



NEW ZEALAND  
**PAROLE BOARD**

Parole hearing

Under section 21(1) of the Parole Act 2002

**Cornelis Robert ROEST**

**Hearing:** 13 August 2014  
at (withheld)

**Members of the Board:** Judge D G Mather (Panel Convenor)  
Ms R Pritchard  
Mr P Elenio

**In Attendance:** (withheld)

**Judgment:** 28 August 2014

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**RESERVED DECISION OF THE BOARD**

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1. This is Mr Roest's first appearance before the Parole Board following sentence to a prison term of six years nine months on 18 May 2012. His sentence expiry date is 5 January 2019.
2. Mr Roest was convicted of 18 charges laid under the Crimes Act 1961, the Companies Act 1993 and the Securities Act 1978. These related to the making of false statements in prospectuses issued by Bridgecorp Limited and Bridgecorp Investments Limited ("Bridgecorp") in December 2006 and in certificates issued in March 2007 which had the effect of extending the life of the prospectuses for a further nine months.
3. The false statements related to a range of issues. The principal ones were that Bridgecorp never missed payments of interest or principal due to investors, that no circumstances had arisen over the six months prior to the issue of the prospectuses that would adversely affect Bridgecorp's financial position, that Bridgecorp managed liquidity risk by maintaining a minimum cash reserve on bank deposits, and that Bridgecorp's

financial position had not materially worsened by the time the extension certificates were issued in March 2007.

4. Mr Roest was convicted after a lengthy trial. Following conviction and sentence he appealed to the Court of Appeal which dismissed his appeal against both conviction and sentence. The Court of Appeal upheld the High Court findings that the statements in the prospectuses were untrue and Mr Roest did not believe on reasonable grounds that they were true. The High Court findings that Mr Roest had acted dishonestly and with intent to deceive the investing public from 7 February 2007 onwards when Bridgecorp, to his knowledge, had begun defaulting in making payments to investors on due date, were also upheld.
5. At the relevant times Mr Roest, along with a Mr Petricevic, was an Executive Director of Bridgecorp. He had been with Bridgecorp in various roles from 1996, and from July 2006 was its Finance Director. He was heavily involved in the day-to-day operation of the business and had responsibility for all financial information including cash flows. It is clear that he had major responsibility for all significant decision-making relating to the financial affairs of Bridgecorp and in particular preparation of documents seeking investment by the public.
6. The Court of Appeal upheld the High Court sentence of six years six months imprisonment and noted that the offending occurred over a period of seven months during which just under \$120 million was invested in Bridgecorp by over 4,500 investors. Both the High Court and the Court of Appeal saw no reason to differentiate Mr Roest's culpability from that of his fellow Executive Director Mr Petricevic.
7. The Court of Appeal accepted that Mr Roest did not set out to cause harm to investors, and there was no suggestion of personal gain. The Court did, however, note that Mr Roest had wrongly attempted to shift blame onto the investors and to continue to regard himself as an innocent party.
8. In August 2012 Mr Roest was sentenced to a cumulative prison term of three months. This followed conviction on some 10 charges of failing to deduct tax (five charges) and using a document for pecuniary advantage (five charges). The offending occurred at various times between February 2002 and May 2007. No further details relating to these charges are at present before the Board.

## Release on parole

1. Mr Roest, like any offender serving a prison sentence of more than two years, is entitled to be considered for release on parole after serving one-third of his sentence: Parole Act 2002, s 20. His parole eligibility date was 7 July 2014.
2. The Parole Act sets out a number of principles and directions which must be addressed when considering an offender for release on parole:
  - When making any decision relating to the release of an offender the paramount consideration is the safety of the community: s 7(1).
  - Offenders must not be detained longer than is consistent with the safety of the community: s 7(2)(a).
  - Offenders must not be subject to release conditions more onerous or longer than is consistent with the safety of the community: s 7(2)(a).
  - Decisions must be made on the basis of all the relevant information available to the Board at the time: s 7(2)(c)
  - The rights of victims must be upheld and due weight given to their views and to any restorative justice outcomes: s 7(2)(d).
3. The primary focus of the Board when considering release on parole is governed by s 28(2) of the Act. The Board can only release an offender on parole:
  - if satisfied on reasonable grounds that if released the offender will not pose an undue risk to the safety of the community or any person or class of persons until sentence end date;
  - having regard to the support and supervision available to the offender following release;
  - and having regard to the public interest in reintegration of the offender into society as a law-abiding citizen.
4. When addressing the issue of undue risk the Board must consider:
  - the likelihood of further offending;

- the nature and seriousness of any likely subsequent offending: s 7(3).
5. It is important to record the statutory provision that an offender has no entitlement to be released on parole: s 28(1AA).

### **Information before the Board**

6. The Board has had regard to the following information:
- Caption summary of facts relating to the charges under the Securities Act 1978.
  - High Court verdicts dated 5 April 2012.
  - High Court sentencing notes dated 18 May 2012.
  - Court of Appeal judgment dated 8 November 2013 and judgment summary.
  - Pre-sentence probation report dated 1 May 2012.
  - Mr Roest's criminal history which comprises solely the charges for which he is at present serving a prison sentence.
  - Parole assessment report dated 17 June 2014.
  - Submissions filed by Mr Roest including:
    - o His letter to the Parole Board.
    - o Offence map.
    - o Victim analysis statement.
    - o Goal setting.
    - o Reintegration plan.
    - o Support network.
    - o Support letters.
    - o UK certificate.

- o Work offer.
- o Personal achievements/references.

### **Events since start of sentence**

9. Mr Roest currently has minimum security classification, which reflects the absence of any prior criminal history and his low RoCRoI of 0.098. He has been incident-free and misconduct-free and is reported as being a model prisoner. He is actively involved in whatever activities are available to him including prisoner employment. His motivation, co-operation and compliance are reported as excellent.
10. He has been employed for some time in the prisoner canteen workshop. He is reported as motivated to undertake the NCEA qualification in warehouse and distribution, and work-related training. He is motivated to undertake the release to work programme when eligible. He has the trusted position of a “free mover” around the prison. He has been engaging in a study programme through Criminon–UK, an international distance learning organisation whose website states that their programme “teaches moral choices and equips prisoners with the life skills they need to stay on the straight and narrow, and remain free from future offending”.

### **Mr Roest's view of his offending**

11. His view of the legality of his actions which gave rise to the charges is apparent first from his defending the charges, and then unsuccessfully appealing against both the verdict and the sentence. The High Court noted that he had no insight into his offending and did not accept responsibility for the harm he had caused. No credit for remorse could be allowed for sentencing purposes.
12. The Court of Appeal described the failure by Mr Roest and Mr Petricevic to face up to the imminent failure of Bridgecorp, particularly after the missed payments to repay investors from 7 February 2007 onwards, as dishonest and reprehensible. The Court noted Mr Roest again attempting to transfer blame to other parties, including the receivers for failing to realise more from the assets of the company, and investors for failing to take prudent advice before investing. It said :

[175] The attempt to shift blame onto the investors is entirely misplaced and demonstrates that Mr Roest continues to regard himself as an innocent party. The Judge was right not to allow

any discount for remorse since Mr Roest has not accepted responsibility for his offending.

13. The brief pre-sentence report noted Mr Roest saying that he regretted any investor loss, but no acceptance of liability.
14. In his recent written submission to the Board Mr Roest said:

“I take full responsibility for my offending. Life is full of decisions and unfortunately I made a number of decisions in my role as Finance Director of Bridgecorp that had a profound effect on the innocent investors in Bridgecorp and consequently on their families as well as my own family.

In my role I had the belief I was working for the benefit of the investors however on reflection my judgment was detrimental to the new investors who became innocent victims of my offending and as a consequence a number of these investors and their families have suffered. For this I accept responsibility and am truly sorry.

...

I have had many hours to consider what I would have done differently and how I can ensure I am never placed in the position I was in 2006/2007. To this end I have taken the view that I would never be a director of a company nor would I work for a company that raised funds off the public. I will also follow the letter of the law and not be swayed by emotional pressures or concern for peoples beyond my legal ability. By being steadfast in my stance I believe I will not reoffend or be placed in the position I found myself in in 2007.

...

At this point in my sentence I believe I have accepted my responsibility in relation to my offending and do not believe I am a threat to society. I therefore respectfully ask that the Board consider me for parole so I can be with my family, spend quality

time with my elderly mother and to be a positive influence on my children and grandchild.”

15. At this hearing Mr Roest expressed similar views. By way of further explanation of his actions he said that if the directors had “pulled the plug” on Bridgecorp there would have been a loss of investor confidence and market collapse in the finance industry. The directors were not focused on the deterioration of the Bridgecorp financial position in the second half of 2006 but were looking beyond that. Whether they sought more investor funds or pulled the plug on the company there would have been third-party losses. He saw the Bridgecorp situation as unique and could not see it recurring. He again acknowledged that he needed in future to follow the letter of the law.
16. He was asked whether he would have defended the charges had he had the benefit of the personal integrity course he has undertaken through Criminon since starting his sentence. On reflection he thought he would probably have pleaded guilty because he acknowledges he should not have signed the inaccurate prospectuses. However, he was heavily dependent at the time on the advice of his lawyers, which was to go to trial.

#### **Risk assessment**

17. As noted above, the paramount issue for the Board’s consideration when considering the release of an offender on parole is the safety of the community. The Board must be satisfied on reasonable grounds that if released an offender will not pose an undue risk to the safety of the community or any person or class of persons, until their sentence end date.
18. Mr Roest was a chartered accountant but has been struck off or removed from that roll and said he had no intentions of applying for reinstatement. He told the writer of the parole assessment report that in future he intends to re-establish his accountant consultancy which he had prior to Bridgecorp. However at this hearing he told us that, on reflection, he did not intend to return to accountancy. He has the offer of a factory job with (withheld) and this was confirmed in writing.
19. Mr Roest clearly has a strong support network to assist in his reintegration on release. His wife is supportive although the marriage relationship is at an end. (withheld) and (withheld), who attended the hearing, are willing to offer whatever support they can. There are letters of support from others. He is expecting to be able to arrange accommodation with (withheld).

20. When asked about business contacts he said that he has not kept those up in any significant way. He saw no prospect of him again undertaking a role of giving advice. He has helped other prisoners with NZQA course work, which is understandable given his business and academic training and experience. Insofar as his financial position is concerned, he was bankrupted but has now been discharged. He has no debts and no assets, apart from an interest in the family home which he thought might have an equity of approximately \$300,000-\$400,000. He is no longer a beneficiary of his family trust.

### **Decision**

21. In terms of risk to the safety of the community and hence the safety of the community, the only significant area of concern in relation to Mr Roest is that he might again be in a position to give advice about the investment of third-party funds, or be in a position of management of such funds. At this point there is limited evidence before the Board to provide a secure basis for assessing the risk in that regard.
22. We take into account the following factors and views we have formed:
- The most serious offending occurred over a period of some seven months, involved a number of defaults on Mr Roest's part and resulted in the loss of investor funds in the order of \$120 million.
  - The impact on victims, both financial and emotional, resulting from the collapse of Bridgecorp has been huge.
  - Mr Roest has taken some time to come to terms with his guilt on the charges brought against him and his liability for the dishonesty on his part giving rise to those charges. Even at this hearing he continued to rationalise, and at least in part justify, his actions by reference to the difficult financial circumstances of Bridgecorp at the time (see para 21 above).
  - At this point Mr Roest does now appear to accept responsibility for his acts and omissions for which he was prosecuted.
  - He still appears to lack any significant degree of empathy for the victims of his offending other than acknowledging their losses. When asked about what victims might feel about him being released on parole at this early stage of his sentence he focused on his legal rights under the Parole Act and did not comment on the likely response of the victims.



- There was a concerning rigidity about his thinking when explaining the decision-making over the period of offending, including the issuing of prospectuses with false statements and failure to fully inform investors about the financial circumstances of Bridgecorp.
  - At age 58 Mr Roest still has a significant working career ahead of him. Despite his current views that he will not return to accountancy or a financial management role we cannot rule that out and the risk which goes with it.
  - He has strong (withheld) support and is likely to be able to re-establish himself both financially and personally following release, which enhances the prospects of successful reintegration.
23. Taking those matters into account we are not, on the information at present before the Board, satisfied on reasonable grounds that if released now Mr Roest will not pose an undue risk to the safety of the community or any person or class of persons for the next four and a half years. We seek a psychological report to address the issues and concerns set out above and provide advice to the Board. This should include any identified features of Mr Roest's personality or background which might pose a risk of further offending, as well as an assessment of the adequacy of his release plan to manage any risk.
24. In the absence of such further professional advice we do not consider that the imposition of release conditions while on parole would adequately address risk concerns.
25. Accordingly parole is declined. We reschedule Mr Roest to appear before the Board in January 2015.

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Judge D G Mather  
Panel Convenor