

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

OC355432

Name of Company

Dewey & LeBoeuf LLP (Euro a/c)

I / We

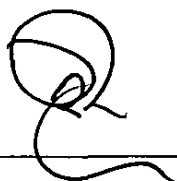
Mark Shaw, 55 Baker Street, London, W1U 7EU

Shay Bannon, 55 Baker Street, London, W1U 7EU

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 31/05/2015 to 30/05/2016

Signed



Date

28/7/16

BDO LLP
55 Baker Street
London
W1U 7EU

Ref LONDD&L04/MAS/JJB/DAW/SMC

WEDNESDAY



A20

A5CMMX01

03/08/2016

#371

COMPANIES HOUSE

Dewey & LeBoeuf LLP
In Administration

Summary of Joint Liquidators' Receipts and Payments from 31 May 2013 to 30 May 2016
Euro account

RECEIPTS	Change since last report dated 30 May 2015 (€)	Total (€)
Surplus from Administration	-	707,217 41
	-	707,217 41
PAYMENTS		
Bank charges	-	160 65
Post assignment receipts	-	24,132 36
Inter account transfer	-	621,482 90
	-	645,775 91
DISTRIBUTIONS		
Preferential Creditors	-	56,698 43
	-	702,474 34
BALANCE IN HAND	-	4,743 07
	-	707,217 41

BDO LLP
55 Baker Street
London
W1U 7EU

M Shaw and S Bannon
Joint Liquidators

22 July 2016

Dewey & LeBoeuf LLP
In Administration

Summary of Joint Liquidators' Receipts and Payments from 31 May 2013 to 30 May 2016
GB Pound Sterling account

RECEIPTS	Change since last report dated 30 May 2015 (£)	Total (£)
PCP contributions	-	571,776 73
Interest Gross	2,813 91	7,729 66
Sundry Refunds	-	93,488 19
Contribution to legal costs from Dewey & LeBoeuf Services	33,164 40	33,164 40
Surplus from Administration		52,371 12
Post assignment receipts	5,054 78	35,774 78
Inter account transfer	-	534,340 96
	<u>41,033 09</u>	<u>1,328,645 84</u>
 PAYMENTS		
Legal fees & disbursements	4,980 00	86,596 58
Storage and Run-Off Costs	-	2,829 75
Press Office Media Costs	-	294 75
Bank charges	120 00	445 59
Retention of counsel fees	-	11,161 50
Post assignment receipts	-	30,720 00
Input VAT	994 00	14,399 34
	<u>6,094 00</u>	<u>146,447 51</u>
 DISTRIBUTIONS		
Unsecured creditors		
Dividend dated 24 April 2015 (1 35p in the £)	(2,005 68)	523,733 29
	<u>4,088 32</u>	<u>670,180 80</u>
 BALANCE IN HAND	36,944 77	658,465 04
	<u>41,033 09</u>	<u>1,328,645 84</u>

BDO LLP
55 Baker Street
London
W1U 7EU

M Shaw and S Bannon
Joint Liquidators

22 July 2016

Dewey & LeBoeuf LLP
In Administration

Summary of Joint Liquidators' Receipts and Payments from 31 May 2013 to 30 May 2016
US Dollar account

RECEIPTS	Change since last report dated 30 May 2015 (\$)	Total (\$)
Surplus from Administration	-	2,514,737 16
Post assignment receipts	-	32,904 77
	<u>-</u>	<u>2,547,641 93</u>
PAYMENTS		
Administrators' fees	-	775,515 39
Administrators' disbursements	-	4,333 80
Legal fees & disbursements	-	2,289 60
Bank charges	-	416 33
Inter account transfer	-	147,382 62
Input VAT	-	155,969 84
	<u>-</u>	<u>1,085,907 58</u>
DISTRIBUTIONS		
Secured Creditors	-	1,369,180 00
	<u>-</u>	<u>2,455,087 58</u>
BALANCE IN HAND	-	92,554 35
	<u>-</u>	<u>2,547,641 93</u>

BDO LLP
55 Baker Street
London
W1U 7EU

M Shaw and S Bannon
Joint Liquidators

22 July 2016



Tel: +44 (0)20 7486 5888
Fax: +44 (0)20 7487 3686
DX 9025 West End W1
www.bdo.co.uk

55 Baker Street
London W1U 7EU

«NAME»

28 July 2016

«A1»

«A2»

«A3»

«A4»

«A5»

Please ask for
Jamie Brown
020 7893 3248

TO ALL KNOWN CREDITORS

Dear Sirs

Dewey & LeBoeuf LLP ("the UK LLP") - In Creditors' Voluntary Liquidation

Registered Address: c/o BDO LLP, 55 Baker Street, London, W1U 7EU

Registered Number: OC355432

Joint Liquidators : Mark Shaw and Shay Bannon

Joint Liquidators' Address: c/o BDO LLP, 55 Baker Street, London, W1U 7EU

Date of Appointment: 31 May 2013

I enclose for your information an annual progress report in accordance with Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986.

1 Statutory Information

1.1 The Joint Liquidators ("the Liquidators") are Mark Shaw and Shay Bannon, both of BDO LLP, 55 Baker Street, London, W1U 7EU.

1.2 The UK LLP moved from Administration to Creditors' Voluntary Liquidation ("CVL") on 31 May 2013, as per the Joint Administrators' proposals, which were deemed approved in the absence of a meeting of creditors on 6 August 2012. Pursuant to the Joint Administrators' proposals, Mark Shaw and Shay Bannon were appointed as the Liquidators and act jointly and severally.

1.3 The UK LLP's registered office is situated at 55 Baker Street, London, W1U 7EU and the registered number is OC355432.

2 Receipts and Payments

2.1 I enclose for your information summaries of my receipts and payments for the period 31 May 2013 to 30 May 2016, together with a consolidated summary, showing a balance in hand of £725,348.81.

2.2 I trust that the receipts and payments shown are largely self-explanatory, and my previous reports to creditors have provided detail on the nature of the receipts and payments. However should you have any specific queries, please contact Jamie Brown of this office.

3 Dealing with Assets

3.1 Accounts Receivable

3.1.1 The key known assets of the UK LLP at the date of Administration were its accounts receivable (or book debts) and work in progress, and these formed part of the secured



creditors' security as referred to at Section 4.1 below. I have referred to the value of the ledgers of accounts receivable and work in progress, as well as their realisation, in previous reports

3.1 2 On 17 May 2013, the remaining accounts receivable and work in progress were assigned to the Secured Lender Trust ("SLT"), which represents the interests of the secured creditors in the bankruptcy of the American law firm Dewey & LeBoeuf LLP ("the US LLP"), a New York registered limited liability partnership and ultimate parent of the UK LLP.

3.1 3 As referred to in previous reports, certain funds have been retained to discharge counsel fees in the event these are collected by debt collection agents instructed by the SLT. As at the date of my last report, payments totalling £11,161 50 had been made to counsel in respect of fees on matters where the SLT had collected a debt. Further payments totalling the equivalent of approximately £15k will shortly be made from the estate.

3.1 4 Additionally, and subject to receiving the SLT's confirmation that any counsel fees will be discharged from future debtor realisations (which I am advised are highly unlikely), further payments should shortly be made in the sum of c£54k to the SLT. This represents the remaining counsel reserve funds, which are currently included in the balance in hand as shown on the account of my receipts and payments

3.2 Partner Contribution Plan ("PCP")

3.2 1 The PCP constituted an agreement entered into with certain former partners of the UK LLP whereby a payment was made by participating partners in full and final settlement of any claims that the US LLP and/or the UK LLP may have had against those partners. As shown on the attached account of my receipts and payments, a total of £571,776 73, before costs, was received from UK partners participating in the PCP. These settlements fall outside of the secured lenders' security and will therefore be available to the unsecured creditors

3.2 2 The proceeds of the PCP remain held in the Liquidation account, and will be distributed to the unsecured creditors in due course, having accounted for costs, once the remaining issues in the Liquidation have been concluded (see below). Certain of these remain outstanding since the date of my last report, however I also set out below where the Liquidators have made further progress

4 Future Prospects for Creditors

4.1 Secured Creditors

4.1 1 The UK LLP provided security for the US LLP's obligations in relation to a revolving credit facility and private placement notes. These secured debt obligations, guaranteed by the UK LLP, total approximately \$168m, net of distributions which have been made from the Liquidation Trust and SLT in the insolvency proceedings of the US LLP. The UK LLP had provided floating charge security in respect of these debts over its 'law assets', particularly the accounts receivable and work in progress

4.1 2 From the estate of the UK LLP, the secured creditors have received distributions totalling £2.4 million, comprising £1 5m distributed during the Administration, and a further c£0.9m during the Liquidation (the later payment being shown on the enclosed account of the Liquidators' receipts and payments, as a payment of \$1,369,180)

4.1 3 Additionally, in respect of the interim dividend paid to unsecured creditors (referred to below), the US LLP by way of its inter-company claim was due a dividend of approximately £317k. In accordance with the terms of a separate agreement entered

into between the SLT, the Liquidation Trust (of the US LLP) and the UK LLP, this payment was made to the account of the Liquidation Trust.

- 4.1 4 There are not anticipated to be any further significant distributions paid to the secured creditors from the UK LLP under their security, although they will potentially benefit from future dividends payable to unsecured creditors, in respect of the shortfall on their claims. Based on current information, the secured creditors will suffer a significant shortfall.

4 2 Preferential Creditors / French Employees

- 4.2.1 The only preferential claims in the UK LLP related to those of the employees of the French office of Dewey & LeBoeuf, which was a branch of the UK LLP and which is subject to secondary insolvency proceedings in France. These claims were settled by a scheme managed by the French government (the AGS), which consequently had a subrogated claim against the UK LLP. This claim has been paid in full.

- 4.2.2 As at the date of my last report, the unsecured element of the French employee claims had not been submitted by the AGS as it was subject to ongoing employment tribunal claims in France.

- 4.2.3 On 30 January 2014, a local industrial tribunal (*conseil de prud'hommes de Paris*) found in favour of these employees and made a number of awards in respect of certain unpaid remuneration and compensation for unfair dismissal. These sums, which were potentially substantial in quantum, were declared enforceable against the AGS, which consequently may have had a subrogated claim against the UK LLP.

- 4.2.4 The Liquidator of the French office lodged an appeal against this judgment. This appeal was due to have been heard in the Paris Court of Appeal in September 2015. I was subsequently advised that this was delayed to March 2016, and judgment only then issued on 8 April 2016, with the Paris Court of Appeal dismissing these claims in full. I have since sought clarification on a number of aspects of this judgment, based on which I should shortly be able to confirm the precise quantum of the AGS's unsecured claim, which should be in the region of €160k.

4 3 Unsecured Creditors

- 4.3.1 Pursuant to Section 176A of the Insolvency Act 1986, the Liquidators shall make a Prescribed Part of the UK LLP's net property available for the satisfaction of unsecured debts, and shall not distribute that part to the proprietor of a floating charge except in so far as it exceeds the amount required for the satisfaction of unsecured debts.

- 4.3.2 The Prescribed Part is calculated as 50% of the first £10,000 of net floating charge realisations (after the costs of the Liquidation) and 20% of the balance, up to a maximum of £600,000. Based on current information, there will be sufficient net floating charge realisations to provide a maximum Prescribed Part of £600,000.

- 4.3.3 To date, and following the issue of a notice of intended dividend prior to paying the first, interim dividend to unsecured creditors, I have been notified of unsecured claims against the UK LLP in the sum of approximately £40.2m. This includes £23.7m from the US LLP and £12.6m from Dewey & LeBoeuf Services Limited, in respect of intercompany balances that arose during the course of trading, due to the nature of funding within the wider group. It does not include any guarantee claim by the secured creditor, which is in the region of \$168m.

- 4.3.4 Of these, claims with total value of approximately £39m have been agreed as valid claims, and participated in the first, interim dividend in the sum of 1.35p in the £, which was paid on 24 April 2015. A further £2.2m of claims were either rejected or have since

been adjudicated (as they were, or remain, subject to ongoing queries, or are contingent by nature). Those creditors whose claims have since been adjudicated as valid will be entitled to participate in the first dividend, as well as any future dividend. Payments will shortly be made in this regard. A sum equivalent to the dividend payment due in respect of contingent claims which have yet to be adjudicated, including any potential claims arising from employment tribunals of the former French employees referred to above, was required to be retained until the relevant claims could be made or were withdrawn.

4.3.5 As all of the LLP's assets which are subject to a floating charge have been either realised or assigned to the secured creditors, there were sufficient funds available for a distribution to be made to unsecured creditors under the provisions of the Prescribed Part. On 24 April 2015, therefore, an interim dividend was declared and paid to unsecured creditors whose claims have been admitted as valid, in the sum of 1.35p in the £. This dividend was an interim dividend only, as the exact quantum of unsecured claims is not yet certain.

4.3.6 In addition, and as detailed in Section 3.2 above, a total of £571,776.73 is held in a designated Liquidation bank account in respect of the PCP. This falls outside of the floating charge realisations and therefore it will be made available to the unsecured creditors, after the deduction of the costs of the Liquidation, and once all other outstanding matters in the Liquidation have been resolved. The unsecured creditors who will receive a distribution from these realisations include the secured creditors in respect of their shortfall on their claims. Based on current information, this will equate to a dividend in the region of 0.5p in the £.

5 Liquidators' Remuneration

5.1 The Liquidators are obliged to fix their remuneration in accordance with Rule 4.127(2) of the Insolvency Rules 1986. This permits remuneration to be fixed either as a percentage of the assets which are realised and distributed, by reference to the time the Liquidators and their staff have spent attending to matters in the Liquidation, or as a set amount. Remuneration may be fixed on one or more of the foregoing bases.

5.2 In accordance with Rule 4.127(5) of the Insolvency Rules 1986, where a company (or LLP) which is in Administration moves into winding up under paragraph 83 of Schedule B1 of the Insolvency Act 1986 and the administrator becomes the liquidator, the basis of the remuneration fixed in the Administration is treated as having been fixed in accordance with Rule 4.127(2).

5.3 As such, the Liquidators' remuneration has been approved on the basis of time properly spent in dealing with issues in the Liquidation.

5.4 To date, the Liquidators have not drawn any amounts in respect of their remuneration. The enclosed schedules analyse the time costs accrued but not yet drawn for both the liquidation period and the period since my last report to creditors, and indicates the work undertaken in those respects. You will note that time costs totalling £143,607 have been incurred throughout the liquidation, represented by 490.20 hours at an average charge out rate of £292.96.

5.4 I enclose a Creditor's Guide to Liquidators' Fees, together with a document that outlines the policy of BDO LLP in respect of fees and disbursements, for your further information.

6 Liquidators' Disbursements

6.1 Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. Since my last report no disbursements have been accrued.

- 6.2 Some Liquidators recharge expenses, for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors before they can be drawn, and these are known as category 2 disbursements. At the time of obtaining the creditors' agreement to the basis of remuneration, the policy of BDO LLP was not to charge any category 2 disbursements.

I provide at the end of this report an extract from the Insolvency Rules 1986 setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the Liquidation

The Insolvency Service has established a central gateway for considering complaints in respect of insolvency practitioners. In the event that you make a complaint to me but are not satisfied with my response you should visit <http://www.bis.gov.uk/insolvency/contact-us/IP-Complaints-Gateway> where you will find further information on how you may pursue the complaint

If you require any further information regarding the progress of the Liquidation please do not hesitate to contact Jamie Brown of my office

Yours faithfully
For and on behalf of
Dewey & LeBoeuf LLP



Mark Shaw
Joint Liquidator
Licensed to act as insolvency practitioner in the UK by the Association of Chartered Certified Accountants

Enc

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Liquidators' fees and expenses:

Rule 4.49E Creditors' and members' request for further information

(1) If-

- (a) within the period mentioned in paragraph (2)—
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (iii) members of the company in a members voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or
- (b) with the permission of the court upon an application made within the period mentioned in paragraph (2)-
 - (i) any unsecured creditor, or
 - (ii) any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter[s] in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108

(2) The period referred to in paragraph (1)(a) and (b) is-

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4.108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

(3) The liquidator complies with this paragraph by either-

- (a) providing all of the information asked for, or
- (b) so far as the liquidator considers that-
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information

Rule 4.131 Creditors' claim that remuneration is or other expenses are excessive

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that-

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4.127, or
- (c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

- (1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party
- If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders-
- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
 - (b) an order fixing the basis of remuneration at a reduced rate or amount,
 - (c) an order changing the basis of remuneration,
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,
- and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation

Dewey & LeBoeuf LLP
In Creditors' Voluntary Liquidation

Consolidated Summary of Joint Liquidators' Receipts and Payments from 31 May 2013 to 30 May 2016

RECEIPTS	Change since last report dated 30 May 2015 (£)	Total (£)
PCP contributions	-	571,776 73
Interest gross	2,813 91	7,729 66
Sundry refunds	-	93,488 19
Contribution to legal costs from Dewey & LeBoeuf Services	33,164 40	33,164 40
Surplus from Administration	-	2,309,125 57
Post assignment receipts	5,054 78	58,271 77
Inter account transfer	-	534,340 96
	<u>41,033 09</u>	<u>3,607,897 28</u>
PAYMENTS		
Administrators' fees	-	530,219 87
Administrators' disbursements	-	2,963 02
Legal fees & disbursements	4,980 00	88,161 98
Storage and run-off costs	-	2,829 75
Press Office Media Costs	-	294 75
Bank charges	120 00	852 32
Retention of counsel fees	-	11,161 50
Post assignment receipts	-	18,338 66
Inter account transfer	-	573,042 78
Post assignment receipts	-	30,720 00
Input VAT	994 00	121,035 92
	<u>6,094 00</u>	<u>1,379,620 54</u>
DISTRIBUTIONS		
First Distribution to Secured Creditors	-	936,108 37
Preferential Creditors (100p in the £)	-	43,086 27
Dividend to unsecured creditors dated 24 April 2015 (1 35p in the £)	(2,005 68)	523,733 29
	<u>4,088 32</u>	<u>2,882,548 47</u>
BALANCE IN HAND	<u>36,944 77</u>	<u>725,348 81</u>
	<u>41,033 09</u>	<u>3,607,897 28</u>

Notes

All figures shown are in pounds sterling. Where book debts and work in progress have been received into foreign currency accounts, exchange rates used have been those prevailing as at the date of exchange to GBP or, where not exchanged, as at the date of appointment. Where these monies have been exchanged since the date of the last report, there may be fluctuations due to changes in exchange rates.

There are not anticipated to be any fixed charge realisations, therefore all receipts and payments have been consolidated.

Expenses which should otherwise have been incurred by Dewey & LeBoeuf Services Limited, such as salaries payable to retained staff whose contracts of employment remain with Services, have been funded by the UK LLP, on the basis that the expenditure is being undertaken to assist with the winding up of the UK LLP's affairs.

BDO LLP
55 Baker Street
London
W1U 7EU

M Shaw and S Bannon
Joint Liquidators

28 July 2016

Dewey & LeBoeuf LLP
In Creditors' Voluntary Liquidation

Summary of Joint Liquidators' Receipts and Payments from 31 May 2013 to 30 May 2016

GB Pound Sterling Account

RECEIPTS	Change since last report dated 30 May 2015 (£)	Total (£)
PCP contributions	-	571,776 73
Interest Gross	2,813 91	7,729 66
Sundry Refunds	-	93,488 19
Contribution to legal costs from Dewey & LeBoeuf Services	33,164 40	33,164 40
Surplus from Administration	-	52,371 12
Post assignment receipts	5,054 78	35,774 78
Inter account transfer	-	534,340 96
	<u>41,033 09</u>	<u>1,328,645 84</u>
PAYMENTS		
Legal fees & disbursements	4,980 00	86,596 58
Storage and Run-Off Costs	-	2,829 75
Press Office Media Costs	-	294 75
Bank charges	120 00	445 59
Retention of counsel fees	-	11,161 50
Post assignment receipts	-	30,720 00
Input VAT	994 00	14,399 34
	<u>6,094 00</u>	<u>146,447 51</u>
DISTRIBUTIONS		
Dividend to unsecured creditors dated 24 April 2015 (1 35p in the £)	(2,005 68)	523,733 29
	<u>4,088 32</u>	<u>670,180 80</u>
BALANCE IN HAND	36,944 77	658,465 04
	<u>41,033 09</u>	<u>1,328,645 84</u>

BDO LLP
55 Baker Street
London
W1U 7EU

M Shaw and S Bannon
Joint Liquidators

28 July 2016

Dewey & LeBoeuf LLP
In Creditors' Voluntary Liquidation

Summary of Joint Liquidators' Receipts and Payments from 31 May 2013 to 30 May 2016

US Dollar account

RECEIPTS	Change since last report dated 30 May 2015 (\$)	Total (\$)
Surplus from Administration	-	2,514,737 16
Post assignment receipts	-	32,904 77
	-	2,547,641 93
PAYMENTS		
Administrators' fees	-	775,515 39
Administrators' disbursements	-	4,333 80
Legal fees & disbursements	-	2,289 60
Bank charges	-	416 33
Inter account transfer	-	147,382 62
Input VAT	-	155,969 84
	-	1,085,907 58
DISTRIBUTIONS		
Secured Creditors	-	1,369,180 00
	-	2,455,087 58
BALANCE IN HAND	-	92,554 35
	-	2,547,641 93

BDO LLP
55 Baker Street
London
W1U 7EU

M Shaw and S Bannon
Joint Liquidators

28 July 2016

Dewey & LeBoeuf LLP
In Creditors' Voluntary Liquidation

Summary of Joint Liquidators' Receipts and Payments from 31 May 2013 to 30 May 2016

Euro account

RECEIPTS	Change since last report dated 30 May 2015 (€)	Total (€)
Surplus from Administration	-	707,217 41
	-	707,217 41
PAYMENTS		
Bank charges	-	160 65
Post assignment receipts	-	24,132 36
Inter account transfer	-	621,482 90
	-	645,775 91
DISTRIBUTIONS		
Preferential Creditors	-	56,698 43
	-	702,474 34
BALANCE IN HAND	-	4,743 07
	-	707,217 41

BDO LLP
55 Baker Street
London
W1U 7EU

M Shaw and S Bannon
Joint Liquidators

22 July 2016

Dewey & LeBoeuf LLP - In Creditors' Voluntary Liquidation

Summary of Time Charged and Rates Applicable for the Period From 31 May 2013 to 30 May 2016

Description	PARTNER		DIRECTOR / MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		ADMINISTRATOR		GRAND TOTAL		AV RATE	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	£	£
Steps on Appointment					1 40	366 80			2 00	182 00			3 40	548 80	161 41	
Planning and Strategy																
General Administration including dealing with PCP settlements	27 45	18,450 55	60 20	23,535 05	107 80	29,812 90	16 70	3,625 80	84 15	15,304 80		997 55	308 35	91,936 65	298 22	455 00
Assets Realisation/Dealing	1 50	987 00	9 20	4,176 20	25 00	6,550 00										
Employee Matters			1 60	337 80	1 10	335 50			2 00	182 00			4 70	855 30	181 98	
Creditor Claims	0 50	329 00	1 30	494 40	66 00	18,788 90			14 60	1,351 20			82 40	20,963 50	254 41	
Reporting	1 00	691 00	4 00	1,771 00	13 30	3,867 50			5 50	1,376 50			23 80	7,706 00	323 78	
Distribution and Closure	0 30	145 20	4 05	1,726 75	27 10	7,794 60							31 45	9,666 55	307 36	
	30 75	20,602 75	80 85	32,168 70	241 70	67,516 20	16 70	3,625 80	108 25	18,996 50		997 55				

Net Total 490 30 143,607 50 292 96

Other Disbursements 2,391 09

Billed 0 00

Grand Total 145 998 59

Dewey & LeBoeuf LLP - In Creditors Voluntary Liquidation

Summary of Time Charged and Rates Applicable for the Period From 31 May 2015 to 30 May 2016

Description	PARTNER		DIRECTOR / MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AV RATE	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	£	£
General Administration including dealing with PCP settlements	3.20	2,209.80	22.60	8,647.00	5.10	1,519.50	6.60	1,267.20	14.10	1,511.35	7.95	622.15	59.55	15,777.00	264.94	
Assets Realisation/Dealing			0.20	81.20									0.20	81.20	406.00	
Creditor Claims			0.80	266.90	0.60	178.50							1.40	445.40	316.14	
Employee Matters			1.30	276.90	1.10	335.50							2.40	612.40	255.17	
Reporting	1.00	691.00	1.00	406.00	2.40	706.50							4.40	1,803.50	409.89	
Distribution and Closure	0.30	145.20	0.80	248.00									1.10	393.20	337.45	
	4.50	3,046.00	26.70	9,926.00	9.20	2,740.00	6.60	1,267.20	14.10	1,511.35	7.95	622.15				

Net Total 69.05 19,112.70 276.80

Other Disbursements

Billed

Grand Total 19,112.70

1 Introduction

- 1 1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The creditors, who hope to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as liquidator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the liquidator's fees. This guide is intended to help creditors be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the liquidator and challenge those they consider to be excessive.

2 Liquidation procedure

- 2 1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.
- 2 2 Voluntary liquidation is the more common of the two. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can vote on the appointment of the liquidator at the first meeting of creditors.
- 2 3 In a compulsory liquidation on the other hand, the function of liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the official receiver. The official receiver is an officer of the court and an official belonging to The Insolvency Service. In most compulsory liquidations, the official receiver becomes liquidator immediately on the making of the winding-up order. Where there are significant assets an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver, either at a meeting of creditors convened for the purpose or directly by The Insolvency Service on behalf of the Secretary of State. Where an insolvency practitioner is not appointed the official receiver remains liquidator.
- 2 4 Where a compulsory liquidation follows immediately on an administration the court may appoint the former administrator to act as liquidator. In such cases the official receiver does not become liquidator. An administrator may also subsequently act as liquidator in a CVL.

3 The liquidation committee

- 3 1 In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee, with a minimum of 3 and a maximum of 5 members, to monitor the conduct of the liquidation and approve the liquidator's fees. The committee is usually established at the creditors' meeting which appoints the liquidator, but in cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee.
- 3 2 The liquidator must call the first meeting of the committee within 6 weeks of its establishment (or his appointment if that is later), and subsequent meetings must be held either at specified dates agreed by the committee, or when requested by a member of the committee, or when the liquidator decides he needs to hold one. The liquidator is required to report to the committee at least every 6 months on the progress of the liquidation, unless the committee directs otherwise. This provides an opportunity for the committee to monitor and discuss the progress of the insolvency and the level of the liquidator's fees.

4 Fixing the liquidator's remuneration

- 4 1 The basis for fixing the liquidator's remuneration is set out in Rules 4.127 - 4.127B of the Insolvency Rules 1986.

The Rules state that the remuneration shall be fixed

- as a percentage of the value of the assets which are realised or distributed or both,
- by reference to the time properly given by the liquidator and his staff in attending to matters arising in the liquidation, or
- as a set amount.

6.2 After the bases of remuneration have been fixed

The liquidator is required to send progress reports to creditors at specified intervals (see paragraph 7.1 below). When reporting periodically to creditors, in addition to the matters specified in paragraph 7.1, the liquidator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed. Creditors should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the liquidator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate). Where any remuneration is on a time costs basis, the liquidator should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the liquidator or his or her staff.

6.3 Disbursements and other expenses

6.3.1 Costs met by and reimbursed to the liquidator in connection with the liquidation should be appropriate and reasonable. Such costs will fall into two categories:

- **Category 1 disbursements** These are costs where there is specific expenditure directly referable both to the liquidation and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the liquidator or his or her staff.
- **Category 2 disbursements** These are costs that are directly referable to the liquidation but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the liquidation on a proper and reasonable basis, for example, business mileage.

Category 1 disbursements can be drawn without prior approval, although the liquidator should be prepared to disclose information about them in the same way as any other expenses. Category 2 disbursements may be drawn if they have been approved in the same manner as the liquidator's remuneration. When seeking approval, the liquidator should explain, for each category of expense, the basis on which the charge is being made.

6.3.2 The following are not permissible.

- a charge calculated as a percentage of remuneration,
- an administration fee or charge additional to the liquidator's remuneration,
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

6.4 Realisations for secured creditors

Where the liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 11.1 below), he should disclose the amount of that remuneration to the committee (if there is one), to any meeting of creditors convened for the purpose of determining his fees, and in any reports he sends to creditors.

7 Progress reports and requests for further information

7.1 The liquidator is required to send annual progress reports to creditors. The reports must include

- details of the basis fixed for the remuneration of the liquidator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it),
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report),
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of

10 What if the liquidator is dissatisfied?

If the liquidator considers that the remuneration fixed by the liquidation committee, or in the preceding administration, is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the liquidation committee, the creditors, in the preceding administration or in accordance with the statutory scale is insufficient, or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the liquidator's notice of his application must be sent to such of the creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets.

11 Other matters relating to remuneration

11.1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned.

11.2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or a meeting of creditors.

11.3 If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court.

11.4 If a new liquidator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new liquidator until a further determination, resolution or court order is made.

11.5 Where the basis of the remuneration is a set amount, and the liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing liquidator. The application must be made to the same body as approved the remuneration. Where the outgoing liquidator and the incoming liquidator are from the same firm, they will usually agree the apportionment between them.

11.6 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company. Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration.

12 Effective date

This guide applies where a company goes into liquidation on or after 1 November 2011.

The following categories are suggested as a basis for analysis by grade of staff

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The level of disclosure suggested above will not be appropriate in all cases, and considerations of proportionality will apply

- where cumulative time costs are, and are expected to be, less than £10,000 the liquidator should, as a minimum, state the number of hours and average rate per hour and explaining unusual features of the case,
- where cumulative time costs are, or are expected to be, between £10,000 and £50,000, a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features);
- where cumulative time costs exceed, or are expected to exceed, £50,000, further and more detailed analysis or explanation will be warranted.