

**IN THE EMPLOYMENT COURT
AUCKLAND**

**[2011] NZEmpC 87
ARC 50/11**

IN THE MATTER OF an application without notice for a freezing
order

BETWEEN MASON ENGINEERS (NZ) LIMITED
Plaintiff

AND KAREN MARGARET HODGSON
Defendant

Hearing: 15 July 2011
(Heard at Auckland)

Counsel: Clare Mansell, counsel for plaintiff

Judgment: 15 July 2011

ORAL JUDGMENT OF CHIEF JUDGE GL COLGAN

1. The freezing order made without notice to the defendant last Friday 8 July 2011 expires at noon today and, also as directed in that judgment, the matter has been called in court at 10 am.

2. There was no appearance for the defendant which is consistent with what Ms Mansell tells me about the events that have occurred in the last week. I am satisfied by an affidavit of service that this proceeding, including the statement of claim and the Court's oral judgment of 8 July 2011,¹ as well as the other documents, were served on the defendant personally on Tuesday 12 July 2011 at 9.30 am.

3. The plaintiff confirms that, as a result of the orders made by the Court last week, the contents of the two bank accounts referred to in that judgment were frozen as from about 4.45 pm on that day. Ms Mansell tells me that the defendant has not

¹ [2011] NZEmpC 82.

exercised her entitlement to make limited withdrawals from those accounts as set out in paragraph [11] of the Court's judgment of 8 July 2011.

4. The defendant has 30 days from last Tuesday 12 July 2011 within which to file and serve a defence to the proceeding and Ms Mansell has calculated that this period expires on or about 10 August 2011. If Ms Hodgson elects to defend the proceeding, she will have to take steps to do so by that date, in which case she or her representative will be able to appear before the Court when the matter is next called. If Ms Hodgson does not take steps to defend the proceeding within 30 days of service on her, then it is very likely on that next court date that the plaintiff will seek directions so that it may obtain judgment as soon as it is able to.

5. The plaintiff expects that the defendant will not defend the proceeding and from what I have been told by Ms Mansell, that may be so. However, Ms Hodgson should have the opportunity to do that within the period of 30 days from service on her.

6. In these circumstances, I am prepared to extend the freezing orders made on 8 July 2011 to cover the balance of that period of 30 days. There will be the following additional changes to the orders.

7. The defendant may still draw up to, but no more than, \$500 for living expenses for each week for the balance of the period of the freezing order. The defendant may also, but only if she has not done so already, withdraw up to, but no more than, \$2,500 for payment of reasonable legal expenses in relation to this proceeding. That will be a single entitlement in the sense that it may only be accessed once by the defendant during the combined periods of the freezing order. The initial conditions imposed upon that withdrawal last week are to continue, that is any withdrawal is to be for the purpose of reasonable legal expenses and should only be paid out to a lawyer's trust account to be held and disbursed solely for that purpose.

8. The freezing order as amended is extended to midday on Friday 12 August 2011 and, as with today's hearing, the case will be called again in court at 10 am on that morning.

9. Leave is reserved for either party to apply for any interlocutory orders or directions on short notice to the other.

10. I again reserve costs on the applications.

11. The plaintiff must serve the new sealed freezing orders and a copy of this judgment on the defendant as soon as possible.

GL Colgan
Chief Judge

Judgment delivered orally at 10.20 am on Friday 15 July 2011