

# DISCLOSURE STATEMENT

## *Alan Karl Borthwick*

<b>COMPANY NAME</b>	FSB <sup>4</sup> Financial Ltd, FSB Plan and Invest Ltd, FSB Fire and General Ltd, FSB Mortgage Broking Division Ltd and FSB Health Ltd
<b>TRADING AS</b>	FSB <sup>4</sup> Financial
<b>ADDRESS</b>	Level 3 Saatchi & Saatchi Bldg, Crn Courtenay Pl & Taranaki St, Wellington
<b>POSTAL ADDRESS</b>	P O Box 2795, Wellington
<b>TELEPHONE</b>	04 918 4659
<b>FACSIMILE</b>	04 470 4667
<b>EMAIL</b>	fsb@fsb.co.nz

This document is current as at 21 September 2009 (V6:2009)

### **Introduction**

This document complies with the disclosure requirements under the Securities Markets Act 1988 and sets out the disclosure required to be made in relation to your financial adviser.

The following are details, which are deemed to be relevant about Alan Borthwick's role as a Financial Adviser and Mortgage Adviser and about FSB<sup>4</sup> Financial Ltd, FSB Plan and Invest Ltd, FSB Fire and General Ltd, FSB Mortgage Broking Division Ltd and FSB Health Ltd.

### **Details of the firm**

In 1996, John Killick founded Financial Service Brokers Ltd. Subsequently a number of other companies were established which include FSB<sup>4</sup> Financial Ltd, FSB Plan and Invest Ltd, FSB Fire and General Ltd, FSB Mortgage Broking Division Ltd, and FSB Health Ltd. All these companies now trade as FSB<sup>4</sup> Financial Ltd. FSB<sup>4</sup> Financial Ltd further purchased the databases of Gandalf Group Mortgage Corporation Ltd in 2007 and Approved Mortgage Brokers (Central) Ltd, trading as Mortgage Max, in 2008. They are all private New Zealand companies registered at the Companies Office in Wellington and have their registered offices at Level 3, Saatchi & Saatchi Bldg, Crn Courtenay Pl and Taranaki Streets, Wellington. Shares in some of these companies have been sold to Sally Killick, Stephen Baker and Warwick Walker who are all directors of FSB<sup>4</sup> Financial Ltd. Further details relating to shareholders of the companies are available on request.

Alan Borthwick joined FSB<sup>4</sup> Financial in 2004 as a Contractor Financial Adviser and Mortgage Adviser via his own company AKA Financial Solutions Ltd. Alan Borthwick is a director and shareholder of his company AKA Financial Solutions Ltd.

### **Experience and qualifications**

Alan Borthwick has been a Financial Adviser since 2003. He has the following relevant qualifications

- Post Graduate Diploma in Personal Financial Planning from Waikato University obtained in 2007
- Financial Plan Writing and Consultation Course in 2007
- Accreditation from various Mortgage, Insurance and Investment Product suppliers from 2003 to present

Alan Borthwick has kept his qualifications up to date by:

- a. meeting the mandatory number of continuing professional development hours as per the Institute's and Association's continuing professional development guidelines.
- b. attending the annual industry conferences

- c. travelling overseas and attending other financial planning conferences
- d. reading widely
- e. purchasing comprehensive investment research from a number of sources

### **Professional memberships**

Alan Karl Borthwick is a member of the Institute of Financial Advisers (The Insutitute) and is a full member of the NZ Mortgage Brokers Association (The NZMBA) and complies with the Institute of Financial Advisers and NZMBA's Code of Ethics and Practice Standards in all facets of his practice. Alan Karl Borthwick holds an annual certificate to practice issued by the NZMBA.

### **Professional Indemnity Insurance cover**

In accordance with industry standards, and for your protection, FSB<sup>4</sup> Financial Ltd, FSB Plan and Invest Ltd, FSB Fire and General Ltd, FSB Mortgage Broking Division Ltd, FSB Health Ltd, Financial Service Broker Ltd and Alan Borthwick are covered under a professional indemnity insurance policy to the level required by The Institute. This policy includes the following covers: professional indemnity, public liability, employer's liability and statutory liability. This policy applies when Alan Borthwick acts in his professional capacity as a Financial Adviser and Mortgage Adviser. As with all insurances, these covers have limitations and are subject to certain exclusions, terms and conditions.

### **Dispute resolution facilities**

Any potential complaints are best directed to Alan Borthwick at FSB<sup>4</sup> Financial in the first instance. If a satisfactory resolution cannot be found, you can contact one of the directors of FSB<sup>4</sup> Financial Ltd, The Institute also has a complaints resolution procedure for your protection. They can be contacted on (04) 499-8062 at any time during normal business hours (8.30am to 5.00pm) or, P O BOX 5513, Level 9, Willbank House, 57 Willis St, Wellington.

### **Products on which advice is given**

Alan Borthwick and FSB<sup>4</sup> Financial give advice in relation to the following types of products:

<b><i>Risk products</i></b>	<b><i>Savings and investment products</i></b>
Life cover	Finance company debentures & capital notes
Accidental death cover	Superannuation and KiwiSaver
Disability income protection	Combined risk and savings
Trauma cover	Tax paid investment bonds
Total & Permanent Disability	Bank accounts and term deposits
Business overheads cover	Cash management funds
Key person protection insurance	Unit trusts
Mortgage protection insurance	Group investment funds
Medical insurance	Property purchasing
Group Medical	Syndicated property
Group Life & Disability	Venture capital opportunities
Fire & General Insurance	Investment into private companies
<b><i>Debt products</i></b>	Direct equities
Fixed and variable mortgages	Listed public companies
Reverse annuity mortgage	Promissory notes
	Annuities
	Bonus bonds
	Commodities
	Forestry
	Geared investments
	Fixed interest securities / debentures

## Product providers

Alan Borthwick and FSB<sup>4</sup> Financial may place investments, insurance or lending with almost any investment, insurance or lending provider. When it comes to risk management products, superannuation funds and insurance bonds FSB<sup>4</sup> Financial needs to have a detailed agency agreement in order to place business. In addition to place some investment products will require the normal supplier intermediary agreement that does not entail a detailed agency agreement to be signed. FSB<sup>4</sup> Financial has agency or intermediary agreements for the sale of these products with the following suppliers:

Aetna Insurance Ltd	Marac Finance Ltd
American International Assurance Company (Bermuda) Limited (AIA New Zealand)	Marlborough Insurance Brokers Ltd
ANZ National Bank Ltd	Nationwide Finance Ltd
AON New Zealand Ltd	NZ Finance Ltd
ASB Bank Ltd	NZ Guardian Trust
Asteron Life Ltd	New Zealand Insurance Ltd
Avanti Finance Ltd	OneAnswer Investment
AXA New Zealand	Private Portfolio Service
Bank of New Zealand Ltd	Public Trust Ltd
BT Funds Management	Savings & Loans
Comprehensive Travel Insurance	Sentinel Ltd
EIG Insurance Ltd	South Canterbury Finance Ltd
Equitable Finance	Sovereign Home Loans
Fidelity Life Assurance Company Ltd	Southern Cross Finance Ltd
First NZ Capital Ltd	Southern Cross Healthcare
Fisher Funds	Sovereign Assurance Limited
General Finance Ltd	Superannuation Investment Ltd (SIL)
Goldband Finance Ltd	Strata Funding Ltd
Grosvenor Financial Services Group Ltd	Strategic Property
Growth Equities Corporation Ltd	Tasman Mortgages Pty Ltd
Huljich Wealth Management (New Zealand) Limited	Tower Managed Funds Ltd
ING Life (New Zealand) Ltd	Tower Health & Life Ltd
ING (NZ) Ltd & Superannuation Investment Ltd	UDC Ltd
Investment Property Research Ltd	Vero Insurance Ltd
Liberty Financial Pty Ltd	Virionyx Ltd
Macquarie Bank	Westpac Banking Corporation
Man Investments Pty Ltd	

## Procedures for handling investment money or investment property

The following systems and procedures are used for receiving client funds.

1. Wrap clients:
  - The investment management service (wrap service) is provided via an independent custodian, which holds investments collectively on behalf of the client.
  - All money that is to be invested (payable via cheque or direct bank transfers) is payable directly to the custodian of the wrap service as applicable.
2. For clients whose investments are held outside a wrap service:
  - Payments for investment funds may be made via direct credit on a monthly, quarterly or annual basis to product provider's bank account or via cheque made out to the product provider or their nominee and crossed 'not transferable account payee only'.

- An auditor is not employed as FSB<sup>4</sup> Financial Ltd nor does Alan Borthwick operate a trust account.
- Neither FSB<sup>4</sup> Financial Ltd nor Alan Borthwick in any circumstances use clients' money or property for the benefit of any other person or ourselves. This applies to monies that are to be invested. Monies that are paid to us as fees are used to pay overheads and expenses and personal remuneration.

The records FSB<sup>4</sup> Financial Ltd and Alan Borthwick keep that relate to the investment of money are:

- a. A photocopy or scan of the completed cheque and application form which is kept in the client's personal file.
- b. The details of the investment are entered on to our portfolio reporting system immediately after an investment is made.
- c. We manually update the client's personal file with details of the investment.
- d. During normal working hours, all clients have access to their personal file should they wish to check the accuracy of the information contained therein.

### **Remuneration received by FSB<sup>4</sup> Financial and Alan Borthwick *via* AKA Financial Solutions Ltd**

The professional fees charged by FSB<sup>4</sup> Financial will vary according to the nature of the services provided by the adviser. In all cases the initial consultation is free of charge to you. The proposed basis of our charges and the details of the specific charges will be explained to you before entering into an agreement, once we are more fully aware of the nature and scope of our engagement. These may include:

- Flat fees or fees per hour charged by FSB<sup>4</sup> Financial Ltd to you, or
- A commission / brokerage paid by the product providers to FSB<sup>4</sup> Financial and or Alan Borthwick following business placed with them, or
- Flat fees or fees per hour and commission

#### 1. Fees for advice and planning clients

- Where fees are to be charged in Alan Borthwick's case he charges a scale of fees from \$120 plus GST to \$2,500 + GST for advice and planning work including the preparation of reports, financial, investment and business plans. The fees are payable upon receipt of an invoice from FSB<sup>4</sup> Financial Ltd.
- Commencing 3 months from the date any plan is implemented, a membership fee is charged which is from \$50.00 plus GST per month or from \$600 plus GST annually and may be paid annually by cheque or monthly by direct debit

#### 2. Fees for investment clients

- Where clients are investing lump sums of money or investing on a regular basis, entry fees plus monitoring or trail commissions may be charged. These fees vary depending on the amount invested and will be disclosed to you in writing prior to any investment taking place. The range is shown below

<b>Type of Fee</b>	<b>Maximum fee payable</b>
Entry fee	0.00% to 2.50%
Adviser annual monitoring fee or trail commission	Up to 2.5%pa

- Where clients use superannuation products, these fees and or commissions are normally paid directly to FSB<sup>4</sup> Financial Ltd or Alan Borthwick by the product provider.
- Where clients use managed funds or fixed interest investments these fees are normally paid directly to FSB<sup>4</sup> Financial Ltd or Alan Borthwick by the product provider.
- Where clients are using a Wrap Service all fees will be deducted from the client's Cash Transaction Account on a monthly basis and paid to FSB<sup>4</sup> Financial.

- **Fee rebates:** In many instances where clients use a Wrap Service, commissions and trails paid by the product provider for the funds invested by the client will be credited to the client's Cash Transaction Account. This will be determined once FSB<sup>4</sup> Financial is more aware of the nature and scope of the engagement. Additionally FSB<sup>4</sup> Financial Ltd receives a stepped adviser rebate of ten basis points pa (10bps), from OneAnswer for any business placed through OneAnswer.

### 3. Commissions for insurance and mortgage clients

- In addition to any fee charged for advice and research regarding structure, level, type and ownership of insurance or mortgage product, where a client applies for an insurance or mortgage product via FSB<sup>4</sup> Financial Ltd or Alan Borthwick then FSB<sup>4</sup> Financial Ltd and or Alan Borthwick may receive commissions and bonuses from the product supplier.

These fees and commissions provide the following benefits:

- as much access to Alan Borthwick as the client requires over a 12 month period
- preparation of up to two security investment valuation reports, covering letters and any recommended investment modifications
- quarterly newsletters
- attendance at our client seminars
- free attendance at any public seminars we are conducting
- copies of reports that we produce
- comprehensive tax reports for wrap service clients
- access to our portfolio reporting service.
- Where FSB<sup>4</sup> Financial and or Alan Borthwick are eligible to receive commissions, bonuses, rebates and non monetary payments from product providers in relation to the sale of investment, insurance, mortgage, property products and the use of Wrap services, details of the level of these payments is provided in Appendix A .
- Please note that FSB<sup>4</sup> Financial and or Alan Borthwick will often provide discounts on the investment commission they receive, particularly if the sum being invested is substantial. The discount reflects the sum of money being invested and the fact that this sum obviously brings economies of scale in FSB<sup>4</sup> Financial's and or Alan Borthwick's time, effort and procedures.
- Any remuneration received for work or advice provided by Alan Borthwick is paid directly to the FSB<sup>4</sup> Financial Ltd, FSB Plan and Invest Ltd, FSB Fire and General Ltd, FSB Mortgage Broking Division Ltd, FSB Health Ltd or AKA Financial Solutions Ltd. This is then used to cover the costs incurred in providing advice e.g.: office, staff and marketing costs. Alan Borthwick receives personal remuneration from his trading company AKA Financial Solutions Ltd.

### **Relationship with ING (NZ) Limited**

FSB<sup>4</sup> Financial Ltd is owned by:

Financial Service Bureau Ltd, Sally Killick, Stephen Baker & Peter Warwick Walker

FSB<sup>4</sup> Financial Ltd has entered into a Licence Agreement with ING (NZ) Limited ("ING") that enables it to distribute products made available, or administered, by ING, and pays an annual licence fee for various services provided by ING. FSB<sup>4</sup> Financial Ltd is not a representative or agent of ING (NZ) Limited. FSB<sup>4</sup> Financial Ltd is independently owned and operated.

The Licence Agreement requires FSB<sup>4</sup> Financial to ensure that the value of its clients' funds invested via the OneAnswer Wrap system ("OneAnswer") or in ING managed funds does not fall below agreed levels and that these levels increase by certain amounts annually. FSB<sup>4</sup> Financial receives a discount on the licence fee payable if these minimum annual increases are met. However, there is no requirement for FSB<sup>4</sup> Financial, nor Alan Borthwick, to place a percentage of each individual client's fund in OneAnswer or in any

other product made available or administered by ING. FSB<sup>4</sup> Financial and Alan Borthwick have the freedom to create a portfolio and select funds/investments for each individual client.

### **Relationship with Fidelity Life Assurance Company Limited**

FSB<sup>4</sup> Financial Ltd (FSB<sup>4</sup> Financial) has an interest bearing commercial loan facility with Fidelity Life Assurance Company Limited to fund infrastructure and development. Both parties agree that nothing around the terms of this loan precludes FSB<sup>4</sup> Financial and Alan Borthwick from having the freedom to select insurance or superannuation products from any supplier for each individual client. The agreement provides for interest on the loan to be reviewed annually on the basis of the dollar value of premium income submitted each year via FSB<sup>4</sup> Financial.

### **Relationship with Sovereign Assurance Ltd**

FSB<sup>4</sup> Financial Ltd (FSB<sup>4</sup> Financial) uses XPlan as its CRM (Client Relationship Management) system. FSB<sup>4</sup> Financial receives discounted monthly fees from the CRM supplier as a result of FSB<sup>4</sup> Financial being a distributor of Sovereign Assurance products. There is no requirement for FSB<sup>4</sup> Financial, nor Alan Borthwick to place a percentage of any individual client's insurances with Sovereign Assurance Ltd. FSB<sup>4</sup> Financial and Alan Borthwick have the freedom to create an insurance portfolio and select insurance products from any supplier for each individual client.

### **Contact Details**

My business address, telephone and fax numbers are as set out on page 1.

### **No Criminal Convictions**

1. In accordance with the Securities Markets Act 1988, I hereby certify that neither I nor any principal officer of FSB<sup>4</sup> Financial Ltd, Financial Service Brokers Ltd, FSB<sup>4</sup> Financial Ltd, FSB Plan and Invest Ltd, FSB Fire and General Ltd, FSB Mortgage Broking Division Ltd, FSB Health Ltd or AKA Financial Solutions Ltd have ever been:
  - a. Convicted of an offence under the Securities Act 1978, the Securities Markets Act 1988 or the Investment Advisers (Disclosure) Act 1996, or of a crime involving dishonesty (as defined in Section 2(1) of the Crimes Act 1961)
  - b. A director or principal officer of a company that committed an offence under any of the Acts listed above or an offence involving dishonesty as defined above
  - c. Adjudicated bankrupt
  - d. Prohibited by law from taking part in the management of a company or a business
  - e. The subject of an adverse finding by a court in any proceeding taken against me in my capacity as an investment adviser, or
  - f. Expelled from or have been prohibited from being a member of a professional body
2. I also certify that FSB<sup>4</sup> Financial Ltd, Financial Service Brokers Ltd, FSB<sup>4</sup> Financial Ltd, FSB Plan and Invest Ltd, FSB Fire and General Ltd, FSB Mortgage Broking Division Ltd, FSB Health Ltd or AKA Financial Solutions Ltd have never been placed in statutory management or receivership.

### **Interests**

The Securities Markets Act 1988 requires advisers to disclose any direct or indirect pecuniary or other interest that they may have in the giving of investment advice. In addition FSB<sup>4</sup> Financial and Alan Borthwick voluntarily disclose any direct or indirect pecuniary or other interest that they may have in the giving of insurance or mortgage advice. In the case of Alan Borthwick where any exist these are contained in Appendix A.

## **Declaration**

We declare that this document when completed and signed, complies with all the requirements of the Securities Markets Act 1988 and incorporates the minimum standards of disclosure, in terms of the Code of Ethics and Practice Standards required by.

Yours sincerely

FSB<sup>4</sup> Financial Ltd

*Alan Borthwick*

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**Alan Borthwick** *PGDipFinPlan*

**Financial Adviser and Mortgage Adviser**

Appendices: A. Investment, Insurance and Mortgage product maximum commissions and Interest Register.

**APPENDIX A to the Disclosure Statement**

**Investment, Insurance and Mortgage Product Commissions current as at 21 September 2009.**

Alan Borthwick via FSB<sup>4</sup> Financial Ltd and AKA Financial Solutions Ltd is eligible to receive commissions on the following products according to the schedule below. Please note that these are the maximum commission's payable. For investments, in many cases, these may be discounted especially if a client is investing substantial sums. Specific investment, insurance and mortgage commission rates will be disclosed to the client in writing, in relation to specific products recommended, prior to the product being placed. In accordance with Securities Markets Act 1988 I disclose the following actual and potential conflicts of interest that could possibly have some relevance in providing investment, insurance or mortgage advice to you. In addition to the commissions listed, annual bonuses are also available in some cases from insurance product providers if total production in a calendar year from all advisers within a group such as FSB<sup>4</sup> Financial achieves certain levels. As these vary from year to year we cannot predict what that will be in the current year however figures for the previous year are available on request and free of charge.

**INVESTMENT PRODUCT / SERVICE**

<b><u>Product Supplier</u></b>	<b><u>Product</u></b>	<b><u>Initial Commission</u></b>	<b><u>On Going Commission</u></b>
Asteron Life Ltd PO Box 894, Wellington Ph 0800 808 106	Unit trusts, superannuation, KiwiSaver	<ul style="list-style-type: none"> <li>▪ Unit trust up to 5% of each contribution</li> <li>▪ Superannuation up to 30% of first year's premium repayable if policy lapses within first 2 years.</li> <li>▪ KiwiSaver 0% on each contribution plus \$50 finder's fee.</li> </ul>	Up to 0.5%pa of total value of investment
AXA New Zealand PO Box 1692, Wellington Ph 0800 106 652	Unit Trust, Superannuation, Whole of life and Endowment policies	<ul style="list-style-type: none"> <li>▪ Unit trust up to 5% of each contribution</li> <li>▪ Superannuation up to 48% of first year's contribution.</li> <li>▪ Up to 48% of first years premium on Whole of Life &amp; Endowment policies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unit trust and superannuation up to 4%pa of total value of investment</li> <li>▪ Up to 4.5% of annual premium on an ongoing basis from year two.</li> </ul>
Bank of New Zealand Ltd P O Box 995 Shortland St, Auckland Ph 0800 081 081	Unit trusts	<ul style="list-style-type: none"> <li>▪ Unit trust up to 5% of each contribution</li> <li>▪ KiwiSaver 0% on each contribution.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unit trust up to 0.5%pa of total value of investment</li> <li>▪ KiwiSaver 0.25% of total value of investment</li> </ul>
BT Funds Management P O Box 6088 Wellesley St, Auckland	Unit trusts	<ul style="list-style-type: none"> <li>▪ Unit trust up to 5% of each contribution</li> <li>▪ KiwiSaver 0% on each contribution.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unit trust up to 0.5%pa of total value of investment</li> <li>▪ KiwiSaver 0.25% of total value of investment</li> </ul>
Equitable Finance P O Box 7148 AUCKLAND	Secured Debentures and Cash Funds	Up to 1.00% commission of amount invested	Up to 0.5%pa of total value of investment

Phone 09 306 7700			
Fidelity Life Assurance Company Ltd P O Box 38604, Wellington. Ph 0800 882 288	Unit trusts, superannuation, KiwiSaver	<ul style="list-style-type: none"> <li>▪ Unit trust up to 5% of each contribution</li> <li>▪ Superannuation up to 150% of first year's premium repayable if policy lapses within first 2 years.</li> <li>▪ KiwiSaver 0% on each contribution plus \$30 finder's fee.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Superannuation service and asset commission of 2.5%pa.</li> <li>▪ Unit trust up to 0.5%pa of total value of investment</li> <li>▪ KiwiSaver 0.30% of total value of investment</li> </ul>
Fisher Funds P O Box 33-549 Takapuna AUCKLAND 1332 Ph 0508 347 437	Unit Trusts and KiwiSaver	<ul style="list-style-type: none"> <li>▪ Unit trusts up to 4% of amount invested</li> <li>▪ KiwiSaver 0% on each contribution.</li> </ul>	Nil
First NZ Capital Ltd P O Box 3394 WELLINGTON Ph 0800 800 968	Listed direct shares or fixed interest	Up to 0.65% of each trade	NIL
Grosvenor Financial Services Group Ltd Level 23, Grand Plimmer Tower, 2-6 Gilmer Tce, Wellington. Ph 04 473 0262	KiwiSaver	<ul style="list-style-type: none"> <li>▪ KiwiSaver 0% of each contribution plus \$35 finder's fee.</li> </ul>	<ul style="list-style-type: none"> <li>▪ KiwiSaver 0.50%pa of total value of investment</li> </ul>
Growth Equities Corporation Ltd Level 5, 47 York Street SYDNEY NSW 2000 Ph 0061-2-9290 3635	Listed Managed Fund	Up to 1.00% commission of amount invested	NIL
Huljich Wealth Management (New Zealand) Limited PO Box 328 Shortland Street Auckland	Kiwisaver	Kiwisaver 0% of each contribution plus \$50 finder's fee including GST.	Kiwisaver 0.25%pa of total value of investment.
ING (NZ) Ltd P O Box 7149, Auckland. Ph 0800 737 575	Unit trusts, superannuation	<ul style="list-style-type: none"> <li>▪ Unit trust up to 5% of each contribution</li> <li>▪ Superannuation 5% of each contribution</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unit trust up to 0.5%pa of total value of investment</li> <li>▪ KiwiSaver 0.25% of total value of investment</li> </ul>

		<ul style="list-style-type: none"> <li>▪ KiwiSaver 0% on each contribution.</li> </ul>	
Investment Property Research Ltd P O Box 8803 Riccarton CHRISTCHURCH 8440 Phone 03 348 2282	Direct Investment Property	Flat fee maximum of \$8,000 pa, per property, on a sliding scale upon number of referrals who purchase property from Investment Property Research	NIL
Macquarie Bank P O Box 2006 AUCKLAND Ph 0800 481 111	Gilt Edge Account	30 Bases points paid at the end of each month.	0.30pa of total value of investment
Man Investment Pty Ltd. P O Box 91996, AMC, Auckland. Ph 0800 878 220	OMIP Series Funds	Up to 4% of amount invested.	Up to 0.5%pa of total value of investment
Marac Finance Ltd P O Box 9919, Newmarket, Auckland. Ph 09 520 0097	Secured Debentures	Up to 1.00% commission of amount invested.	NIL
National Bank of New Zealand P O Box 1393 WELLINGTON Ph 04 498 6079	Thoroughbred Cash Fund	NIL	Up to 0.15%pa of total value of investment
NZ Guardian Trust P O Box 894, Wellington. Ph 0800 668 787	Unit Trust / Cash Management Fund, Wills	<ul style="list-style-type: none"> <li>▪ Unit Trust up to 5% of each contribution</li> <li>▪ Cash Management Fund 0.0%</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unit Trust up to 0.5%pa of total value of investment</li> <li>▪ Cash Management up to 0.25%pa</li> </ul>
OneAnswer Investment Wrap Platform. PO Box 3394, Wellington. Ph 0800 663 267	Where managed funds, direct shares, secured debentures, fixed interest, cash purchased via the OneAnswer Wrap Platform	Up to 1.0% of amount invested or traded	Up to 1.0%pa of total value of investment plus a stepped volume rebate on the OneAnswer administration and custodial fee of between 0.025% & 0.10% is payable to FSB <sup>4</sup> Financial. The rebate is calculated on the volume of business FSB <sup>4</sup> Financial placed in ING products held in custody through OneAnswer. The percentage applicable depends on the total volume of business in OneAnswer

Private Portfolio Service P O Box 7149, Auckland. Ph 0800 737 575	Unit trusts, superannuation,	<ul style="list-style-type: none"> <li>▪ Unit trust up to 5% of each contribution</li> <li>▪ Superannuation 5% of each contribution</li> </ul>	Unit trust and superannuation up to 1.0%pa of total value of investment
Public Trust Private Bag 17906 Greenlane Auckland Ph 080 371 471			
South Canterbury Finance Ltd P O Box 125 TIMARU Ph 0800 808 117	Secured Debentures	Up to 1.00% commission of amount invested	NIL
Sovereign Assurance Ltd Private Bag Sovereign, North Shore Mail Centre, Takapuna; Ph 0800 768 287	Unit trusts, superannuation, KiwiSaver	<ul style="list-style-type: none"> <li>▪ Unit trust up to 5% of each contribution</li> <li>▪ Superannuation up to 20% of first year's premium repayable if policy lapses within first 2 years.</li> <li>▪ KiwiSaver 0% on each contribution.</li> </ul> <hr/> Old Prudential / Sovereign super 2.5%pa of each contribution	<ul style="list-style-type: none"> <li>▪ Superannuation service and asset commission of 2.5%pa.</li> <li>▪ Unit trust up to 0.5%pa of total value of investment</li> <li>▪ KiwiSaver 0.25% of total value of investment</li> <li>▪ Whole of Life &amp; endowment 0.25% of premiums paid</li> </ul> <hr/> Old Prudential / Sovereign super 0.4%pa asset commission
Strategic Property P O Box 39105 CHRISTCHURCH Ph 03 961 6046	Direct Investment Property	\$2,000 maximum introductory fee for clients referred to Strategic Property who purchases property and a further \$2,000 upon completion of project.	NIL
Superannuation Investment Ltd (SIL) P O Box 7149, Auckland. Ph 0800 737 575	Superannuation, KiwiSaver	<ul style="list-style-type: none"> <li>▪ Superannuation 5% of each contribution</li> <li>▪ KiwiSaver 0% on each contribution.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Superannuation up to 0.5%pa of total value of investment</li> <li>▪ KiwiSaver 0.25% of total value of investment</li> </ul>
Tower Managed Funds Ltd. P O Box 590 Wellington. Ph 0800 486 937	Unit trusts, superannuation, KiwiSaver	<ul style="list-style-type: none"> <li>▪ Unit trust up to 5% of each contribution</li> <li>▪ Superannuation up to 20% of first year's premium repayable if policy lapses within first 2 years.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Superannuation service and asset commission of 2.5%pa.</li> <li>▪ Unit trust up to 0.5%pa of total value of investment</li> <li>▪ KiwiSaver 0.25% of total value of investment</li> </ul>

		<ul style="list-style-type: none"> <li>▪ KiwiSaver 0% on each contribution.</li> </ul>	
UDC Ltd P O Box 91145, Auckland. Ph 0800 652 832	Secured Debentures	Up to 0.5% commission of amount invested.	NIL
Virionyx Ltd P O Box 91806 Auckland Mail Centre AUCKLAND 1030 Phone 09 636 2500	Shares	5% of amount invested.	NIL

**INSURANCE PRODUCT**

<b>Product Supplier</b>	<b>Product</b>	<b>Initial Commission</b>	<b>On Going Commission</b>
AIG New Zealand Private Bag 93510 Auckland; Ph 0800 800 242	Life, trauma, income protection, total & permanent disability, business overheads, waiver of premium, health	Up to 150% of first year's premium. Repayable if policy lapses within first 2 years. Repayable if policy lapses within first 2 years.	Sliding scale between 4%pa and 20% of annual premium depending on percentage paid in first year.
AON New Zealand: City Level 8, BP House, 20 Customhouse Quay, Ph 04 819 4000	House, car, contents and business insurance, travel	Each year or on renewal up to 15% of annual premium pa. Pro rata repayable if policy lapses or is cancelled.	
Asteron Life Ltd: P O Box 894 Wellington. Ph 0800 808 106	Life, trauma, income protection, total & permanent disability, business overheads, waiver of premium	Up to 100% of first year's premium plus an additional bonus of up 60% of first year's premium, based on total production. Repayable if policy lapses within first 2 years.	Sliding scale between 5%pa and 10% of annual premium depending on percentage paid in first year.
AXA New Zealand P O Box 1692, Wellington Ph 0800 106 652	Life, trauma, income protection, total & permanent disability, business overheads, waiver of premium	Up to 93% of first year's premium plus an additional bonus of up 30% of first year's commission, based on total production. Repayable if policy lapses within first 2 years.	Sliding scale between 4%pa and 20% of annual premium depending on percentage paid in first year.

Comprehensive Travel Insurance PO Box 33 313 Takapuna North Shore City Ph 0800 800048	Travel Insurance	Up to 30% of first year's premium	NIL
EIG-Ansvar P O Box 7042 AUCKLAND 1141 Phone 09 300 3132	House, car, contents and business insurance	Each year up to 20% of annual premium pa. Pro rata repayable if policy lapses or is cancelled.	NIL
Fidelity Life Assurance Company Ltd PO Box 38604 Wellington Ph 0800 882 288	Life, trauma, income protection, total & permanent disability, business overheads, waiver of premium	Up to 155% of first year's premium. Repayable if policy lapses within first 2 years.	Sliding scale between 6%pa and 32.3% of annual premium depending on percentage paid in first year.
ING Life (New Zealand) Ltd: Private Bag 92 131 Auckland Mail Centre Ph 0508 464 999	Life, trauma, income protection, total & permanent disability, business overheads, health and waiver of premium	Up to 200% of first year's premium. Repayable if policy lapses within first 2 years.	Sliding scale between 6%pa and 20% of annual premium depending on percentage paid in first year.
Marlborough Insurance Brokers Ltd P O Box 48 Blenheim Phone 03/578 0228	Commercial Fire & General Insurance	Each year or on renewal up to 25% of annual premium pa. Pro rata repayable if policy lapses or is cancelled.	
New Zealand Insurance Ltd P O Box 3224 Wellington Phone 09 969 3676	House, car, contents and business insurance	Each year up to 20% of annual premium pa. Pro rata repayable if policy lapses or is cancelled.	NIL
Southern Cross Healthcare Private Bag 99934 Newmarket Auckland Ph 0800 800 181	Health Insurance	First year up to 20% of annual premium pa, repayable if policy lapses or is cancelled.	16% of annual premium
Sovereign Assurance Ltd Private Bag Sovereign, North Shore Mail Centre, Takapuna Ph 0800 768 287	Life, trauma, income protection, total & permanent disability, business overheads, health and waiver of premium	Standard is up to 87.5% of first year's premium or if two or more benefits in one policy up to 120%. Plus, an additional bonus of up 50% of first year's commission, based on total	Sliding scale between 2.5%pa and 20% of annual premium depending on percentage paid in first year.

		production. Repayable if policy lapses within first 2 years.	
Tower Health & Life Ltd P O Box 6547 Auckland. Ph 0800 369 229	Life, trauma, income protection, total & permanent disability, business overheads, waiver of premium, health	Up to 100% of first year's premium plus an additional bonus of up 70% of first year's premium, based on total production. Repayable if policy lapses within first 2 years.	Sliding scale between 5%pa and 17% of annual premium depending on percentage paid in first year.
Vero Insurance Ltd P O Box 797 WELLINGTON Phone 0800 505 905	House, car, contents and business insurance	Each year up to 20% of annual premium pa. Pro rata repayable if policy lapses or is cancelled.	NIL

#### **MORTGAGE PRODUCT**

ANZ Ltd P O Box 1896 WELLINGTON Phone 0800 834 123	Mortgages	Up to 0.65% of amount borrowed  Up to .9% if via Nationwide Branch	NIL
ASB Bank Ltd P O Box 35 AUCKLAND Phone 0800 803 804	Mortgages	Up to 0.6% of amount borrowed	NIL
Avanti Finance PO Box 90 364 Auckland Mail Centre 0800 33 33 20	Mortgages	Up to \$1000 taken from the lenders fee.	Nil
General Finance Ltd; PO Box 74 212, Market Rd, Auckland. Ph 09 526 2000	Mortgages	Up to 0.65% of amount borrowed	Nil
Gold Band Finance Ltd: Level 3 / 129 Kilmore St, Christchurch 0800 553 000	Mortgages	Fee based up to \$500	Nil
Liberty Financial P O Box 4295 AUCKLAND Phone 0800 003 391	Mortgages	Up to .8% of amount borrowed	Up to .4% of borrowed balance annually.
National Bank of New Zealand	Mortgages	Up to 0.7% of amount borrowed	NIL

P O Box 1393 WELLINGTON Phone 04/498 6079		Up to .9% if via Nationwide Branch	
Nationwide Home Loans; C/- P O Box 1393 WELLINGTON Phone 04 498 6079	Mortgages	Up to 0.9% of amount borrowed	NIL
New Zealand Finance PO Box 1195, Shortland St Auckland 0800 80 40 70	Mortgages	Up to 0.75% of amount borrowed	Up to .2% of borrowed balance annually.
Savings and Loans PO Box 71019 Rosebank Auckland	Mortgages	Fee based up to 1%	NIL ongoing
Sentinel Ltd: PO Box 33 1040 Takapuna, Auckland. Ph 0800 488 740	Equity Release Mortgage	<ul style="list-style-type: none"> <li>▪ Up to 1.50% of initial drawdown + \$200 fee.</li> <li>▪ Additional draw downs or top ups up to 1.5% of top up</li> </ul>	NIL
Sovereign Private Bag Sovereign AUCKLAND MAIL Phone 0800 652 000	Mortgages	Up to 0.50% of amount borrowed	Up to 0.20% of borrowed balance annually.
Strata Funding: PO Box 47 648, Auckland, Ph 09 360 5252	Mortgage	Up to 35% of the Fee Charged by Strata	NIL
Tasman Mortgages Pty Ltd Level 1, 24 Hickson Road, Walsh Bay, Sydney, NSW 2000 Phone 00 64 02 9247 6077	Mortgages	Up to 0.85% of amount borrowed	NIL
Westpac P O Box 30746 WELLINGTON Phone 0800 177 277	Mortgages	Up to 0.65% of amount borrowed	NIL

In addition to the above Alan Borthwick is occasionally offered entry to sporting or other events, invitations to subsidised overseas or New Zealand conferences and smalls gift such as pens, calendars and alcohol at Christmas, on his birthday and other occasions.



**FINAL PAGE FOR CLIENT SIGN OFF**

Client Acknowledgement

I/We \_\_\_\_\_

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(Please write name / s)

acknowledge receipt of the Disclosure Statement dated 21 September 2009 statement for Alan Borthwick FSB<sup>4</sup> Financial Ltd, FSB Plan and Invest Ltd, FSB Fire and General Ltd, FSB Mortgage Broking Division Ltd and FSB Health Ltd and AKA Financial Solutions Ltd.

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Date:            /            / 2009

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