

0C325605

IN THE HIGH COURT OF JUSTICE

NO 9054 OF 2011

IN THE MATTER OF

ONDA CAPITAL PARTNERS LLP - IN LIQUIDATION

AND

THE INSOLVENCY ACT 1986

**THE LIQUIDATOR'S FIRST ANNUAL PROGRESS REPORT
PURSUANT TO RULE 4.49B OF THE INSOLVENCY RULES 1986
FOR THE YEAR ENDED 20 MARCH 2013**

WEDNESDAY

COMPANIES HOUSE



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ONDA CAPITAL PARTNERS LLP - IN LIQUIDATION ("THE LLP")
Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

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ONDA CAPITAL PARTNERS LLP - IN LIQUIDATION ("THE LLP")
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(a) Introduction

On 30 January 2012, a Winding-Up Order was made against the Company in the High Court arising from a Petition presented by Addax Bank BSC ("Addax") on 18 October 2011. I was subsequently appointed Liquidator of the Company by order of the Secretary of State on 21 March 2012.

This report provides an update on the progress in the liquidation for the year ended 20 March 2013.

Rule 4.49B(1): Progress Report

(b) Statutory Information

Court	HIGH COURT OF JUSTICE
Reference Number	9054 of 2011
Company name	Onda Capital Partners LLP
Registered office	26-28 Bedford Row, London, WC1R 4HE
Company number	OC325605
Trading address	c/o Hedgesupport LLP, 6 Duke Street, St James, London, SW1Y 6BN

(c) Liquidator's name and address:

Paul Appleton of David Rubin & Partners LLP, 26 - 28 Bedford Row, London, WC1R 4HE was appointed Liquidator of the LLP on 21 March 2012.

(d) Liquidator's Remuneration

My time costs for the year under review are £36,396.50. This represents 132 hours and 54 minutes at an average rate of £274 per hour. I attach, as Appendix A, a Time Analysis which provides details of the activity during the year, analysed by staff grade.

Creditors should be aware that I have not yet sought to have my fees agreed due to the paucity of realisations in the case. However, I have been paid a fee of £5,000 (VAT exempt) by a creditor of the LLP for an initial investigation in respect of the LLP's affairs.

To view an explanatory note concerning Liquidators' remuneration issued by the Joint Insolvency Committee, please visit the Publications folder on our website at www.drpartners.com/cases, using the following log-on details:

USERNAME o770 ond@sharesrvr.com PASSWORD dno07*O*

Alternatively, please contact this office to arrange for a copy to be sent to you.

ONDA CAPITAL PARTNERS LLP - IN LIQUIDATION ("THE LLP")
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(d) Liquidator's Remuneration...Cont.

Included in the work undertaken by me and my staff is the following -

- i) Liaising with the Official Receiver ("OR") with regard to my appointment and the provision of the case paperwork,
- ii) Undertaking an initial review of the paperwork provided and assessing the LLP's affairs,
- iii) Liaising with Addax with regards to the provision of background information and reviewing the same Ongoing correspondence with Addax with regards to the provision of updates in respect of the case,
- iv) Notifying the relevant parties with regards to my appointment as Liquidator and writing to various sources, including the LLP's former Accountants, Solicitors and employees, with regards to the provision of further information,
- v) Dealing with creditors' enquiries both by correspondence and by telephone and noting their claims
- vi) Liaising with the LLP's Bankers, HSBC Bank plc ("HSBC") with regards to the provision of the LLP's statements,
- vii) Undertaking an extensive review of the position in respect of the shareholding in Talenthouse Inc Subsequent correspondence and telephone conversations with the CFO of that entity and a review of the ownership structure,
- viii) Carrying out all necessary investigations, including the examination of the records and bank statements to hand Analysing the movement of LLP funds in the pre-liquidation period and formulating a number of queries to the CEO of the LLP, Bobby Banks;
- ix) Instructing Solicitors and Counsel to apply to Court to examine Mr Banks pursuant to Section 236 of the Insolvency Act 1986 ("the Act") Dealing with the service of the application and adjournment of the Hearing,
- x) Dealing with VAT matters, and
- xi) Undertaking reviews of the case

(e) Liquidation Expenses

It should be noted that no disbursements have been drawn to date due to the paucity of funds in the Estate These include the Specific Bond, Carriage & Archiving, Storage Costs, Meeting Costs and Stationery/Postage.

In addition, my Solicitors, Stephenson Harwood LLP, together with Counsel at 3-4 South Square, have been instructed to make an application to examine Mr Banks under oath The costs which have accrued remain outstanding However, it is my understanding that they are to be met by a third party

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(f) Details of progress for the period under review

No receipts have been made in the period covered by this Report. Accordingly, no Receipts and Payments Account has been attached to the Report.

(g) Details of any assets that remain to be realised and outstanding matters

Shares in Talenthouse Inc

In the questionnaire completed by Mr Banks and provided to the OR, the LLP's only asset was detailed to be 3,232,775 (2.74%) shares in Talenthouse Inc ("Talenthouse"), a social networking site based in California. Mr Banks had advised that the shares were worth between \$500,000 to \$1,000,000.

Accordingly, following my appointment, I wrote to the CEO of Talenthouse informing him of my interest in the shares and requesting details of the trading position of the entity. I also requested copies of recent accounts produced and the share certificate issued to the LLP.

I subsequently received a response from the CFO of Talenthouse advising that he had noted my interest in the shares. It was agreed by both parties that it would be beneficial to discuss the trading position of the entity, together with its current value and potential sale of the shares. In the course of the discussions, the following matters were established:

- the LLP held 3,002,775 Series 'A' shares in Talenthouse together with 230,000 Common Stock shares,
- An initial number of 1,900,000 shares were purchased in April 2008 for a consideration of \$150,000, though the said consideration was not paid until 18 months later. In April 2009, the remaining shares were purchased for a consideration of the provision of office space by the LLP for an 8-month period to the founder of Talenthouse and advice from Mr Banks over a share transaction,
- It was confirmed that Talenthouse was a private entity and there would be restrictions on any sale to an outside party. In that regard, consent would be required by the current shareholders and/or the shares would need to be offered to the current Series 'B' shareholders first.
- Talenthouse was in the process of going through further funding strategies and the CFO believed that the value of the entity was significant, and
- A number of current shareholders would be interested in purchasing any shares owned by the LLP.

Following the discussions, I received documentation from the CFO of Talenthouse, which appeared to detail that the actual owner of the shares was Onda TH General Partner Limited ("OTHG") and not the LLP. In that regard, I requested further information from Mr Banks, to include a copy of the share certificate and information concerning OTHG. Having not received a response, I reviewed the matter further and established that OTHG was an entity registered in Jersey and had been dissolved in October 2011. In addition, the beneficial owners of OTHG were also Jersey registered companies.

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(g) Details of any assets that remain to be realised and outstanding matters...Cont.

Accordingly, I could not continue the pursuit of the sale of the shares until I understood the full position in respect of the Talenthouse share purchase. Mr Banks has not provided me with an adequate response and the LLP's records are insufficient to determine the position. Whilst I also contacted the accountants which dealt with the share purchase, they were unable to provide me with sufficient information. As a result, this matter will form part of my examination of Mr Banks, which is detailed later in the Report.

There are no other assets, which remain to be realised, apart from any potential realisations arising from the investigations detailed below.

(h) Investigations

Shortly after my appointment, I made an initial assessment of matters that might lead to recoveries for the Estate. This assessment took into account information provided by creditors and other relevant parties. My investigations revealed the following issues -

- together with the nature of the investigations that would be best employed to further that remit, there was a substantial shortage of documentation within the LLP's records that were presented to me,
- there were issues regarding the ownership of the LLP's shareholding in Talenthouse, which warranted further investigation, and
- a sum of £2,378,830 was invested in the LLP by Addax in June 2008, the majority of those funds being disbursed in the three month period after that date. In that regard, circa £970,000 was paid to a related party, Onda Capital Services Limited, with significant funds paid to certain individuals and entities.

Accordingly, I wrote to Mr Banks requesting further information in respect of the above matters. However, I did not receive an adequate response. As a result, on the advice of my Solicitors, Stephenson Harwood LLP, I instructed Counsel at 3-4 South Square to prepare an application pursuant to Section 236 of the Act seeking an order requiring Mr Banks to produce all books, correspondence and documents in his custody or power relating to the LLP and for him to attend before the Court to be examined.

The application was initially issued for a Hearing in the High Court on 24 September 2012. However, that Hearing was relisted for 4 December 2012, as I was unable to serve the application on Mr Banks. In that three month period, a significant effort was placed on establishing the whereabouts of Mr Banks without success. Accordingly, a request was made of the Court to consider the Application notwithstanding the fact that Mr Banks had not been served. However, that Hearing was then adjourned until 20 March 2013, as the Court considered dealing with an Application without notice required longer than the 15 minute slot allocated.

At the second adjourned Hearing on 20 March 2013, an Order was granted for Mr Banks to be examined on oath in the High Court on 4 June 2013 and that he produce all books, papers and records in his possession relating to the LLP with a time estimate of 1 hour.

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(i) Creditors' rights -- Rule 4.49E and Rule 4.131

- i) Within 21 days of the receipt of this report, a Secured Creditor, or an Unsecured Creditor (with the concurrence of at least 5% in value of the Unsecured Creditors) may request in writing that the Liquidator provides further information about his remuneration or expenses which have been itemised in this progress report
- ii) Any Secured Creditor, or an Unsecured Creditor (with the concurrence of at least 10% in value of the Unsecured Creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Liquidator's remuneration, the remuneration charged or the expenses incurred by the Liquidator as set out in this progress report are excessive

(j) Any other relevant information

(i) (a) Secured Creditors

There are no creditors, which hold security over the LLP's assets, and, accordingly, no prescribed part

(ii) Preferential Creditors

There will be no preferential claims in this matter, as the LLP ceased to trade a long time prior to my appointment

(iii) Unsecured Creditors

The claims of unsecured creditors have been noted when received. However, based on current information, it is unlikely that there will be a dividend payable to the unsecured non-preferential creditors. If funds are recovered in respect of the assets and investigations outlined in my Report, I will review the position at that time

(k) Next Report

I am required to provide a further report on the progress of the Liquidation within two months of the end of the next anniversary of the Liquidation, unless I have concluded matters prior to that, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors

I trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact in the first instance either my Senior Manager, Adam Shama, or his colleague, Darren Ellis at this office

David Rubin & Partners

pp **PAUL APPLETON - LIQUIDATOR**

DATE: 8 April 2013

ONDA CAPITAL PARTNERS LLP - IN LIQUIDATION LIQUIDATOR'S TIME COSTS FOR THE PERIOD 21 MARCH 2012 TO 20 MARCH 2013 SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Managers / Senior Managers	Administrators/ Senior Administrators	Cashiers	Total hours		
Statutory compliance, admin and planning	01 42	09 42	14 48	01 24	27 36	6,575 50	238 24
Investigations	21 54	40 36	08 54	00 00	71 24	20,943 00	293 32
Realisations of assets	02 06	07 24	12 06	00 00	21 36	5,517 00	255 42
Creditors	03 24	04 12	04 42	00 00	12 18	3,361 00	273 25
Total hours and costs	29 06	61 54	40 30	01 24	132 54	36,396 50	273 86

The above headings include *inter alia*

Administration and Planning

case planning
appointment notification
maintenance of records
statutory reporting and compliance
tax and VAT

Realisation of Assets

identifying and securing assets
debt collection
property, business and asset sales

Investigations

SIP2 review
reports pursuant to Company Directors Disqualification Act 1986
investigating antecedent transactions

Creditors

communications with creditors
creditors claims (including secured creditors, employees and preferential creditors)

Direct expenses ("Category 1 disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include but are not limited to such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 disbursements")

It is normal practice to also charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP 9) to the case, where appropriate.

Postage and stationery: circulars to creditors

Headed paper	25p per sheet	Envelopes	25p each
Photocopying	6p per sheet	Postage	Actual cost

Meeting Costs: Use of Meeting Room is charged at £150 per session

Storage and Archiving

We use a commercial archiving company for storage facilities for company's records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £30 per hour.

Mileage incurred as a result of any necessary travelling is charged to the estate at the HM Revenue & Customs approved rate, currently 45p per mile.

Liquidator's Progress Report**Pursuant to section 92A, 104A, and 192 of the
Insolvency Act 1986****S. 192**

To the Registrar of Companies

Company Number

OC325605

Name of Company

(a) Insert full name
of company

(a) ONDA CAPITAL PARTNERS LLP - IN LIQUIDATION

(b) Insert full name(s)
and address(es)I (b) Paul Appleton of David Rubin & Partners LLP, 26 - 28 Bedford Row,
London, WC1R 4HEthe Liquidator(s) of the LLP attach a copy of my/~~our~~ Progress Report under
Section 192 of the Insolvency Act 1986The Progress Report covers the period from 21 March 2012 to 20 March
2013

Signed



Date 8 April 2013

Presenter's name,
address and reference
(if any)David Rubin & Partners LLP
26 - 28 Bedford Row
London WC1R 4HETel 020 7400 7900
DX Number 267 DX Exchange London/Chancery Lane

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10/04/2013
COMPANIES HOUSE

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