

# Disclosure Statement

*Gregory (Greg) Joseph White*

**Company:** Quadrant Financial Services Limited  
**Trading as:** Quadrant Financial Services  
**Address:** Unit 5, 12 Princess Street  
PO Box 8405, Riccarton, Christchurch  
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This document is current as at 3 June 2010.

## Introduction

I provide this Disclosure Statement to you to ensure openness in our relationship.

## Details of the firm

Greg White is a self employed contractor to Quadrant Financial Services Ltd.

Quadrant Financial Services Limited offers full financial services to clients.

## Experience and qualifications

Greg White has been in the Banking and Finance Industry in excess of 30 years with the last 11 years specialising in home and investment property finance – 4 years as a self-employed Mortgage Broker in Wellington and 8 years as a Mobile Mortgage Manager with the BNZ.

## Professional memberships

*Greg White* holds current accreditation as a member of the NZMBA as my business complies with the Association's Membership Rules and Code of Ethics and Standards. A copy of the Rules is available from [www.nzmba.co.nz](http://www.nzmba.co.nz)

## Professional Indemnity Insurance cover

In accordance with industry standards, and for your protection, Greg White is covered under a professional indemnity insurance policy to \$1,000,000. This policy provides insurance cover against breach of professional duty by Greg White.

## Dispute resolution facilities

Any potential complaints are best directed to Greg White in the first instance. If a satisfactory resolution cannot be found, contact should be made to Sovereign Assurance, contact Barrie Rose 0800 722 888.

## Products on which advice is given

*Greg White* gives advice in relation to the following types of products:

### **Risk Products**

- Life cover
- Disability income protection
- Living insurance
- Mortgage protection insurance
- Partnership insurance
- Medical insurance
- Life cover
- Accidental death cover
- Trauma cover
- Business overheads cover
- Key person protection insurance
- General insurance

### **Savings and Investment Products**

- *KiwiSaver*
- *Property purchasing*
- *Mortgages*

## Product providers

*Greg White*, through *Quadrant Financial Services Limited* may place investments with almost any investment provider.

When it comes to risk management products, superannuation funds and insurance bonds, *Quadrant Financial Services Limited* needs to have a detailed agency agreement in order to place business. *Quadrant Financial Services Limited* has agency agreements for the sale of these products with the following suppliers:

- American International Assurance Company (Bermuda) Limited (AIG Life)
- AMP Life Limited
- Asteron Life Limited
- AXA New Zealand
- Fidelity Life Assurance Company Limited
- ING Life Limited
- Sovereign Assurance Limited
- Southern Cross Medical Care Society
- Tower Health & Life Limited

Quadrant Financial Services Limited is a distributor of AFSG 2008 Limited. AFSG 2008 negotiates with providers to give distributors ongoing benefits.

Other investment products will have the normal supplier intermediary relationship that does not entail a detailed agency agreement to be signed. Appendix A to this document lists those companies.

#### **Procedures for handling investment money or investment property**

The following system and procedure is used by Quadrant Financial Services Limited for receiving client funds:

1. One Answer 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 elsewhere:
  - A membership fee of \$450 plus GST and/or an hourly fee of \$200 per hour plus GST, if applicable, is payable to Quadrant Financial Services Limited. Payments may be made via direct credit on a monthly, quarterly or annual basis to Quadrant Financial Services Limited bank account or annually via cheque to Quadrant Financial Services Limited and crossed 'not transferable account payee only'.
  - An auditor is not employed as Quadrant Financial Services Limited is not holding nor does it operate a trust account.
  - Neither Quadrant Financial Services Limited nor Greg White 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 Quadrant Financial Services Limited keeps that relate to the investment of money are:

- a. A photocopy 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 *Greg White***

The professional fees charged by Quadrant Financial Services Limited will vary according to the nature of the services provided, as outlined below.

1. Fees for non-OneAnswer wrap service clients:

Quadrant Financial Services Limited charges a flat fee of \$450 plus GST per annum if applicable. This means the initial consultation is free but the preparation of the financial plan, the implementation of the advice and the ongoing reporting on that plan is all included in this fee.

An entry fee may be charged on certain investments. The precise dollar value of the fees on any investment product recommended will be disclosed prior to implementation.

Quadrant Financial Services Limited charges an hourly fee of \$200 per hour plus GST if applicable.

2. Fees for OneAnswer wrap service clients:

Type of fee	Maximum fee payable
Entry fee	5%
Adviser annual monitoring fee	1% plus GST

All fees will be deducted from the client's Cash Transaction Account on a monthly basis.

**Fee rebates**

In many instances, 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 Quadrant Financial Services Limited is more aware of the nature and scope of the engagement.

These fees provide the following benefits:

- as much access to Greg White or any Quadrant Financial Services Limited adviser as the client requires over a 12 month period during normal working hours
- preparation of valuation reports and covering letters and any recommended investment modifications
- quarterly newsletters
- attendance at our client seminars and any public seminars we are conducting
- copies of reports that we produce
- comprehensive tax reports for OneAnswer wrap service and Select Wealth Management clients
- access to our portfolio reporting service.

Quadrant Financial Services Limited is eligible to receive commissions, bonuses, rebates and non monetary payments from product providers in relation to the sale of products. Details on these payments are provided in Appendix A and B. Please note that Quadrant Financial Services Limited will often provide discounts on the commission it receives, 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 Quadrant Financial Services Limited's time, effort and procedures.

**Contact Details**

My business address, telephone and fax numbers are as set out above.

**No Criminal Convictions**

1. In accordance with the Securities Markets Act 1988, I hereby certify that in the preceding five years neither I nor any principal officer of Quadrant Financial Services Limited has 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 Quadrant Financial Services Limited has not been placed in statutory management or receivership in the preceding five years.

**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 the case of Greg White I disclose that

**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 the Institute.

Yours sincerely



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*Greg White*  
**Financial Adviser**

- Appendices:** A. Investment product commissions  
B. Risk product commissions and Savings and Superannuation commission

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***Client acknowledgment***

I, ..... acknowledge receipt of the Disclosure Statement for Gregory Joseph White.

Signed: ..... Date: .....

## Investment Product Commissions\*

*Greg White*

The information provided in this Appendix is current as at 3 June 2010.

Greg White via Quadrant Financial Services Ltd is eligible to receive commissions on the following products according to the schedule below. Please note that these are the maximum commissions payable and in many cases these may be discounted, especially if a client is investing substantial sums. **Note:** Specific commission rates will be disclosed in writing to the client in relation to specific investments prior to investments being placed.

Product provider	Max. initial commission as a % of each investment made	Max. Ongoing commission as a % of total value of investment
<b>Direct shares and direct fixed interest</b>		
Forsyth Barr Ltd	1.00	Nil
Craigs	1.00	Nil
<b>Managed Funds</b>		
ING (NZ) Ltd: Private Portfolio Service, Regular Income Fund, Diversified Yield Fund, Enhanced Yield Fund, Credit Opportunities Fund	5.00	1.00
Macquarie Bank Ltd: Gilt Edge Access Account, Cash Management Fund	Nil	0.30
<b>Cash management trusts and fixed interest investments</b>		
Fund Managers Canterbury Ltd: Canterbury Mortgage Trust Group Investment Fund	Nil	0.50
LM Investment Management Ltd		1.00
Marac Finance Ltd	0.75	Nil
South Canterbury Finance Ltd	0.50	Nil
UDC Finance Ltd	Nil	0.25
<b>Speciality products</b>		
Man Investments Australia Ltd: OM-IP Series	4.00	0.50
Mint Asset Management Ltd	5.00	0.50
Liontamer Investments Ltd	5.00	0.35
<b>Wrap Account (Master Trust)</b>		
Sovereign Services Ltd: Select Wealth Management	5.00	2.00
<b>Account Management Services</b>		
ING (NZ) Ltd: OneAnswer	n/a	1.00

### OneAnswer wrap service

A stepped volume rebate on the OneAnswer administration and custodial fee of between 0.025% and 0.10% is payable to Quadrant Financial Services Limited. The rebate is calculated on the volume of business Quadrant Financial Services Limited placed in ING products held in custody through OneAnswer. The percentage applicable depends on the total volume of business in OneAnswer.

However, it is the policy of Quadrant Financial Services Limited to pass 100% of this rebate on to its clients.

### Non-Monetary Benefits

From time to time, Quadrant Financial Services Limited may receive certain non-monetary benefits from product providers. This could include gratuities such as bottles of wine at Christmas time, a free calendar, pen or book, the occasional luncheon, drinks after a briefing session, invitations to sporting events, etc.

\* These commissions may be subject to change and specific commission rates will be disclosed in writing to the client in relation to specific investments prior to investments being placed.

## Risk Product Commissions\*

*Greg White*

The information provided in this Appendix is current as at 3 June 2010.

Product	Product Provider	Max. initial commission as a % of annual premium	Ongoing % of annual premium
Risk products including medical insurance, term life, income protection, trauma, TPD	Asteron Life Ltd.	100	1
	(AXA NZ): The National Mutual Life Association of Australasia Ltd.	20	20
	AIA Life: American International Assurance Company (Bermuda) Ltd.	150	4
	AMP Life Ltd.	85	5.7
	Fidelity Life Assurance Company Ltd.	90	5
	ING Life (NZ) Ltd.	150	7.5
	Sovereign Assurance Company Ltd.	87.5	4
	Southern Cross Medical Care Society	30	15
	Tower Health and Life Ltd.	70	17

### Non-Monetary Benefits

In addition to the above, Greg White may be eligible for loyalty and bonus payments from certain insurance companies and gratuities such as bottles of wine, a free calendar, pen or book, the occasional luncheon, drinks after a briefing session, invitations to sporting events, etc..

\* These commissions may be subject to change

## Savings and Superannuation Product Commissions\*

*Greg White*

The information provided in this Appendix is current as at 3 June 2010.

Product	Product Provider	Max. Placement Fee/application:	Max. Ongoing commission as a % of total value of investment
Kiwisaver			
	Aon New Zealand Ltd.,	Nil	0.25
	AMP Services (NZ) Ltd.	Nil	0.25
	ASB Group Investments Ltd.	\$50	0.20
	Fidelity Life Assurance Company Ltd.	\$30	0.25
	Fisher Funds Management Ltd.	Nil	Nil
	Grosvenor Financial Services Group Ltd	\$30	0.50
	ING (NZ) Ltd	Nil	0.25
	NZF Huljich	\$35	0.15
	Tower Employee Benefits Ltd.	\$50	0.25

### Non-Monetary Benefits

In addition to the above, Greg White may be eligible for loyalty and bonus payments from certain insurance companies and gratuities such as bottles of wine, a free calendar, pen or book, the occasional luncheon, drinks after a briefing session, invitations to sporting events, etc..

\* These commissions may be subject to change and specific commission rates will be disclosed in writing to the client in relation to specific investments prior to investments being placed.

## Mortgage Lenders Brokerage

The information provided in this Appendix is current as at 3 June 2010.

Product	Product Provider	Max. Brokerage as % of mortgage	Maximum Ongoing Trail
Mortgage Finance	ANZ	0.65	
	ASB	0.60	
	National Bank	0.70	
	NZF	0.75	0.20
	Sovereign Home Loans	0.45	0.20
	Westpac	0.70	

### Non-Monetary Benefits

In addition to the above, Greg White may be eligible for loyalty and bonus payments from certain insurance companies and gratuities such as bottles of wine, a free calendar, pen or book, the occasional luncheon, drinks after a briefing session, invitations to sporting events, etc..

\* These commissions may be subject to change and specific commission rates will be disclosed in writing to the client in relation to specific investments prior to investments being placed.