



Disclosure Statement

Pursuant to the Securities Markets Act 1988 and the Securities Markets (Investment and Brokers) Regulations 2007

KSL financial Limited Firm Disclosure Statement

1. Disclosure of KSL financial Limited

1.1 Disclosure

KSL financial Limited [KSL] provides you with this Disclosure Statement.

Level 4, Forsyth Barr House
764 Colombo Street
Christchurch 8040
Tel: (03) 365 4460 Fax: (03) 377 2367

1.2 KSL Ownership

Seque Holdings Limited owns 795000 shares
Kevin John Seque owns 5000 shares
The share capital of KSL is fully paid
Seque Holdings Limited shareholders are:
Kevin John Seque 520
Pamela Ann Seque 501
KJ Seque Settlement Trust 979

1.3 Experience

KSL was established in May 2001 and has operated in the insurance, superannuation and investment advisory industry since that time.

- Kevin Seque has 38 years in the insurance and superannuation industry.
- Kevin Seque is a Life Member, Million Dollar Round Table, The Premier Association of Financial Professionals.
- Kevin Seque can be contacted at Kevin@ksl.co.nz 021 240 4540.
- Brian Seque has 14 years experience in the insurance and superannuation industry.
- Brian Seque is a Qualifying Member, Million Dollar Round Table.
- Brian Seque can be contacted at brian@ksl.co.nz 021 227 6035.

1.4 Qualifications

All Associates of KSL keep their knowledge up to date via subscriptions to relevant financial services industry publications and attendance at relevant courses and conferences. All Associates are accredited with Asteron, New Zealand Mortgage Brokers Association and Sentinel. Brian Seque is also accredited with AXA.

1.5 Membership of Relevant Professional Body

KSL Associates, Kevin Seque and Brian Seque are members of the relevant professional bodies:

Life Brokers Association
New Zealand Mortgage Brokers Association
Million Dollar Round Table

As a condition of membership KSL and its Associates adhere to the Life Brokers Association, New Zealand Mortgage Brokers Association and Million Dollar Round Table Code of Business Practice Standards.

1.6 Criminal Convictions and Related Matters

Neither the Directors nor any of the Associates of KSL have, during the previous five years:

- been convicted of an offence under this Act or the Securities Act 1978, or of a crime involving dishonesty (as defined in section 2(1) of the Crimes Act 1961); or
- been a Principal Officer of a body corporate, if a body corporate committed an offence referred to in paragraph (a), when the body corporate committed the offence; or
- been adjudicated bankrupt; or

- been prohibited by an Act or by a court from taking part in the management of a company or a business; or
- been a party of any successful court action, the subject of an adverse finding by a court, tribunal, or disciplinary body in any proceeding that has been taken against the investment adviser in the adviser's professional (or other business) capacity; or
- been expelled from, or has been prohibited from being a member of a professional body; or
- been placed in statutory management or receivership.

1.7 Remuneration

KSL remuneration takes the form of:

- Upfront and trail commissions, from product and service providers and managed fund providers, for referring investors to them.
- Invoiced fees for property investment advice.

KSL Associates receive performance-based remuneration consisting of salary and bonuses, based on the level and type of revenue generated by their respective endeavours. KSL Associates can receive up to 60% of the revenue generated by them depending on the type of revenue.

KSL receive commission of up to 100% of the first year's premium and participate in production bonuses of up to 80% of the first year premium based on volume.

KSL participate in product incentive programmes including merchandise, local and international travel and social activities promoted by the various companies we represent. KSL also receives from some products a renewal/servicing fee of up to 20% of the premium per annum.

As foundation advisers for Sentinel, the Associates are part of a share option scheme that provides the option to purchase a small number of shares based on producing a minimum number of loans over a financial year.

From time to time KSL will outsource services to other providers and may receive remuneration. This will be individually disclosed if and when applicable.

Full details of the fees and remuneration payable to KSL will be provided to each client before that client makes an investment decision.

1.8 Related Parties

KSL and its Associates will sell products and services issued by Related Parties from time to time. KSL will be paid up to 100% of the fees, profits and commissions received by the Related Parties for referring clients to these products and services as set out above. KSL Associates can receive up to 60% of the revenue received by KSL from these activities with Related Parties.

The Related Parties, who are all members of the Seque Group of companies, are as follows:

- Pimlico Properties Limited
- Aurum Property Systems Limited
- Foothill Properties Limited
- Boxer Financial Services Limited

1.9 Range of Advice Given

KSL gives advice on the following types of services and Securities:

- Unit Trusts and Investment Bonds

- Superannuation and Savings Schemes
- KiwiSaver
- Mortgage Finance and Debt Restructuring
- Residential Property Investment
- Life, Trauma, Total and Permanent Disablement, Income Protection and Medical Insurances

KSL Issuers and Product Providers:

AIG Life
AMP
Asteron (formerly Royal & SunAlliance)
Aurum Property Systems Ltd
AXA
Fidelity Life Assurance Co Ltd
Hamilton Hindin Greene Ltd
ING
ING OneAnswer
Mascot Finance Limited
Man Investments
Sovereign Assurance
Sentinel Limited
Southern Cross (formerly Aetna Health (NZ Ltd))
Tower Health and Life

If KSL refers a client to another financial adviser we accept no responsibility for the failure of that financial adviser to provide a Disclosure Statement.

2. Money Handling Procedures

These disclosures are made on behalf of KSL and its Directors who act for and on behalf of KSL jointly and severally.

2.1 Payment or Delivery of Money

Payment or delivery of investment money is payable to the issuer of the security, insurance company, or superannuation fund manager. KSL does not receive any funds to its own bank account on behalf of clients and does not operate a trust account. All funds must be made payable to the issuer and should be crossed 'Not Negotiable Account Payee Only'. KSL does not hold any property on trust for clients.

3. Professional Indemnity Insurance

KSL and its employees carry \$2,000,000 professional indemnity insurance provided by Lumley General Insurance.

KSL considers, after obtaining advice from its insurers, that its professional indemnity insurance is adequate, given the size and nature of KSL's business.

4. Dispute Resolution Procedures

If you have a complaint, in the first instance you should speak to a KSL Associate. KSL and its Associates undertake to quickly and satisfactorily resolve the complaint, but in the event you are not satisfied, please put your complaint in writing to:

Insurance Complaint:
Life Brokers Association
PO Box 8879
Havelock North
Hawkes Bay

Or alternatively direct to the product supplier.

Mortgage Complaint:
New Zealand Mortgage Brokers Association
PO Box 109453
Newmarket
Auckland

This Disclosure Statement was prepared on 29 February 2008.

**ACKNOWLEDGEMENT OF RECEIPT
OF DISCLOSURE STATEMENT
DATED 29 FEBRUARY 2008**

I,

acknowledge receipt of the Disclosure Statement for **KSL financial Limited**.

Signed:

Dated: