

Superstore Properties Ltd  
PO Box 9013  
Annesbrook  
Nelson

13 June 2025

**Notice to Shareholders – Superstore Properties Limited**

**Court of Appeal judgment – 11 June 2025**

The Court of Appeal released its decision in the case of *Investment Services Limited, Michael Millar & Paul Mephan v First NZ Properties Limited & Superstore Properties Limited* on 11 June 2025.

The appellants challenged their liability to pay the sum of \$644,945.26 plus GST (for Gravtec fees) to Superstore.

The Court allowed ISL's appeal in both contract and knowing receipt on the basis that all property management services provided to Superstore were paid by ISL from within the management fee (pursuant to the Management Agreement) and all it did was profit from the terms of its fee arrangements with Superstore.

However, importantly, the Court of Appeal agreed with the High Court that Mr Millar's responsibilities as a director of Superstore "conflicted profoundly" with his responsibilities to ISL. Mr Millar did not separate his responsibilities to Superstore and ISL, nor did he consider how his conflicts of interest could be managed. The Court dismissed Mr Millar's appeal accordingly.

Mr Millar remains liable to Superstore in the sum of **\$644,945.26 (plus GST)**. No costs order was made.

The effect of this on the High Court award is nil. Superstore retains the full amount awarded to it by the High Court.

If you have any queries, please contact [info@fssmanagement.co.nz](mailto:info@fssmanagement.co.nz).

Yours faithfully

A handwritten signature in blue ink, appearing to read 'John Murray', written over a horizontal line. Below the line, the word 'Director' is printed in small text.

**John Murray**  
Chair

A handwritten signature in blue ink, appearing to read 'Damien Prendergast', written over a horizontal line. Below the line, the word 'Director' is printed in small text.

**Damien Prendergast**