

**IN THE EMPLOYMENT RELATIONS AUTHORITY  
AUCKLAND**

**[2014] NZERA Auckland 322  
5459941**

BETWEEN

GLENN KARAM  
Applicant

AND

INTEGRITY TRUST LIMITED  
Respondent

Member of Authority: Eleanor Robinson

Representatives: Applicant in Person  
Gavin Hazelden on behalf of the Respondent  
Mark Donovan, Counsel for Mr Hazelden

Investigation Meeting: 24 July 2014 at Auckland

Determination: 24 July 2014

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**DETERMINATION OF THE AUTHORITY**

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**Employment Relationship Problem**

[1] A Record of Settlement (the Settlement) was signed under s 149 of the Employment Relations Act 2000 (the Act). The parties to the Settlement were the Applicant, Mr Glenn Karam and the Respondent, Integrity Trust Limited. The Settlement was signed by Mr Karam and by Mr Gavin Hazelden, Director, on behalf of Integrity Trust Limited. The Record was also signed by a Mediator employed by the Ministry of Business, Innovation and Employment.

[2] The issue now brought before the Authority by Mr Karam is that the Respondent has not complied with clause 2 of the Settlement which states:.

*2 The Respondent acknowledges the debt of \$12,734.70 (twelve thousand seven hundred and thirty four dollars and 70 cents) owed to the Applicant in wages and bonuses.*

[3] Clause 3 of the Settlement is also relevant and states:

*3. Whilst acknowledging this amount, the Respondent has an inability to pay at this time. Parties will continue to discuss how and when*

*this amount may be paid.*

[4] The Settlement was certified under s 149 of the Act by the Mediator. That certification confirmed that before making the agreement, the parties were advised and accepted they understood the agreed terms:

- a. were final, binding and enforceable; and
- b. could not be cancelled; and
- c. could not be brought before the Authority or the court for review or appeal, except for the purposes of enforcing those terms.

### **Determination**

[5] Mr Karam said that during the 6 months following the date of the Settlement he had discussed with Mr Hazelden how and when the payment set out in clause 2 of the Settlement would be paid to him, however no agreement had been reached during that period and no payments had been made to him.

[6] Mr Karam had not continued discussions with Integrity Trust Limited after the initial 6 month period as his understanding had been that there were other debts which were being paid by Integrity Trust Limited before payment of the debt to him would be made.

[7] Mr Hazelden said that Integrity Trust Limited had wanted to pay the agreed sum set out in clause 2 of the Settlement; however it had lacked the means to do so and this situation prevailed at the present date. Since the Settlement date, Integrity Trust Limited had not traded, and it had not been possible to sell the business, although efforts had been made to resolve the situation.

[8] Mr Hazelden said that he was still hopeful that a way might be found to revitalise the business of Integrity Trust Limited, and if that situation were to arise, it would be the intention to make payment of the debt to Mr Karam as set out in clause 2 of the Settlement.

[9] I find that the Settlement made acknowledgement of the debt and of Integrity Trust Limited's inability to make payment at that time. The Settlement further recorded the intention of the Parties to discuss how and when the amount set out in clause 2 would be paid.

[10] Mr Karam has stated that he is prepared to continue to await resolution of the debt payment pursuant to clause 2 of the Settlement on the understanding that Integrity Trust Limited is still seeking ways to make the business viable.

[11] In these circumstances I issue no order for compliance and determine that the Settlement should remain in place pending a final resolution of the matter either by way of the winding-up of the business or payment of the debt acknowledged as being owed to Mr Karam in clause 2 of the Settlement.

**Costs**

[12] There is no order for costs which are to lie where they fall.

**Eleanor Robinson**  
**Member of the Employment Relations Authority**