

[2] A review hearing took place on 9 July 2025.

[3] The applicant has applied for the existing orders to continue. That is not opposed by the respondents. There were compliance issues with previous orders but counsel have advised that these have been resolved. The only outstanding matter between the parties is the issue of the release of further funds for legal fees.

[4] To date, the sum of \$65,000 has been released for the payment of legal fees. The respondents now ask for a further \$11,994.56 to be paid into their solicitor's trust account. Counsel has undertaken that such funds will be applied exclusively for legal costs for matters related to the substantive proceedings. The effect of the release of funds will be that one of the frozen bank accounts will now have a zero balance.

[5] The Labour Inspector does not take issue with the release of funds for the payment of legal fees per se; nor does she have a view on the amounts sought. Counsel advises that the reason the funds have not been released to date is that the Labour Inspector queries whether they could be met from other means – specifically, the income that the respondents are now able to access through a new and unfrozen bank account created for the purposes of enabling them to access living expenses. While the creation of this account was anticipated in orders made on 17 April 2025, the Court is advised that it was only established around 11 June 2025. No information has been provided to the Court in relation to the balance of the account. I have previously ordered that bank statements for such account be provided to the Labour Inspector on a monthly basis.² However, I note that the timing of the opening of the account will mean that these are not yet available.

[6] While I have some sympathy for the Labour Inspector's query, a significant number of the respondents' assets are currently frozen. The respondents have sensibly not opposed the extension of the orders. The High Court Rules 2016 are clear that the freezing order must not prevent the respondents from dealing with the assets covered by the order for the purpose of paying legal fees related to the freezing order.³ I

² *A Labour Inspector of the Ministry of Business Innovation and Employment v Dao (No 6)* [2025] NZEmpC 112 at [24].

³ High Court Rules 2016, r 32.6(3).

consider that in the circumstances it is appropriate that that purpose extends to the substantive proceedings on this occasion.⁴ The respondents are entitled to the release of funds as requested.

[7] I note that the requirement that bank statements for the new account be provided to the applicant on a monthly basis does not appear to be recorded in the current sealed orders. It was a condition imposed by the Court at the time and the orders are amended accordingly.

[8] It is not appropriate that the orders continue indefinitely. Accordingly, a review hearing date is necessary. While counsel did not have a view on timing, I consider an extension of two months is appropriate. If issues arise in the meantime, any party can apply to have the matter brought back before the Court on notice.

[9] In relation to the substantive proceeding, a directions conference is now scheduled for the end of this month. While mediation was unsuccessful, counsel are encouraged to discuss the possibility of a judicial settlement conference with their clients and gain instructions for the directions conference.

[10] It is in the interests of all parties that the substantive proceedings are progressed efficiently.

Outcome

[11] The current freezing and ancillary orders will continue until 4 pm on Thursday 11 September 2025. For the sake of clarity, the following further ancillary order is made in addition to those which have already been made:

- (a) Commencing on 11 July 2025, the respondents are to provide the applicant with monthly bank statements for the new account created in their joint names for the purposes of receiving income and paying ordinary living and business expenses.

⁴ *TGB Holdings Ltd v BFP Trustees No 1 Ltd* HC Whangarei CIV-2009-488-566, 8 April 2011 at [40].

[12] The sum of \$11,994.56 for legal expenses is to be released from bank account 03-0219-XXXXXXXX-026 to Capstone Law's trust account.

[13] A review hearing will be held, if necessary, at 10 am on Wednesday 10 September 2025. The following timetable applies for that hearing:

(a) The applicant is to file a memorandum and any other relevant documents by 4 pm on Friday 5 September 2025.

(b) The respondents are to file a memorandum and any other relevant documents by 4 pm on Tuesday 9 September 2025.

[14] This judgment and the orders which I now make are to be served immediately on the relevant banks.

[15] Costs are reserved.

Kathryn Beck
Judge

Judgment signed at 4 pm on 10 July 2025