

Pacific Current Group Limited (ASX:PAC) -Shareholders Initiate Legal Action

The company's owners, must take direct and immediate action to correct the transgressions of the company.

Pacific Current Group Limited shareholder initiates legal process to consider launching both a derivative action in the company's name and a class action against the company's management and advisers.

Michael de Tocqueville, a key shareholder and founding director of Treasury Group Limited, now called Pacific Current Group Limited, is seeking legal opinion on whether there are grounds to launch a class action against the company's management and its auditor. An additional action to be considered is a derivative action on behalf of Pacific Current Group itself. de Tocqueville is undertaking this action in his own right as well as representing several other Pacific Current Group shareholders.

de Tocqueville's investment management company Advocate Strategic Investments (ASI) will be circularising other key shareholders outlining his concerns at the events and revelations that have seen more than \$200 million of Pacific Current Group's market value destroyed in under two years, due to what he believes was a poorly thought-out, sloppily executed and reckless merger with Northern Lights Capital Group LLC and its cohorts in November 2014.

"After numerous discussions with our advisers, other shareholders, about the \$140-plus million of losses, impairments and costs attributed to Aurora Trust (the vehicle, theoretically controlled by Pacific Current Group, that was established at the time of the merger to hold the combined boutique funds management firms); the messy and opaque financial accounting as described by Morningstar and other research houses; and the enrichment of executives with unsubstantiated cash bonuses, which resulted in a massive shareholder backlash at the company's recent annual general meeting of shareholders, our group is convinced that we have a legal case to be heard, which will enable action to be taken on behalf of the company – which may also lead to compensation being paid to certain shareholders through a class action," says de Tocqueville.

"Now is not the time for interested shareholders to sit around with no input while the value of their company languishes even further under the control of those who have already presided over the loss of more than \$200 million in market value. We, the company's owners, must take direct and immediate action," he adds.

About ASI

ASI is a Melbourne-based independent investment management firm that provides institutional and sophisticated investor clients with customised alternative investment strategies. The firm's senior investment team uses its unique, company-specific, value-oriented investment approach, with a strong focus on equity special events and credit opportunities. ASI's approach is focused on the preservation of capital through extensive and rigorous investment analysis on a position and portfolio basis. ASI is the manager and adviser to the Advocate Partners Constructivist investment strategy. Shareholder constructivism is about advocating an owner's perspective in relation to how a public company is governed and operated, in order to build the conditions necessary for its equity value to appreciate.

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