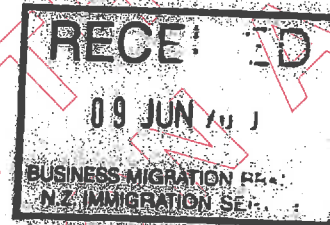


MALCOLMPACIFIC
MIGRATION EXPERTS

8 June 2010

BY OVERNIGHT COURIER

Immigration New Zealand
Business Migration Branch
Level 3, Kordia House
109-125 Willis Street
WELLINGTON



Attention: **Gareth Grigg**
Branch Manager

Dear Gareth

Kim DOTCOM – Client No. 42988343

Mr Dotcom seeks consideration of a Special Direction to enable his Residence application to be considered according to current residence Business Migrant Investment policy.

The applicant is a person to whom Section 7(1) of the Immigration Act 1987 applies.

Mr Dotcom has two convictions that he has already disclosed to Immigration New Zealand (INZ) and one of those convictions falls within Section 7(1) (b) of the Immigration Act 1987.

Therefore this request is made to your attention as you have the appropriate delegation to approve or decline this request as confirmed in S2.10.15.

BACKGROUND

Mr Dotcom is a 36 year old Finnish national, |

[s9(2)(a)]

The applicant developed an entrepreneurial flair early in life within the IT field. He has had many successful business ventures and investments that have led him at a relatively early age to become a billionaire.

Mr Dotcom visited New Zealand for the first time in August 2009. The prime reason for the visit as well as tourism was to view New Zealand's most expensive home which was on the market.

A sale is likely on that property subject to Overseas Investment Office (OIO) approval.

Mr Dotcom has already spent large amounts of money in New Zealand acquiring assets and creating employment for New Zealanders.

He seeks approval to apply for Residence under the Investor Plus category which will lead to further investment in New Zealand.

CHARACTER

Mr Dotcom has two criminal convictions resulting from offences dealt with by the judiciary system in Germany where the applicant was born.

Both these convictions were fully disclosed to INZ in prior applications.

In 1994 he was convicted of computer hacking and this resulted in a two year suspended sentence.

This conviction does not fall within Section 7(1) (b) of the Immigration Act but does fall within A5.25 and needs consideration by way of a character waiver. The case for a character waiver has been set out in the attached submissions with the residence application as this may not need to be considered by you. If you do however want to address both character issues then please refer to the attached letter from Malcolm Pacific detailing eligibility under the Investor Plus category.

In 2001 Mr Dotcom was convicted of insider trading resulting in a 20 month suspended sentence and a fine of 100,000 Euros.

This conviction does fall within Section 7(1) (b) of the Immigration Act 1987 and requires consideration of a Special Direction by you.

By the late 90's Mr Dotcom was a well established venture capitalist and received many approaches to invest into start up and established businesses.

He was approached to purchase a shareholding into a company know as "letsbuyit.com". Essentially a web based business that formed a community of buyers from 1,000 to 10,000 individuals that could purchase goods direct from manufacturers and enjoy discounts of 30-40% off normal retail prices.

The company was based in the Netherlands and had over 100 staff. At the time the applicant became aware of the company it had filed for creditor protection, had one year to find investors to trade its way out of difficulty and time was running out.

The company attempted to negotiate with creditors but matters lead to legal action. Finally the company was directed by a judge to have 4 million Euros within a week which would have been sufficient funds to have traded for one more year.

Mr Dotcom was approached to make an investment into the company's survival which he did by investing 1.4 million Euros. Another two investors came up with the balance of \$2.4 million Euros. The jobs of more than 100 people were saved.

At the same time Mr Dotcom bought on the open share market 350,000 Euros worth of shares into this company.

The bail out letsbuyit.com lead to an 800% increase in the value of the shares in the company. Mr Dotcom sold his shares to recovery the money he had original invested in the bail out.

The value of the company shares stayed high for 6 months.

However the applicant believes he was the victim of an overzealous prosecutor. It was alleged at the time that Mr Dotcom had profited from the information he had learnt about the bail out. Therefore his share purchase and subsequent sale of shares at a profit was made from "insider knowledge".

Of course what was discounted is that Mr Dotcom had purchased the shares the same day he wired the funds to the company to keep it afloat. His purchase of shares and later sale of the same shares happened when the company was doing well. The opportunity for any other person to purchase shares at a lower value and then sell then at a higher value always existed as the bail out was public knowledge and the share value of the company stayed high for 6 months. In real terms Mr Dotcom did nothing that any other person does on the open share market in order to get a return.

However in order to resolve the matter quickly Mr Dotcom negotiated a settlement with the prosecutor. Once the matter was finished through the legal system Mr Dotcom left Germany and while he has visited from time to time he says he will never return to his home country to live due to the way he was handled by the authorities.

SPECIAL CIRCUMSTANCES

The applicant accepts that in the past with his success and wealth combined with his youth lead him to build a profile in the German media that made him a target. He was not always circumspect with his comments or activities and this lead to people taking an interest in "taking him down". In New Zealand we identify with this as the "tall poppy syndrome".

However today Mr Dotcom does not seek media attention and wants to get on with life as a respectable venture capitalist, philanthropist, [s9(2)(a)] without the fan fare of media attention.

Mr Dotcom falls within the profile of an individual that the government seeks to attract.

He is a successful business person and a venture capitalist by nature. Over the last two visits to New Zealand he has spent considerable money acquiring assets and identifying investment opportunities.

I am advised that NZ\$1 million has been spent in GST, over [s9(2)(a)] (subject to OIO approval), various investment projects considered and the opportunity of substantial philanthropic spending in this country.

Mr Dotcom has the means to invest significantly in New Zealand which will lead to opportunities being created for the country and New Zealanders.

It could be said that allowing Mr Dotcom to settle in New Zealand is in the national interest.

On balance the grant of Special Direction is advanced on the following basis:

Positive factors;

- ❖ Grant of Residence is in the national interest
- ❖ Potential of ongoing job creation
- ❖ Potential for venture capitalism benefits to New Zealand
- ❖ Potential of philanthropic benefits
- ❖ Contribution to the New Zealand economy
- ❖ Meets the governments desire to attract high net worth individuals
- ❖ The convictions do not relate to the physical harm of any individuals
- ❖ There has been no period of imprisonment
- ❖ The latest conviction occurred 9 years ago and there has been no re occurrence since the applicant married and had children
- ❖ There is no threat to the public interest or New Zealand's international reputation

Negative factor;

- ❖ A conviction that falls within Section 7 (1) (b) of the Immigration Act 1987.

CONCLUSION

On balance of all the facts, evidence and subject to the presentation of the German police clearance certificate we submit that Mr Dotcom can be approved for Residence under the Investor Plus category.

The grant of a Special Direction by you will allow that application to be fully considered against current policy.

We understand that you have the appropriate delegation required by S2.10.15.

If you have a view that you would not wish to consider this request then although you are not obliged to do so we would ask for the opportunity to provide further comment.

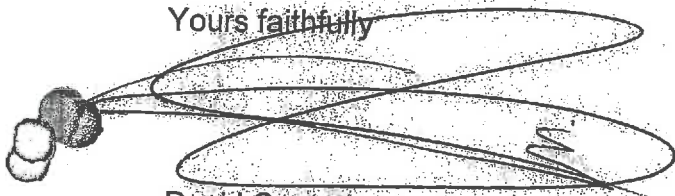
Please confirm if you are prepared to approve or decline this request to allow the Residence application to be determined by your branch.

I look forward to your advice and thank you for your assistance.

ATTACHMENTS

- ❖ Cheque for \$140; being the special direction fee.

Yours faithfully

A handwritten signature in black ink, appearing to be 'David Cooper', written over a series of horizontal lines.

David Cooper
Manager (Operations)
Malcolm Pacific Limited
david@malcolmpacific.com

A small, dark, circular stamp or mark, possibly a hole punch or a small seal, located at the bottom left of the page.

RELEASED UNDER THE
OFFICIAL INFORMATION ACT