

*“Someone at Fay Richwhite has told your publisher they’ll be sued for millions if they handle it, and the publishing company’s not going to touch it.”*

*It was a long, guttural scream of rage that rent the cool night air.*

### **August 1995, Auckland:**

*The merchant banker grimaced as he clambered from the vehicle. It was a beautiful weekend morning with the sun glinting on the water off St Heliers beach, but it was largely lost on Michael Fay. He had good reason to scowl.*

*Across the road he could see a familiar face, someone he wouldn’t mind having a word to.*

*“Charles Sturt?” he inquired, thrusting out his hand. “Michael Fay. I have some information I’m sure you’ll find interesting.”*

### **October 13 1995, Auckland:**

*Wishart’s cellphone was ringing. It had been ringing repeatedly for hours, the publication of The Paradise Conspiracy that morning creating massive interest and demand. For the 48th time that day, he answered it.*

*“Howling At The Moon Productions, hello?”*

*“Yeah, Ian,” said the lawyer on the other end of the line, “I thought I should let you know that I was speaking to a lawyer who works inside the Serious Fraud Office today.*

*“I’m told that Fay Richwhite got a draft of your book a couple of months ago. Not the whole book, just selected portions, but it was enough to set them on fire. Fay came to see Sturt, told him it was explosive but not to worry, they’d fixed it so that it would never get published in New Zealand.*

*“I guess Fay was wrong,” the lawyer laughed.*

### **June 1996, the Winebox Inquiry:**

*The politician slumped back in the chair, trapped in hesitation’s vice-like grip. The question hung in the air. No one breathed.*

“Mr Peters!” the Fay Richwhite lawyer had snarled between tightly-clenched teeth. “I will ask you for about the eighth or ninth time. I want an answer. Are you alleging, before this Commission of Inquiry, on oath, that Sir Michael Fay, David Richwhite, any of the Fay Richwhite directors or employees in any way influenced Mr Sturt or Mr Henry in the performance of their statutory duties investigating the winebox transactions. Yes or no?”

The man who would be king looked anything but. Beaten, cowed, punch-drunk. Lurching from answer to answer with rage appearing to cloud his judgment. Fay Richwhite’s QC, Rhys Harrison, knew he had Winston Peters on the ropes, and was playing it for everything he was worth.

In the public gallery sat the skeletal figure of David Richwhite, joint chief executive of the now-privatised merchant bank. The strain of four years fighting Peters and the winebox investigation appeared to be taking its toll on one of the richest men in New Zealand. He looked almost cadaverous. Beside him sat the company’s public relations adviser Michelle Boag. Both could sense blood on the floor. They had waited a long time for this.

On the media benches it was standing room only, and even those standing weren’t guaranteed a view over the phalanx of television and newspaper photographers who’d formed a human barricade in the front row.

Rhys Harrison’s pursuit of Peters had been relentless this June Friday afternoon. In the northern hemisphere they were commemorating the 1944 D-day invasion; in the Auckland hearing room of the Winebox Inquiry Fay Richwhite’s legal attack on the outspoken politician would become equally decisive.

The question had been asked over and over again. “Where’s the evidence that my clients corrupted Serious Fraud Office director Charles Sturt or Inland Revenue Commissioner David Henry?”

Repeatedly, Peters had pointed out that he had no evidence that fell within the Winebox Inquiry’s strict terms of reference. The answer wasn’t good enough for Harrison, who wanted nothing less than a complete exoneration for Fay and Richwhite. Naturally this wasn’t acceptable to Peters, who looked around for any straw he could clutch at to keep the issue alive.

“He’s dead meat,” grinned one journalist on the media bench, *North & South’s* David McLoughlin.

And then Peters stirred. “Yes, Mr Harrison. I believe it is a possibility, though it is not the central part of my allegation. It isn’t my allegation, Mr Harrison. You have sought to make it one.”

“Don’t play with words, Mr Peters,” chided the QC. “I am asking you a question. You know full well that you are on oath and you are bound to give an answer!”

“No!” snapped the MP. “With respect, I am here to give evidence on the allegation I made and I will not be intimidated by verbal gymnastics to say otherwise.”

It was all too much for the inquiry’s ringmaster, Sir Ronald Davison. “All right Mr Peters, let’s have an end to this. Before this inquiry you are entitled to be asked questions and you will answer those to the best of your ability!”

Rhys Harrison paused only momentarily before laying another lash across the politician’s back.

“I will repeat the question for the ninth time. Mr Peters, do you say on oath today that Mr Sturt or Mr Henry were influenced in the performance of their statutory duties relating to the winebox transactions by Sir Michael Fay, Mr David Richwhite, or any other Fay Richwhite director or employee – yes or no?”

“Yes,” replied Peters. “I have always believed that.”

Incompetence, he said, had already been proven at the inquiry, and the question was whether the incompetence had a more sinister root cause.

“I have always admitted the possibility of corruption. I don’t have any explanation for that massive level of incompetence.”

“So, you have no evidence to support an allegation of corruption involving those two senior civil servants and my clients, isn’t that it?”

“No, Mr Harrison. When two civil servants prepare notes for their Minister claiming to have conducted investigations which have been proven demonstrably not to be true – in one case the investigation didn’t start until a month later – I begin to believe that there is something corrupt going on.”

The atmosphere crackled with the tension.

“I have asked you,” demanded the QC angrily, “and don’t try to duck it because you can’t answer it, what evidence you had to implicate my clients in the corruption of two senior civil servants. If you haven’t got it, can you say so?”

“You want more?” snapped Peters. “I have just given you one example of both civil servants doing that. The second piece I want to give you, for you have asked for it, is the head of the Serious Fraud Office who gets a series of disks, scores of them, and approaches Citibank, the very people who could not be relied upon to give a true attestation of what is -”

Peters was cut short by the jack-in-the-box response of SFO lawyer, Willie Young QC. The Paul White affair had been ruled out of bounds several times earlier, but somehow the ball always ended up in play again.

“Sir,” objected Dr Young to Commissioner Davison, “that should never have been put on the brief of evidence. I touched on it, Mr Peters started

off, we stopped yesterday. In my submission it is quite disgraceful for this approach to be taken by Mr Peters to have a free hit on material that he is well aware is not material to this inquiry.”

But push was about to come to shove as the seething tensions sought some form of release. You couldn't have so much fear and loathing in one inquiry room without the cork blowing off. Back in 1994, Serious Fraud Office director Charles Sturt had told the inquiry he'd never met Sir Michael Fay or David Richwhite.

“No, and I do not know Sir Michael Fay or Mr Richwhite personally. I am pleased you have brought this matter up, because I have heard also information that I was a close friend of both gentlemen. I have spoken to neither gentleman at all and would not even know them to speak to.”

In the face of the Fay Richwhite legal barrage, Winston Peters remembered the Sturt denial, and proceeded to tell the mysterious story of a woman he called Mrs X, who had phoned him after Sturt gave evidence. She was, said Peters, effectively accusing the head of the Serious Fraud Office of perjury.

“This person has told me that they were present when Mr Sturt came to Michael Fay's home, whereupon he met the Fay babysitter, and that is when they established an acquaintanceship.”

To say that shockwaves rumbled through the hearing room would be an understatement. Winston Peters was claiming to have evidence that Charles Sturt had lied on oath when he said he didn't know Sir Michael.

“Mr Peters,” asked Rhys Harrison in a tone of utter disbelief, “are you making an allegation of criminality on the basis of something you were told about somebody going to somebody's home to do with babysitting?”

In short, Peters appeared to be doing just that, clutching at a half-remembered conversation with a previously unnamed witness.

“This witness is a Marcia Read.”

Marcia Read, the former head of the Phobic Trust, had just written a book on anxiety disorders and panic attacks. Right now, a number of people in that inquiry room could have used her advice.

Rhys Harrison, however, had other things on his mind right now.

“Do you have any evidence, with a capital E, which would tell this Commission that Mr Sturt lied on oath when he said: ‘I do not know Sir Michael Fay or Mr Richwhite personally? Do you have any evidence that that was a lie?’”

When Marcia Read took the stand, she confirmed she'd called Winston, but said there'd been a misunderstanding and she had not personally seen Sturt or Fay together. Moreover, the actual story was that Charles Sturt's

wife was running an exclusive daycare centre whose clients included the Richwhite family.

The Sturt family per se was obtaining fee income from the Richwhite family, but any potential conflict of interest implications were overlooked in the general acknowledgment that Winston Peters had got it wrong about Fay knowing Sturt.

### **July 1996, Auckland:**

*If one thing was sticking in the journalist's craw big-time, it was the suggestion that no relationship existed between the head of the Serious Fraud Office and the controversial merchant banker. It had been true when Sturt said it in 1994, but by the time Peters was being beaten around the ears over it in mid-1996, there was evidence that Fay had personally revealed to Sturt that he'd tried to shut down publication of an explosive book.*

*Wishart now wanted proof.*

The weapon of choice was a state of the art Sony tape recorder. The medium was a phone line, and the target was that legal beagle from the Serious Fraud Office.

The lawyer agreed to speak, provided he was not quoted directly, which is why the person is not named here.

"I've been doing research for a new book," I told the lawyer, "and one source said someone in Fay Richwhite had actually contacted the Serious Fraud Office and spoken to the director or yourself [I added the lawyer's own name to increase the pressure] about the book prior to its launch."

"Well," said the lawyer carefully. "You can take this as I say it. It wasn't me. All right? You can read into that what you like about who was approached.

"Certainly there had been informal discussions between the director and Fay somewhere, on a walk somewhere along St Heliers, or something like that."

"Why would Fay approach him?" I asked.

"It was put to me that they had not met before, and they just ran into each other while they were out walking one Sunday morning."

"So what was the thrust of that first discussion then?"

"What I understood from that was that the book had been seen by Michael Fay, and something about 'steps had been taken to stop it from being published'."

I was staggered that Fay would admit – to the head of a law enforcement agency that he'd never met before – that he'd taken steps to prevent the book from being published.

“It seems like an incredibly sensitive sort of thing for Fay to be revealing to Chas Sturt,” I queried.

“I know that!” the lawyer exclaimed down the phone. “Let me put it this way. Sturt has always denied that he knew Fay and I’ve just taken that at face value. I don’t know the man well enough to know who he knows and who his friends are. And it was raised that there’d been a meeting somewhere, and it was a casual meeting, and it was raised and it was discussed.”

“Was there any sort of request or suggestion made to Sturt as to what he should do about this book?”

“No, I just think it was information that was relayed to him as far as it was passed on to me.”

“In other words, ‘Wishart’s doing something, watch out, we’ve seen it?’” I asked.

“Yeah, it was put in more colourful terms than that,” chuckled the lawyer. “I certainly know that it excited Sturt. Let me put it that way. The fact that it was something that he’d been mentioned in that was too hot to print – he got carried away with that.”

I hung up the phone, dazed, but with a growing sense of outrage. Within minutes I was dialling another number.

“Dickie speaking.”

“Chris, it’s Wishart, I hope I didn’t disturb your evening. I need to play this down the phone to you.”

I hit the play button on the cassette recorder. When it finished, the voice on the other end of the phone was grave. “I need to see you in my office. Twenty minutes. Bring the tape.”

Dickie and I had been working together on these investigations for four years, each protecting the other’s back, to some extent. Late-night excursions had long ago become par for the course.

It was a little after 10.00pm by the time I arrived downtown and rendezvoused with the lawyer. As we elevated up to his 15th floor eyrie, he said little and his face was grim.

It wasn’t until we reached the lawfirm’s partners’ lounge that he decided to open up. “Ian. What you have just played me down the phone is something I found devastating. Absolutely incredible. Have you made a copy?”

“Not yet.”

He ducked out of the room momentarily and returned with another micro-cassette recorder.

“It is imperative that we make a copy now, and that that copy goes into safe keeping. What you have there is, in my opinion, dynamite.”

*prologue*

After we'd made the dub, the lawyer finally relaxed a little. "What are you going to do with it?"

"I'm not sure," I answered, still reeling at the enormity of all that I'd heard. "But when the time is right, New Zealand will find out about this tape."

The evidence left me with more questions than answers. Certainly there is now proof that Charles Sturt has met Sir Michael Fay. There is evidence that Sir Michael wanted to stop, and I believe did try to stop, publication of *The Paradise Conspiracy* after obtaining an unauthorised version.

Welcome to *Lawyers, Guns & Money*. I hope you find the rest of this book, our second major investigation after *The Paradise Conspiracy*, equally explosive.

## CHAPTER 1

# *the rendezvous*

“A little rebellion now and then is a good thing.”

*– Thomas Jefferson, 1743-1826*

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**THE SHORT, FEISTY** lawyer looked at the faces congregating in the vineyard’s old farmhouse, and let his memory wander. He had witnessed the passage of more than a few special moments in time since his world debut some 44 years earlier. Most of them had long since faded to grey on the image screen of his mind, but a few stood out like beacons:

Personal moments that had helped shape his identity and define his life.

The son of two doctors, the slopes of a dormant volcano in Auckland’s exclusive Remuera had been home for his formative years. “The silver spoon was certainly visible in my upbringing,” Dickie once confided to a colleague. “I went to a private primary school, Kings Prep, where the school motto was ‘Manliness Prevails’. Went to Kings College, had the compulsory overseas trip in my last year. Fell straight into University, and from there straight into a partnership. But probably throughout that time I was very conscious of a lack of genuineness, artificiality.”

As the young Dickie propelled himself through University, he discovered the silver spoon was beginning to leave a bitter taste in his mouth. In joining the Auckland University Underwater Club, he came into regular contact with students from the other side of the tracks.

“I went along, very embarrassed and shy, and I remember being staggered within the first half-hour – first of all by the fact that I was mixing with girls as well as guys, and secondly that they were all from quite a different background to me but they were all absolutely neat people. Absolutely genuine.”

It was there, too, that Dickie first fell in love. “Her name was Trish, but my twin sister, à la Remuera, used to call her ‘Trash’, which just made me

all the more angry because she was absolutely not. She was a very genuine person, she just didn't speak 'proper', according to my dear twin sister," he said with a grin.

Revenge is a dish best served cold, however, and the chance arose at the twins' 21st birthday party, by necessity a shared occasion. "Of course, I invited some of my diving friends and one of them, a particularly good fellow from engineering, arrived in a pair of shorts and bare feet. My sister hit the roof! Those were great times, and they certainly influenced my attitude towards people."

It was at University, too, that Chris Dickie first made contact with a young Tony Molloy. Over the old wooden desks in the law school library, the late afternoon sun would invariably give way to darkness as the pair studied silently together. Dickie, who never really considered himself a scholar, used to call it quits by seven or eight o'clock, but Molloy would linger on, hungry for the knowledge buried in fusty old law texts.

Now, two and a half decades later, the two amigos were back working together. If Molloy was the brains behind the team, Dickie was the brawn, like the cartoon dog Muttley, who would delight in sinking his teeth into a villain's leg whilst giggling maniacally. Not that Dickie didn't have the intellectual firepower. It was simply much easier to leave the joining of the dots to the specialist tax QC, while Dickie indulged his taste for the brutal cut and thrust of law. He had developed a reputation as a pit-bull – someone who wouldn't let go.

Perhaps that was why the midnight phone call that had led to this morning's vineyard meeting had come a few weeks earlier from Brian Henry. Dickie had known of Henry but, in a city where lawyers use their reputations to mark their territory in the same way that lions use trees, this was hardly surprising.

Aware that Henry had close ties to the National Party and, in particular, Winston Peters, Dickie also knew that Henry had been sniffing around the edges of his own investigation, along with a couple of competitive and combative business journalists, Frances O'Sullivan and Jenni McManus. Nevertheless, despite this cursory knowledge, the two lawyers were not what one would call "well acquainted" in March 1992.

Thus, when the late night call shattered his first hour of sleep, Chris Dickie was quite startled to find Brian Henry introducing himself down the line.

"I have some crucial information to give you. Can you come into my office straight away?"

Dickie blinked, and the baleful glow of the LEDs on the bedside clock-

radio flickered in his eyes as he did so. For all he knew the midnight caller could have been “The Jackal” and he wouldn’t have been any the wiser. His wife, Sue, was pondering this point as well.

The lawyer had become embroiled in a game of international intrigue, where his quarry were mixing with the kind of people who had security teams armed with Uzi machine-guns. It was a web that spun from New Zealand and Australia out to Hong Kong, through Japan, America, Ireland and Britain to the Channel Islands tax haven of Jersey, but Dickie and Molloy had yet to positively identify the spider in the middle of it all and that was part of the problem. The spider remained hidden inside a tightly woven core of tax haven companies.

“Don’t go!” Sue warned. “It could be a set-up.”

Like a sailor to a siren, however, Chris Dickie couldn’t resist it. “Yeah, I’ll be there,” he groaned, dragging himself from the bed.

Half an hour later in downtown Auckland, a lone light in an office window beckoned Dickie to his second-floor rendezvous with the voice behind the phone call.

“I might be able to help you in respect of the offshore companies,” said Brian Henry cutting right to the chase. The offshore companies Dickie and Molloy were investigating generated little or no paperwork, and yet somebody had to be controlling them. They suspected a code of some kind, but had never been able to prove it. Now Brian Henry had stepped into the fray.

“I am prepared to act as an intermediary for you to get an understanding of how the codes work and how the system operates.”

Henry claimed to have a source, a senior lawyer, who had personal knowledge of the secret control of offshore companies. Such control would be in direct violation of tax laws.

That was the bait, but it would take more than that to hook Dickie in the wee small hours. The two men fenced a while longer, dancing around the edges of what they knew, each testing the other, not knowing whether to trust. Or not.

Two days later Brian Henry had phoned again.

“The person has agreed to meet you, but only through me. Tell me everything you know, and I’ll get it confirmed or denied for you.”

“Not good enough,” retorted Dickie, who had no intention of playing Chinese Whispers when the stakes were so high. The danger of information getting muddled or confused in the retelling was high, and the result didn’t bear thinking about.

“Look,” pleaded Dickie. “I’m prepared to stand naked on a desert island,

*the rendezvous*

so that he can see I have no hidden tape recorders, but I have to meet him face to face or I'm not going to understand the detail. It's direct or nothing!"

Ironically, the threat worked. Brian Henry got back in touch a short time later.

"The idea of you standing naked is too frightening for words," he grinned. "He'll meet you face to face. My chambers, ten past five tomorrow evening. And wear some clothes!"

## CHAPTER 2

# *deep throat*

“Laws are like spider’s webs, which stand firm when any light, yielding object falls upon them, while a larger thing breaks through them and escapes.”

– *Solon, 638 – 559 BC*

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**CHRIS DICKIE WAS** nervous. Was this a mountain being overcome or just another foothill? He barely had time to ponder as the elevator whisked him up two floors and deposited him outside the chambers of Brian P. Henry, Barrister.

He knocked and was ushered into the office he’d only seen previously in the dark. A huge wooden desk could be glimpsed through a doorway, and antique timber and glass cabinets with legal memorabilia and learned works and treatises. But by far the oddest decoration was a man with a craggy face. Winston Peters, still a National Government politician at this point, was sitting beside Henry’s desk. Dickie knew that Peters and Henry worked as a team, but he hadn’t expected to see Winston Peters at such a hush-hush meeting.

The turn of a handle and the creak of the door ended any chance for the lawyer to speculate further. The mysterious source had arrived.

Paul Darvell. Well-known would be an understatement. Notoriety, or perhaps even infamy, would be a better description. As a senior partner in the lawfirm Rudd Watts & Stone, Darvell had been close to the movers and shakers for a long time. So close, in fact, that when the Serious Fraud Office swooped to arrest Equiticorp boss Allan Hawkins and his colleagues on fraud charges, Paul Darvell – Equiticorp’s lawyer – was one of the bigger fish netted that day. In 1992, their High Court trial had become the biggest show in town, although Darvell would be acquitted at the end of that year.

Brian Henry had been representing another of the accused, and that's how he'd come into contact with Darvell.

He became the equivalent of Watergate's "Deep Throat" – the shadowy character with a penchant for even shadier carparks who kept *Washington Post* reporters Bob Woodward and Carl Bernstein briefed on how to crack the Nixon conspiracy.

Darvell had once been close to the centre of the web himself, but in the brutal backroom power struggles that determine corporate and political direction in this country he had come off second-best.

When Equiticorp disintegrated amid the detritus and aftermath of the '87 stockmarket crash, the subsequent criminal trial left Darvell feeling like a scapegoat being fed to the ravenous public wolves. He felt he was being made to take the rap for the sins of the entire legal profession, and his anger was fuelled by others in legal circles who were gloating about Darvell's predicament.

But whoever decided to make an example out of such a formerly powerful individual as Paul Darvell was playing a very dangerous game. Not only did he know the legal tricks being used to con the tax department and other law enforcement agencies, but he also had first hand involvement in some of the schemes.

Rudd Watts & Stone are the solicitors who act for Cook Islands tax haven company European Pacific. Paul Darvell was one of the partners who helped European Pacific devise their schemes.

European Pacific's lawyers, and the IRD and Serious Fraud Office lawyers, had made much of the fact at the Winebox Inquiry in 1995 and 1996 that European Pacific had consulted the best legal brains in the business, including Paul Darvell, and been given a clean bill of health on the allegedly fraudulent Cook Islands tax credit deals.

Imagine the surprise then when, on the 6th of June 1996, IRD counsel Bruce Squire QC took this question-line with Winston Peters.

"Is it fair to suggest to you," said Squire, "that the net result of your evidence in this regard is that the statements that you personally have made about the winebox transactions – the fact that they are 'demonstrable fraud' to use your term in some respects – are in fact entirely based on the advice you got from [Brian] Henry and Dr Molloy?"

"Well, no," replied the politician. "I had others who were saying that."

"Right," said Squire, looking annoyed. "Who else?"

"Well, there was a man who could be regarded as the doyen of professional circles in the '80s."

“Yes?”

“One Paul Darvell,” said Peters, revealing for the first time the identity of his Deep Throat. In a series of discussions, Darvell briefed Peters on the Magnum and JIF tax credit deals, which involved a total of US\$1.2 billion and were alleged to involve a fraud on the revenues of New Zealand and Japan. Darvell, a man who’d helped design the schemes, told Peters “this is all shonky!”<sup>1</sup>

There was a delicious irony here, in the sense that one of European Pacific’s own lawyers was the man ultimately responsible for delivering the winebox to Winston Peters. The irony was made even more delicious by the fact that Darvell and Brian Henry had done a secret deal to keep the Rudd Watts partner’s involvement in providing the actual documents secret, even from Peters, who suspected but never knew for sure.

“I believe he was the man that made the winebox documents available to me,” the MP told the inquiry hesitantly. “For I could not – have not – been able to identify any other person specifically.

“Mr Darvell, to me, seemed to know a fair bit about the winebox documents and what they meant.” Peters later told Brierley Investments Ltd’s QC, Jim Farmer, that he regarded Darvell’s views as “pretty serious”. He also told the inquiry of a comment that Equiticorp founder Alan Hawkins made to him:

“If I am guilty, then all of these guys are too.”

Jim Farmer wanted to know what Peters thought Darvell meant by “shonky”.

“Illegal. A jack-up, a fix, a device, but not within the law.”

TVNZ’s *60 Minutes* programme had discovered Paul Darvell’s true role in 1995, but the man was by this time dying of cancer. For humanitarian reasons, *60 Minutes* opted not to unmask Darvell as the source of the winebox.

At the March 1992 meeting with Peters and Dickie, the Rudd Watts partner looked weary and strained, but showed no sign yet of the illness that would eventually steal his life. Some would say that the tumour had been caused by the stress of his arrest and subsequent acquittal on the criminal charges arising from Equiticorp.

The small talk didn’t last long. At this point in time the winebox wasn’t on the agenda. It was bloodstock and movies – the favoured tax dodges of the ‘80s – that Chris Dickie wanted to know about. He was desperate to find out how the offshore companies were secretly controlled from New Zealand. As it turned out, Darvell was desperate to tell him.

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<sup>1</sup> Documents subsequently released at the Winebox Inquiry suggest Darvell wasn’t as strong on the issue when he briefed the Commission of Inquiry privately. However, Dickie and Henry, who were both present, back up Peters’ recollections.

Rather than create a paper trail for the New Zealand Inland Revenue Department, Police or the Serious Fraud Office to follow, tax haven companies were essentially controlled via gentlemen's' agreements.

"If you think the days of doing business with a handshake and a promise to honour your word are gone, you're seriously mistaken," he explained. "Suppose, for argument's sake, a secret Hong Kong company was having its chain yanked from Auckland. How do you ensure that any old Tom, Dick or Harry doesn't just ring up and clean out your tax haven bank account on the strength of a phone call? The secret is in the mechanism for authorisation, and the mechanism is simple.

"ACME Dodgy Trusts Ltd in the Netherlands Antilles, which administers the secret Hong Kong company on behalf of the New Zealand owners, is essentially taking part in a game of 'Simon Says'.

"It has authorisation to take phone calls from only two New Zealanders. One of those calls might come from a company executive in Auckland. The other might come from a lawyer or accountant. The phone calls must be made within the same timeframe, and the instruction must match exactly. If Simon doesn't say it right, the people at ACME Dodgy Trusts Ltd won't carry out the instructions. There's usually a password involved as well."

The wheels were spinning at high speed inside Dickie's head. He had seen faxes to a Hong Kong accountancy firm from men he was pursuing in relation to alleged bloodstock fraud. They had used a codename – "Project Topaz". Now it all made bloody sense.

"Project Topaz". The very name reeked of a Robert Ludlum novel. Where the hell had Paul Carran dragged up that sobriquet?

He fought the urge to swear out loud, and opted instead simply to clench and unclench his fists to relieve the tension.

Paul Carran, the solicitor from Russell McVeagh McKenzie Bartleet & Co, was one of the keys to solving the mysteries of the spider in the web, as far as Chris Dickie was concerned.

A law graduate from Wellington's Victoria University with Honours, Carran had gained his Masters from the University of London before returning to practice in New Zealand in the mid-1970's.

Promoted to a full partner at Russell McVeagh in June 1982, a lawfirm biography noted Paul Carran's expertise in "the fields of company law, commercial law and entertainment law."

New Zealand in the 1980's, and Auckland in particular, was the closest thing in the western world to commercial anarchy. Success was defined by how big and how tough you were.

At the cutting edge were the lawfirms. Financial deregulation had brought with it new opportunities, and new loopholes to explore. Ironical as it may seem, the abolition of rules resulted in an exponential explosion in the number of lawyers. One of the biggest and toughest firms around was Russell McVeagh McKenzie Bartleet & Co. More than a century old, its alumni ran New Zealand.

If success can be measured by the number of Russell McVeagh graduates on a board of directors, then perhaps it's no surprise to discover that a number of very successful companies were almost top heavy with current or former lawyers from the firm. Even Winston Peters had once worked there.

Paul Carran was himself on the boards of more than 20 companies, although most of those were special purpose private investment vehicles. But two other men in particular with connections to the firm were fast developing reputations as company directors – Robin Lance Congreve and Geoffrey Thomas Ricketts.

Born in Blenheim in 1944, young Robin Congreve completed his Masters degree in Law at Wellington's Victoria University, before topping it off with a Ph.D from the University of London. A tall dark-haired, sophisticated man, his intellect on tax law was so hot you could fry eggs on it.

Becoming a Russell McVeagh partner in 1976, Congreve spent ten years with the firm as a specialist tax adviser to the business community, before going solo as a consultant to the firm and his existing clients in 1986. He told Sir Ronald Davison's Winebox Inquiry in 1995 that he had been feeling burnt out after a decade of intense tax practice and wanted to go into business on a more general basis.

Congreve was, in effect, a kind of Rumpelstiltskin in reverse: when it came to keeping profits out of the tax department's clutches, he could turn gold into straw, and among the finance houses to benefit from Dr Congreve's fisco-legal medicine was merchant bank Fay Richwhite & Co. Ltd.

Asked by Commission of Inquiry lawyers whether it was true that he was "instrumental" in many of the tax deals set up by Fay Richwhite, Robin Congreve replied "I think it flatters me," but conceded that "I was an early and probably enthusiastic user and recognisor of the opportunities that followed deregulation...and it may have been possible for people to think that I was the 'eminence grise', or whatever the expression was, of that area."

Geoff Ricketts, balding and bespectacled, looked older than Congreve but was in fact nearly two years his junior. He'd been a partner in Russell McVeagh since 1973, and the young lawyer had also strayed into the orbit of Fay Richwhite.

Chris Dickie knew Ricketts well. His wife, Fran Ricketts, had been bridesmaid at Dickie's wedding, and Geoff and Chris had become good friends. Ricketts had returned from overseas just after he qualified, and called on Dickie to get a briefing on the legal scene in Auckland.

As Dickie would later remark to colleagues, the close personal ties between them all would become the first sad casualty of the bloodstock and film investigations.

While Ricketts and Congreve were associated with merchant bankers Fay Richwhite & Co and served on the board of subsidiary Capital Markets Ltd, the pair also did a Batman and Robin twosome for other leading corporate lights.

When Lion Nathan was formed in 1988, for example, three of its directors had Russell McVeagh connections, and two of the three were Congreve and Ricketts. On the Mace Trust Management Ltd board, half the directors had worked at Russell McVeagh, including Robin Congreve and Geoff Ricketts. Congreve also served on the board of Freightways Holdings Ltd. Both men, of course, would later be found on the board of the Bank Of New Zealand.

Along with deregulation, the election of a Labour Government in 1984 ushered in the era of the corporate consultant. It had begun with Roger Douglas' much heralded "Economic Summit", which brought together business, union and political leaders for a pow-wow on where the country should be going.

One of the rising stars at the summit was a man named Michael Fay. With a desire to deal only with the best and biggest, the summit gave Fay Richwhite a chance to plug in at even higher levels of influence.

In the book *Michael Fay – On A Reach For The Ultimate*, marketing consultant Iain Morrison wrote of a discussion with the Fay Richwhite team just after Prime Minister Sir Robert Muldoon had called the snap election.

Fay Richwhite's Wellington manager, he wrote, Bill Birnie, described Muldoon "as a pain in the neck. Fay Richwhite had come up with a number of different packages and Muldoon could see right through them. They admired Muldoon for his intellect. However, they felt that with a change of Government these schemes would be able to proceed.

"They were looking forward to this. They believed a new Labour Government would be so preoccupied with getting established that they would be able to swing the deals that Muldoon had emphatically rejected. They saw it as a new era of opportunity, as long as the National Government fell and Lange took the Treasury benches."

Muldoon himself was scornful of the brash Aucklanders and their entou-

rage, and critical of the way they gained influence after the economic summit.

“You can go back to the time of the first Labour Government,” he told the authors of *On A Reach For The Ultimate*, “and find a number of people who became the darlings of Cabinet. I guess the original Sir James Fletcher would be the most obvious. He got alongside the ministers and the Prime Minister in a personal way and profited from it accordingly.

“It works more easily with Labour Cabinets because the ministers feel flattered by the attention. Fay did this at least as well as others with past governments.”

Giving his interview for the book on the eve of the 1990's, Sir Robert looked with hindsight at what had followed in a general sense.

“Now, if you look at the state-owned enterprises, you see directors and chairmen, people of this description, who got there by deliberately putting themselves alongside ministers in a social capacity.

“Mind you, the Fay Richwhite people did it with both sides of the House. They did it with some of the younger members of the National Party caucus. We were talking about some new ideas for a health scheme, and my young friend Ruth Richardson said we should get a businessman to run it.

“I asked who she would pick as chairman. She suggested David Richwhite. So they got their arms around both sides. A few years earlier she wouldn't have known David Richwhite from somebody out in the street.”

Sometimes the relationship between business leader and politician appears a little murkier than simply wide-eyed adoration. In his 1994 book, *Where's The Gold?*, former Goldcorp boss Ray Smith wrote of the circumstances surrounding Goldcorp's 1987 public share float.

Demand was so great for the 50 cent shares, he said, that long-standing clients only ended up with an average allocation of 1500 shares each in the new company. Smith claims he was approached by Customs Minister Trevor de Cleene.

“He quietly suggested that he and Roger Douglas, then Minister of Finance, would be most grateful to receive a share allocation and subsequently a substantial allocation of 50,000 shares each was made via another sharebroker to some obscure company.

“I have no way of knowing,” Smith wrote, “who the actual shareholders of those companies were; it may not even have been the two ministers. There was no suggestion that we would get a payoff of any kind. It was just nice to know that the Ministers of Customs and Finance possibly owed me one. They at least were sensible enough to stag their shares at close to \$0.85.”

If Ray Smith's allegations are true, Roger Douglas and Trevor de Cleene

stood to make up to \$17,000 clear profit each on the deal, without having had to have put in a cent in the first place.

On February 27, 1987, Goldcorp's official launch party was held at Ray Smith's Takapuna home.

"There was unlimited Moet, spit-roasted pork and lamb, oysters and crayfish. The guest list included our friends, bankers and large investors; two special guests were Roger Douglas and Trevor de Cleene."

In May 1994, during research for TVNZ's *Eyewitness* programme and what subsequently became *The Paradise Conspiracy*, I rang Douglas and de Cleene for comment.

"I can't remember if I bought any or not, to be honest. Could've. I honestly can't remember, to be honest," bumbled Sir Roger, before adding that he certainly wouldn't have personally sought an allocation. "I don't remember, you're probably better to ring Trevor. I can't remember it at all, to be honest, but I'm not going to say it didn't happen."

As for his alleged attendance at the Goldcorp launch party, Sir Roger searched for the right words to describe the situation, and failed.

"Ah, I ah, actually ah, I, I didn't have any, I was there for about half an hour to be honest, ah I had a, I launched a book, I was invited, I didn't go to the opening at all, to be honest, ah, but ah, I think Trevor might have been more involved in that than I was.

"I was invited, and I went to his home, which was after the sort of launch, and I was there for half an hour."

As to the claim that he'd had a parcel of 50,000 shares, he was more definite.

"I'll tell you what, there is no way I have ever invested that much in shares in my life, so I certainly didn't do that!"

The phone call to Trevor de Cleene resulted in a more hostile reception. A lawyer by trade, he stated that he'd had some correspondence with Ray Smith about another passage in an early draft of the book, and warned him it could be libellous.

"I'm not saying anything. He wrote to me about another matter, not connected with this. I'm not saying what it was about. You people have to make your own mind up. All I'm saying is I warned him then about libel and, frankly, I'm warning you about libel.

"I have been many years in Parliament and haven't had the good fortune to be libelled. As I can conduct my own affairs, I'm actually looking forward to it.

"I'm not saying anything – why should I? The answer is no comment. Anything you do, you people, is at your own risk."

For their part, Fay Richwhite denied having a strategy to get close to politicians in a bid to score business deals. Instead, they responded, theirs was a natural progressive relationship over time.

When State-Owned Enterprises Minister Richard Prebble came looking for aggressive young business leaders to shake up the Post Office, it was Fay Richwhite's door he knocked on. Michael wasn't home, he was away playing with yachts. David agreed to take some time out to conduct a hard-hitting review of the Post Office Savings Bank, and he was helped in his toils by 31 year old Bill Birnie from Fay Richwhite's Wellington office.

Also tapped on the shoulder, Robin Congreve, the Russell McVeagh consultant and Capital Markets director who would go on to be described by *Metro* magazine in 1987 as "pivotal in reshaping a wide range of New Zealand companies and finance houses to enable them to thrive in the new age of deregulation...regarded as one of the top tax brains in the country, a man with a special ability to find the most profitable solutions for companies and rich individuals with the most complex tax problems."

Following the Richwhite/Birnie recommendations, Richard Prebble then appointed Robin Congreve as chairman of the new Post Office Bank. Despite their close relationship to Postbank through Congreve, Birnie and Richwhite's involvement, Fay Richwhite & Co took a thumping when the state asset was sold, losing to a bid almost double their own from ANZ Bank.

Both Congreve and Ricketts would receive a hefty tarring and feathering at the hands of rebel National MP Winston Peters in 1992 over their dual roles as Fay Richwhite and Bank of New Zealand directors, and what Peters alleged was their involvement in fraudulent schemes as he campaigned for an inquiry into the BNZ.

This, then, was the Russell McVeagh McKenzie Bartleet & Co that Chris Dickie had come to know, along with its high profile whiz-bang tax and commercial lawyers. Even other Russell McVeagh staff held the firm's tax section – to which Carran and Congreve both belonged – in a mixture of absolute awe and absolute fear. One senior partner told how the office doors of the tax lawyers would be deadlocked, so that no other partner in the firm could gain access to their files. They were the only section in the lawfirm to adopt such stringent security. Which was all very well, except when the tax lawyer concerned was on holiday or away, and one of their clients phoned wanting an update on his case.

"Try explaining to the irate client why you can't access his file and tell him what's happening!" the lawyer exclaimed with a shrug.

But Russell McVeagh would be involved in another venture in the early

1980's that would come to have an effect on Chris Dickie's investigations, and it resulted from the visit of a Saudi Arabian prince, His Royal Highness, Prince Nawaf bin Abdul Aziz Al Saud.

At the time in question, Saudi Arabian and, in fact, Middle Eastern money of any origin was at the centre of all sorts of mysterious schemes, some of them apparently tied to the notorious Bank of Credit and Commerce International, BCCI, which finally collapsed in 1991 because of massive fraud.

Prince Nawaf himself, a member of the Saudi royal family, had surfaced on the fringes of the BCCI controversy when he purchased shares in one of Washington DC's biggest banks, Financial General – later renamed First American. At the same time, an Arabian consortium fronting for BCCI was taking Financial General over illegally.

One of the kingpins in the BCCI team was Kamal Adham, the former chief of Saudi intelligence and an adviser to the royal family. Both Adham and the Prince had begun their buy-in's on the recommendation of the same person, Saudi diplomat Hassan Yassin.

There is no evidence to suggest the Prince had any involvement with BCCI, the story merely serves to underline the strange places that Arab cash was turning up in.<sup>2</sup>

Two years later the Prince was in New Zealand on a spending spree. He snapped up a Coromandel farm for \$1 million, but substantially more cash was injected into a bright new investment venture.

"New Zealand and Saudi Arabia," intoned the New Zealand Herald's front page lead, "have joined hands in an investment plan which will see millions of dollars pour into this country in the next 10 years.

"In the most significant moves yet by any country to invest in New Zealand, Saudi Arabian interests will take half shares in an equity investment company which will help to bankroll this nation's future."

So what was the magic investment carpet from which many riches would be sprinkled by this wealthy Arabian knight? A company to be known as the Saudi New Zealand Capital Corporation, or Saudicorp, as it would later be shortened to. The deal was signed in Los Angeles, and the \$20 million company would be 50 percent owned by Prince Nawaf, 25 percent by New Zealand's government-owned Development Finance Corporation, and the

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<sup>2</sup> BCCI, by all accounts, had only one New Zealand investment, a car haulaway venture run by businessman Matt Thompson, the founder of lame duck airline Skybus in the 1970's. BCCI's money was to be used to bankroll the airline. Thompson eventually ended up gun-running for Libya's Colonel Gaddafi, but died in a drunken stunt when he was pretending to hang himself whilst standing on the kitchen table of his London apartment. Unfortunately, a table leg gave way, and the entrepreneur was killed.

remaining 25 percent would go to private business interests in New Zealand.

Saudicorp's brief was to help bankroll the DFC into funding "projects which are beneficial to the economy." DFC General Manager John Hunn called it a stimulating beginning to the 1980's.

"Development of New Zealand's economic resources and potential during the next decade could well be limited by a shortage of private venture capital. This joint venture is an ideal way to introduce overseas investment capital while furthering New Zealand's interests."

At a time, in 1997, when tens of billions of foreign dollars pour into New Zealand each year, the setting up of a twenty million dollar company in 1981 seems almost quaint – even more so given that it was front page news. Looking back in time, however, you could almost say it was the moment that the little boy pulled his finger out of the dyke. What started as a trickle sixteen years ago has become a flood.

Russell McVeagh would become solicitors to Saudicorp, and Robin Congreve would later end up serving as chairman of it as well. Eventually, Saudicorp's path would cross Chris Dickie's.

This then, is a rough thumbnail sketch of the historical canvas that Dickie's investigations had been set against. For the McVeagh Fleming lawyer and his close friend Tony Molloy QC, seeking answers to the collapse of a bloodstock investment partnership and the tax implications of some movie deals, it would be a long and painful process of joining the dots before they would begin to appreciate the bigger picture. Part of that painful process would hinge around the April 1992 vineyard meeting.

## CHAPTER 3

# *the grapes of wrath*

“History, is indeed little more than the register of the crimes, follies and misfortunes of mankind.”

– *Edward Gibbon, 1737-1794, The Decline and Fall of the Roman Empire*

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**THE AROMA OF** *freshly brewed coffee drifted into the makeshift conference room from the old farmhouse kitchen, tendrils of fragrance from the Arabica beans invisibly swirling around the vineyard’s guests until they could take it no more.*

*On a vast rustic timber table lay a veritable feast of salads, meats, cheeses, bread and, of course, bottles of St. Nesbit’s finest red.*

*It had been a morning of legal scene-setting on the bloodstock transactions, but lunch and a glass of Cabernet found Chris Dickie recounting, on a more informal level to some of those gathered, his own entrapment in the proceedings four years earlier.*

There are moments in time, outwardly indistinguishable from any other moment, which can have profound and lasting effects on an individual’s – or even a country’s – future. Dickie could clearly remember that quarter-past four on a November afternoon in 1988 was one of those moments.

Chris Dickie didn’t know it at the time, of course.

It was the urgent trill of the phone, on the corner table at the top of the stairs on the other side of a locked front door, that occupied Dickie’s attention. He fumbled with the keys, twisted and pushed, and clambered up the staircase.

“Dickie speaking,” he puffed into the mouthpiece.

“Yeah, Chris, it’s John Taylor. We’ve got a problem.”

It wasn’t so much the words as the tone of voice that had told Dickie the worst. John Taylor was a top executive at Anzon Investments Ltd, a blue-chip corporate investment company. The pair had known each other for a

year or two after meeting as negotiators on opposite sides of some friendly corporate raiding. “John was a delightful person to deal with,” Dickie would later remark. “I held him in high esteem.”

Back in 1986, one of Anzon’s subsidiaries, Anzon Capital Ltd, had been pushing an investment scheme based on bloodstock, supposedly the finest horseflesh in the world. A company called Buckingham Enterprises Ltd had been established in February of that year, with the aim of buying top brood mares. In a glossy twenty-eight page prospectus, the promoters revealed their masterplan.

“Anzon Capital Ltd and [consultant] Mitchell McLeish will establish over the next three years a sizeable and high quality bloodstock breeding operation in New Zealand, Australia, USA and Ireland in conjunction with the top studs and management in those countries.”

Anzon saw numerous advantages for investors. There would be benefits from spreading the breeding risk across both northern and southern hemisphere bloodstock industries, and European bloodlines would find their way downunder more easily.

“By breeding in Ireland, England and USA where the bloodlines are strong and well developed, the Partnership should be able to generate above average profits. The Partnership will also be able to transfer selected bloodstock to its Australasian operations to strengthen its bloodlines and increase the profitability of those operations faster than would otherwise be the case.”

Despite the success of champion sire *Sir Tristram* – described by bloodstock consultant Mitchell McLeish as “a fluke”, NZ bloodstock was, by and large, not on a par with the top European and American studs.

“The very very best of our horses could go up [to the northern hemisphere] and compete. The odd freak that we get could go up and compete and probably be quite competitive just below top level,” he said. Examples of such freaks include names like *Horlicks* and *Balmerino*. The rest of them weren’t in the race. So to speak.

Buckingham Enterprises Ltd and Company wasn’t an ordinary company.

It comprised two entities: “Buckingham Enterprises Ltd”, an ordinary shelf company, was one and the “Company” referred to was the other. The “Company” was not a company, it was a group of investors who’d joined together and pooled their money in the project.

It had been established as a “special partnership”, which meant the investors were silent partners, not allowed by law to have any say in the management of the partnership. That task would be handled by Buckingham Enterprises Ltd.

If you like, Buckingham Enterprises Ltd and its staff and advisers were the engine, the driving force of the project, while the “and Company” were the fuel. Altogether, Buckingham Enterprises Ltd and Company was a vehicle on a one-way track to disaster.

As part and parcel of the deal, the investors also had to make a written promise to Westpac – Buckingham’s banker.

If, for some unforeseen reason, the partnership went under, the investors each had to guarantee that they would pay the bank an additional sum equivalent to double the original investment. In other words, if the partnership disappeared down the gurgler taking your \$10,000 stake with it, you would not only lose that \$10,000, but you’d have to write a further cheque to Westpac for another \$20,000 on top of that, plus interest.

But of course, with investments in horses with Kentucky Derby-winning bloodlines, nobody believed for a moment that this venture could fail. Nobody, that is, until that phone call to Chris Dickie from Anzon’s John Taylor.

Taylor didn’t waste words. “Chris, you’re an investor in the Buckingham partnership. I don’t know how to say this – I’ve just discovered Buckingham is an absolute disaster. The bank, Westpac, haven’t been paid.”

Christopher Dickie’s world caved in.

“They must have been paid, dammit! They must have been!”

“No,” Taylor replied quietly. “Chris, I believe that only two payments were ever made on time. The bankers are owed millions and millions, and they’re going to look to everybody – you included – under their guarantees.”

Dickie had lowered the phone back onto its cradle in a state of shock. A naturally cautious person, he was not the kind of investor to throw money around flamboyantly. Hell, he laughed bitterly to himself, he’d only ever made two investments before this. The first was back in the 1960’s, when he bought a parcel of Yates shares for £300. He’d sold those many years later for a modest sum, and later invested in a kiwifruit orchard, but throughout the boom years he hadn’t put a cent in the stockmarket.

All around him lawyers, accountants and other professionals had been dabbling in film finance, to attract significant tax breaks offered by the Government of the day as an incentive to make movies, but Chris Dickie had stood aloof.

The pressure to have a financial fling continued to build in those pre-crash days, however. July 31st 1986 was budget night, and the Labour Government’s financial fairy godmother, Sir Roger Douglas, was poised to turn the Cinderella bloodstock investment industry back into a pumpkin

at midnight, by removing the tax advantages for any schemes not already fully subscribed by that time.

All around the country, the final days of July saw a mad scramble by the promoters of various similar schemes to sew up as many investors as possible before the Government's budget-imposed witching-hour.

"I can remember July 31st as clear as anything," Dickie would later remark wistfully. "It was a beautiful sunny Thursday, and I'm sure the Good Lord looked down at me and said 'you're a miserable little sinner, and I'm going to pay you back!'"

In the preceding few days Dickie had seen a number of his colleagues in various Auckland lawfirms rush to secure their own places in Buckingham before it closed, and he'd had the chance to look over people's shoulders at the prospectus. But it was during lunch in a restaurant on the 31st that fate finally intervened.

"As luck would have it, sitting at a table opposite me was David Rouse of Anzon."

"Chris, haven't you got involved in Buckingham yet? We've written to you. Come on, this is the best thing since sliced bread. You can't afford to miss it, we're closing at five tonight – you're crazy if you're not in!"

The lawyer and history were on a collision course. Hindsight would suggest that envy played no small role in the decision to get involved. Being a commercial lawyer, he'd had many an opportunity to press his nose up against the window panes of some wealthy friends who'd also become clients.

"I had been with these people in circumstances and lifestyles that I certainly don't enjoy the privileges of – all the bells and whistles, the helicopter rides, the expensive overseas trip that I was shouted by these clients as a 'thank you' for a job I'd done, their magnificent homes and cars.

"They worked incredibly hard but they played even harder! I went to parties like I'd never seen before and suspect I never will again, parties complete with a crane lifting a girl up, hidden inside a cake, to a first floor window.

"The interesting thing about these friends in particular was that they were very down to earth. They certainly called a spade a spade. They weren't the toffee-nosed, double-barrelled names talking with lisps in their voices – they were good, solid businessmen."

Pulling his nose back from the window-glass, Chris Dickie had paused to reflect on his own circumstances, which he referred to – somewhat self-deprecatingly – as "a solicitor on an average income, doing an average job, living in an average house." His friends had done well in some special partnerships already, including some run by Fay Richwhite.

Always the bridesmaid, never the bride, thought Dickie, remembering his own tenuous connections to the jet-set. When Michael Fay and David Richwhite had first started out in business together in the mid 1970's, after quitting the doomed Securitibank, they'd set up shop in what Dickie called "a pokey little office" leased to them by his father-in-law.

He'd seen the two lads around, and he knew his wife's father, at that time secretary of the United Permanent Building Society, was sending a little bit of work Fay Richwhite's way. But Chris Dickie hadn't moved in their circles.

Dragging himself back to his current dilemma, he weighed up the dynamics of investing in bloodstock. The fact that he knew nothing about horses except which way they pointed was neither here nor there.

"I've only ever had two experiences with a horse prior to that day. One of the animals once stepped on my foot on a gravel road – hell that hurt! And the other time was that I had sat on the bonnet of a Morris Minor at the top of the Ellerslie racecourse on Ladies Mile road, with my very close friend, now deceased, Jim Fletcher.<sup>3</sup>

"I remember being staggered by the power of these horses as they galloped up in the steeplechase. I can remember that as clearly as anything – the impression of the incredible power of these magnificent animals.

"And those were the only connections I'd ever had with a horse. I didn't know anything about them," he chuckled.

Dickie made his investment decision on the hoof, so to speak. David Rouse's personal hard-sell succeeded where two years of sharemarket boom and hype had failed. Dickie signed on the dotted line with just hours to spare, sinking \$10,000 into the venture. He'd largely forgotten about it in the interim and, like many of the other investors, had just assumed that his horses were out there somewhere, eating grass, mating and racing.

To say that John Taylor's phone call two and a half years later had come as a shock would be a gross understatement. Dickie and his wife, Sue, had just returned from Auckland's Jean Batten International Airport, after seeing off daughter Joanna on an overseas excursion to Sweden. A generally melancholy air had already overtaken the couple, without the news that they might just have lost \$30,000.

That evening marked the end-of-year partners' dinner for the McVeagh Fleming lawfirm, but the atmosphere of bonhomie and festive season good cheer was lost on Dickie. All he could think of was horses, and every mouthful of sirloin tasted like jellimeat.

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<sup>3</sup> Fletcher was tragically murdered when he disturbed a teenage intruder at his Papamoa Beach holiday home in the Bay of Plenty.

“I kept thinking ‘this cannot be true. It can’t be true!’ We had bought millions of dollars of top quality horses. I mean, we had bought the best bloodstock in the world, and there were competent people behind it.

“I was frightened, because clearly John’s comments were to be taken very seriously, and that night I just simply didn’t eat at the restaurant. I was praying like hell that I was right and John was wrong. As it turned out, I couldn’t have been more wrong.”

Events had moved swiftly over the following days. Westpac Bank, now owed millions by the three hundred or so investors in Buckingham Enterprises Ltd & Co, was moving to call in those debts. Sensing impending financial doom, the investors gathered for a special meeting at the International Hotel in downtown Auckland city.

Grabbing his coat from the back of the office door, Chris Dickie was running late. He wanted one of his legal partners in the McVeagh Fleming lawfirm to come with him, but there were no takers.

“I don’t think anything hit me until I walked in that door. I can tell you this: it was a late afternoon, it was sunny, and I can remember walking up the stairs to where the meeting was to be held and hearing this incredible noise.

“The room was chocker, absolutely packed to the gunwales with people standing all around the sides, from front to back it was absolutely jam-packed with sweating, grunting, angry humanity.”

The lawyer’s eyes scanned the room, settling briefly on John Taylor who was standing near the front. A brief flicker of acknowledgment passed between the two men, before Dickie resumed his hunt for a vacant seat. Surprised to find one he bounded across before anyone else could grab it. If there was going to be bad news, he wanted to be sitting down when he heard it. A blonde woman next to him nodded a greeting.

“Have you got many units in this?” queried Dickie.

“Oh yes, just a few,” she murmured in an Irish lilt, in what would prove to be a massive understatement. She was the biggest single investor.

The minutes of the meeting don’t capture the flavour of the missiles being directed at the partnership bosses, but they do record the main points.

“Westpac were owed \$1.1 million in terms of principal and interest with another \$241,000 due on 31 January 1989. Westpac have advised that they would like partners to lend money to the partnership [to cover the arrears]. If this does not happen then Westpac will move to call up the amount owed in terms of individual guarantees of partners.

“After considerable discussion,” noted the minutes dryly, “it was moved that the General Partner [the executive team] be instructed to advise Westpac

that the special partners [the investors] are not prepared to make an advance to the partnership.”

It was during one of these rapid-fire sorties against the executive team, that Chris Dickie’s attention was momentarily diverted by the late arrival of a new face.

“It was about three quarters of an hour into the stoush, and I can remember the doors opening and in walked the solicitor representing the Buckingham partnership, Paul Carran. He just waltzed up the front and sat there. I didn’t know who he was then, and I remember thinking ‘how rude!’ for the partnership’s solicitor to turn up late, because clearly it was a critically important meeting.”

Dickie didn’t realise he would spend the next seven to nine years of his life tracking Carran’s movements and activities.

From his vantage point towards the back of the room, Dickie spent most of his time just quietly observing the hellish scenario unfolding before them. He couldn’t put his finger on it, but he felt that not every card was being laid on the table.

“It just didn’t add up, no way did it add up. Here I was listening to them trying to explain these enormous debts, and for some reason it was setting off alarm bells inside me. I think that’s the moment that I realised there was something much bigger going on.”

Others shared his concerns on a more general level. Time and again, the same questions kept cropping up – where had the money gone, why had the investors only been told now when Westpac had virtually never been paid?

“The feeling of that meeting was one of absolute disbelief. They were shattered, they were in a state of shell-shock, and you’ve got to remember that none of us had received a bean out of the investment in the intervening two years, not a bloody cent! It wasn’t like they’d paid us and forgotten to pay the bank. Something was seriously wrong.”

Flaring tempers needed cooling off. John Taylor poured oil on troubled waters by setting up a special committee to identify what had gone wrong with the partnership, and to examine the Westpac issue in more detail. Chris Dickie found himself invited to join the investigation group.

Over a cool beer on that warm summer evening, the lawyer mingled with a small group of investors who’d hung around. They wanted to know if he would take them on as clients.

It very quickly became apparent, once the investors refused to throw good money after bad, that Westpac was going to take the investors to the cleaners if it had to. Not only had they defaulted on the first million and a

quarter, now the bank could see there was no chance of the remaining loan repayments being made either.

“The investors were about to be sued by the bank,” Dickie explained to an inquisitive neighbour. “The bank had made a demand and was clearly determined to proceed with those demands. There was a large amount of money involved, and it was inevitable that if the bank was successful a considerable number of the investors would have been bankrupted.

“Taking Buckingham as an example, the liability of each investor was twice the amount they’d subscribed for plus interest. Unbeknown to the investors though, until after that meeting, only two payments had ever been made to the bank on time by Buckingham’s management, so clearly the partnership was totally insolvent.”

Formed on March 3, 1986, it was set up not as a normal company or an ordinary partnership, but as a special partnership, under the Partnership Act 1908.

In an ordinary partnership, such as a legal or accounting firm, each partner is jointly and severally liable for the debts of the partnership and, as all lawyers know, that liability is unlimited. If a lawyer rips off a client, the other partners in that firm have to dig into their own pockets and make good the loss.

In a special partnership there’s a major difference. Provided that you, as a special partner, play no role in the management of the firm, your liability is limited to the amount of your original investment, and not a cent more. If you invested \$10,000 and the special partnership went bust, your liability would be limited to that \$10,000.

With Buckingham, however, there was a catch. Even though, under law, the special partners had this protection, as explained earlier they had to sign those rights away before Westpac Bank would agree to give Buckingham an overdraft.

While their liability wasn’t unlimited, special partners had been required to sign a guarantee to pay Westpac a further 200% of their original investment if things went sour. In return, according to the prospectus, the banks would provide up to \$10 million in loan finance.

Not being allowed to have a say in the management of Buckingham, the special partners also had to sign powers of attorney allowing a “general partner” – Buckingham Enterprises Ltd (as opposed to Buckingham Enterprises Limited and Company) – to run the special partnership as it saw fit.

“The General Partner,” stated the prospectus, “will not contribute to the capital of the Partnership and will neither share in the profits nor bear any losses.”

The company behind the bloodstock promotion, Anzon Capital Ltd, had appointed two of its own directors, John Taylor and Chris Kirkham, to the board of Buckingham Enterprises Ltd, while the other two directorships went to accountants Keith Goodall and Robert Nurse. These men would have the responsibility of guiding the Buckingham partnership's fortunes, including the purchase, breeding and sale of world class horses.

It is important at this point to understand the structure of these partnerships. A "general partner", usually a limited liability company, was responsible for the day to day management of the investment, but shared none of the profits or losses.

The "special partners", the investors, could play no role in the management but incurred all the liabilities and enjoyed all the profits. The special partners were totally and utterly dependent on the management abilities of the general partner. As such, when things became messy, the investors directed their legal battle against the general partner because those executives were the people solely responsible for the management.

One of Chris Dickie's first major discoveries on the special committee set up to unravel the mess was that Buckingham appeared to be missing \$2.96 million of its capital funds. The initial capital of the partnership was to have been \$7 million, according to the glossy prospectus. Seven thousand units of \$1000 each. The problem was, Dickie and his committee of disgruntled investors could only find just over \$4 million paid up. They retraced the dots to the very beginning of Buckingham Enterprises Limited and Company. This, they thought, would be Ground Zero of the investigation.

There had been one extra protection built into the Buckingham Partnership, and it came in the form of a statutory supervisor. This was a form of watchdog to ensure, as the prospectus put it, that no units in the scheme were allotted to any investor until "the Statutory Supervisor is satisfied that subscription monies in respect of such applicants have or will be paid in terms of this Prospectus."

The supervisor for Buckingham was accounting firm subsidiary KMG Kendons Trustee Company Ltd; the parent accounting firm has since become Coopers and Lybrand.

In the court proceedings that would later follow, it was alleged that Kendons had made an "unfortunate error":

"The statutory supervisor, contrary to the terms of the prospectus, contrary to what all the clients were told would be the rules, allowed nearly \$3 million worth of subscriptions to be acquired but not paid for," Chris Dickie would later allege. It would become one of the central themes of his investigation.

“Within a short period of time it was clear to me that the liability of this room full of people to Westpac had to be looked at in terms of the legal documentation, because that’s how they acquired the liability.

“The documents say they were liable for twice the amount of *subscribed capital* [author’s emphasis] – and that’s the original and subscribed capital of the partnership. It was a formula.

“Therefore the central question must be, ‘what was the capital of Buckingham?’ ”

It was no idle question. If the investors were being held liable for double the \$7 million total capital plus interest accruing daily, and yet they’d only invested \$4 million of that themselves, then the person or persons who held the remaining \$3 million worth of capital needed to be found so they could be hit with their fair share of the burden.

Who had the cash? The answer could best be described as a set of Russian dolls, and it would lead to the heart of what would later be alleged in court and in parliament to be a massive fraud against the investors and the Inland Revenue Department.

Little did Chris Dickie know, but the journey he was about to embark on would, over the course of nine years, nearly destroy his life, his career, his friendships and almost his marriage. If you had suggested to him the steps he would one day have to take to protect his family and the evidence, the nights he would spend wondering if he would survive until dawn, the self-confessed “average” Auckland lawyer would never have believed it.

## CHAPTER 4

# *the missing millions*

“All progress is based upon a universal innate desire on the part of every organism to live beyond its income.”

– *Samuel Butler, 1835-1902*

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**THE YOUNG MODEL** blushed, she couldn't help it. “You want me to what?” she asked quietly, as the director eyed her expectantly.

“I need you to rub this on your breasts. It's aniseed, and horses love it. Trust me, it'll be OK, he won't bite.”

The young Irish woman gave a toss of her dark Celtic hair and smiled ruefully. Dressed in skin-tight jeans and a risque loose fitting T-shirt, she could have been forgiven for her earlier assumption that she'd been hired to provide some extra visual appeal for the viewers of this promotional video.

Instead, she deduced, she'd obviously been mistaken. She was here to seduce the horse.

“Yeah, OK, I'll be out in a minute.”

The director shot a glance back over his shoulder as he left the caravan. She was beautiful, no doubt about it, and this – he congratulated himself – would be a winning shot. Hot enough to drive a man to invest in horses, he chuckled quietly as he made his way towards the director's chair.

“Buckingham video, take 7,” came the call a few moments later, “and action!”

Kelly, leading the colt, came to a stop just a few metres in front of the camera. As if on cue, the magnificent-looking animal dropped its nose down the front of her shirt, nuzzling her breasts in a bid to get at the aniseed. Kelly couldn't help laughing, it tickled and the whole thing was ridiculous anyway. Somewhere on set the still cameras were clicking as well, their motor-drives whirring continuously.

“Cut! That’s a wrap, perfect everybody!” barked the director with a big grin and a noticeably faster heartbeat. Sure as hell beats a bimbo on a Ferrari bonnet.

Half a world away, in mirror-glass corporate totem poles in glittering Auckland city, dark-suited men couldn’t get hold of the videos fast enough. No sooner had the promoters from Anzon found some more, than they were snapped up by eager prospective punters.

One investor was more than a little peeved when his copy with the girl and the horse on the front cover vanished from his desk one afternoon.

“It was really raunchy-looking,” he complained later, “and I’m quite certain the person stole it because they thought it was a pornographic movie about the horsey-set. They would have been bitterly disappointed, because inside were the rolling emerald hills and dales of Ireland, no tits and bums anywhere.”

For a while there in 1986, they’d been having video evenings up at the Anzon offices every Friday, part of a massive sales push to attract investors to bloodstock.

The plan was for New Zealanders to buy shares in the best horses in the world, from top stud farms in the USA, Australia and Ireland.

“They were very good sales pitches,” agreed the investor. “We were seeing unspeakably beautiful countryside, gentle hills and those ancient rock walls and then these magnificent horses being led out to the strains of stirring, dramatic music. It was all very upmarket, lots of sweeping vistas and galloping herds, must have cost them a fortune in helicopter time.

“By the end of it I wanted those horses, boy did I want those horses. Worst decision I ever made.”

Christopher John Kirkham was one man who remembered the Buckingham video more clearly than most. He looked around the packed meeting room in the Park Royal hotel, full of angry investors, and sighed inwardly. A lynch mob in suits and ties, all baying for blood.

A former New Zealand hockey rep, he’d managed to retain his boyish good looks and his athletic appearance despite long ago trading the rough and tumble of the sports field for the rough and tumble of the boardroom.

All that, mind you, had been a lifetime in the past. After a university degree and a string of marketing and management positions, he’d found himself working as the Development Finance Corporation’s Auckland manager.

The DFC, with its reputation for financing cutting edge – some would argue get-rich-quick – projects, placed Kirkham in close contact with the movers and shakers in Auckland’s entrepreneurial set, and it led him into

industrial giant Fletcher Challenge's investment bank, Challenge Corporate Services Ltd, later to become Broadbank.

The former hockey-rep's first introduction to mega-lawfirm Russell McVeagh had come during this time, during a film investment project. Travelling to London, Kirkham met up with Robin Congreve, who introduced him to another Russell McVeagh lawyer, Paul Carran. Kirkham and Carran would begin to work very closely together.

When Anzon Investments was set up in mid-1985, the brainchild of Chase Corporation and businessmen David Rouse and John Taylor, Chris Kirkham had eventually jumped across to become managing director of Anzon Capital Ltd, the group's investment bank.

In 1985 the grass had certainly been a lot greener. Now the green grass was gone, eaten by expensive bloodstock no doubt, and in its place was the dusty taste of failure.

Back then, of course, it had been the thrill of the chase and the spoils of victory that Chris Kirkham and other yuppies had feasted on. The doing of the deal was all important, and the adrenalin would always kick in with the certain knowledge that another deal lay just over the horizon, waiting to be hunted down, trapped, and skinned of the fat fees and commissions that accompanied such things. Others had smiled when they heard Chris Kirkham's nickname, "Mr Dial-a-Deal".

"The idea was," businessman Stephen Lunn – a colleague of Kirkham's – had once joked, "that you found a phone box and you put Mr Kirkham in it with a bag of 20 cent coins, and he would dial-a-deal."

"'Dial-a-deal' was Mr Kirky," chuckled Lunn. Apparently, he could sell icecream to the Eskimos.

Except now the tables had been turned. Icecream-eating Eskimos had become harder to find, and Chris Kirkham's bloodstock dealings were in danger of being hunted down, trapped and skinned of the facts by this stropy middle-aged lawyer with the Napoleon complex.

"Chris," the lawyer had asked, "I just want to get this straight in my head. Exactly how much was Buckingham's capital?" Kirkham had given the same answer each time. Four million dollars, he'd said. Why wouldn't bloody Chris Dickie leave it at that? Not that Kirkham would ever use that language, no matter how pushy the legal Bonaparte became.

"He was," Dickie had once remarked, "never once rude to me. Not once in the entire investigation, despite the fact that I clearly was the hunter and he clearly was included amongst the prey.

"He was always polite, you could always go and see him, but he could

give our politicians a real lesson. He'd say everything about nothing, and he would only ever tell you things that he thought you already knew. The guy was, and remains, an enigma."

Cat and mouse they may have been, but in the early days of the investigation they were ostensibly working together, on the subcommittee set up after the initial crisis meeting. It became a routine at the meetings though; the cat would ask what Buckingham's capital was, and the mouse would reply \$4 million, not \$7 million.

"It was not as if we were just simply talking about \$2,966,000 – we were talking about the fact that this had interest running with it. We had a bank demand for around \$8 million, with penalty interest clocking up every day! "We needed to find out who'd subscribed for that capital because they were the ones who should have been paying, not the rest of us. We had our own debts to worry about."

Dickie tried to play on one of Chris Kirkham's weak points. The Anzon Capital managing director was also, in his personal capacity, a special partner in Buckingham, and therefore just as exposed as everyone else to Westpac's magic repayment formula.

"Taking advantage of my 'working with Kirkham', quote unquote, in the flavour that I was generating, I would go up to see him. I would wear mufti and be relaxed and laid back. But I smelt a rat.

"I knew all was not well in Gotham City, and I said to him it was going to be essential for me to sit in his office, in peace and quiet, away from my law office, so that I could actually sit and look at his copies of the investors application forms so that our investors' committee could deal with the bank.

"I was taking advantage of the fact, as I say, that the bank was attacking him, as well as everybody else."

Anzon's offices were in a high rise next to the Auckland High Court. Dickie had phoned through to let Kirkham know he was on the way. As the glass elevator crept up the side of the Anzon building, the lawyer savoured the view out over Auckland city.

When the elevator doors opened Dickie caught a glimpse of the foyer to Kirkham's office, where the documents he'd asked to inspect had been laid out on a table for his perusal.

A striking looking woman, with jet-black hair and immaculately groomed, was just laying out the last of the papers as Dickie walked in. Glenda Griffin, Kirkham's executive assistant, glanced at the lawyer briefly as he entered.

"As I walked in she was closing a drawer in a cabinet, and then she returned to the table and finished setting out the forms. By this time I already had

a list of all the investors in Buckingham, so I just sat down and spent the next two hours going through and ticking off two things: firstly the name of the person, and secondly the number of units that they were taking.”

Chris Kirkham was on the phone, a long and involved conversation from the snippets that Chris Dickie caught through the doorway to the investment banker’s personal office. Glenda Griffin was back at her desk, and Chris Dickie couldn’t help but be distracted by her. He’d first noticed her during one of the investors’ meetings, always wearing either black or red. She really was, thought Dickie, quite stunning.

She was also, he noted, as sharp as tacks. Whereas Chris Kirkham had often seemed muddled at the meetings, Griffin always had the answers to questions, or could lay her hands on the relevant paperwork.

More than anything else in the world right now, Chris Dickie desperately wanted to find out what the super-efficient Glenda had put back in the filing cabinet as he was coming in. He soon had his chance.

Griffin had had to go out, and after a while Chris Kirkham as well had made his excuses.

“You’ll be all right here for a few minutes?” he asked Dickie on the way out, “I’ve got to pop out briefly.”

“Yeah, I’m fine here, this is going to take ages,” the lawyer replied, grinning on the inside. He could feel the adrenalin starting to surge through him as he mentally worked through the ramifications of what he was about to do.

As the lift doors sealed Chris Kirkham in the glass elevator for his journey to the ground far below, Chris Dickie was already moving toward the filing cabinet in Glenda Griffin’s now unguarded office.

Was this breaking and entering, theft or commercial espionage?, the lawyer pondered momentarily. No, dammit, if whatever was in that drawer was related to the case it belonged to him and the rest of the investors.

“When I yanked open the filing drawer I found a folder with a brown envelope. If this envelope pertained to Buckingham it was my property. Kirkham was only the manager – my employee.

“There was a feeling that had developed by this time that we hadn’t been told the full picture. This was our business, and I was bloody-well going to find out! We knew we’d had millions of dollars worth of horses that suddenly weren’t worth anything, and we had a massive sum of money, nearly \$3 million, gone! Vanished!”

Wild horses, as it turned out, couldn’t have dragged Dickie away from that envelope, and he later described his decision to rifle through Glenda’s drawer as one of the best of his legal career.

## Lawyers, Guns & Money

“I opened the envelope, and it blew me away. If you go and buy a magazine from a shop and you open it, the first thing that will often hit you is the smell of clean pages and clean printer’s ink.

“My parents, as doctors, used to say that the sense of smell is a stronger sense of recall than eyesight – you can be walking down a road and a scent will suddenly hit you, taking you back to an event that you haven’t thought of for years. This envelope did that for me.

“Before I even took out the papers in the envelope, the smell of fresh print hit me, and I knew they had to be investor subscription certificates like the one I’d been delivered years earlier.”

Nervously looking around, Dickie made sure he was alone before furiously flicking through the certificates. There were six of them in all, originals not copies, and they totalled \$2,966,000.

The blood drained from Dickie’s face, and his stomach was churning. Here was the missing cash. Shit, what a bonus! His eyes darted across the pages, looking for the name of the subscriber – the mystery investor who would now be liable for almost half of the debt owed to Westpac. According to the documents it was some outfit called Wicklow, whoever they were.

If what had just happened could have come straight from the script of a thriller movie, what followed next could have come from a silent movie.

Chris Dickie wasted no time, he scooped up the certificates and fled the office, or at least that was the plan.

“In my rush to get out of the building I ran straight into the glass doors at the bottom and knocked myself out. It was like something out of Mr Bean!”

Dickie’s not sure how long he lay there in the foyer, surrounded by the certificates, but it was a dishevelled and stunned Dickie who lurched into the foyer of his own McVeagh Fleming lawfirm a little later.

The receptionist stopped talking mid-sentence, and one of Chris Dickie’s legal partners looked equally shocked.

“What the hell’s happened to you?” he asked, peering at the massive bump on Dickie’s forehead.

“Can’t stop to talk, missing certificates, I’ve got them, need to copy them. Wicklow.”

If McVeagh Fleming staff weren’t sure what Dickie was raving about, the lawyer remains adamant that his gibberish wasn’t the result of the knock to the head, but because of euphoria about his discovery and panic about the need to copy the papers and return them to the Anzon office before Kirkham or Griffin returned.

“I was holding literally millions of dollars in my hands. I was holding the **YOU HAVE BEEN READING a preview of Lawyers, Guns & Money. To purchase a print or PDF copy [click here](#) for options, or to get a Kindle version [click here](#)**”