

The Insolvency Act 1986

# 2.24B

## Special Administrators' progress report

Name of Company LQD Markets (UK) Limited	Company number 08319222
In the High Court	Court case number 899 of 2015

(a) Insert full name(s) and address(es) of administrator(s)

We (a) Matthew Robert Haw, Graham Bushby and Matthew Richard Meadley Wild,

of Baker Tilly Restructuring and Recovery LLP, 25 Farringdon Street, London EC4A 4AB the Joint Special Administrators of the above company attach a progress report for the period

(b) Insert dates

from (b) 02 February 2015	to (b) 01 August 2015
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Signed   
 Matthew Haw  
 Joint Special Administrator

Dated \_\_\_\_\_  
 28 August 2015



**IN THE MATTER OF**  
**LQD MARKETS (UK) LIMITED (IN INVESTMENT BANK SPECIAL**  
**ADMINISTRATION)**  
**IN THE HIGH COURT NO 899 OF 2015**

**JOINT SPECIAL ADMINISTRATORS' PROGRESS REPORT**

**28 AUGUST 2015**

**MATTHEW ROBERT HAW, GRAHAM BUSHBY AND MATTHEW RICHARD**  
**MEADLEY WILD**  
**(“JOINT SPECIAL ADMINISTRATORS”)**

**BAKER TILLY RESTRUCTURING AND RECOVERY LLP**  
**25 FARRINGDON STREET**  
**LONDON EC4A 4AB**

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## 1. PURPOSE OF REPORT

This report has been prepared in accordance with insolvency legislation to provide creditors with information relating to the progress of the Special Administration in the period from 2 February 2015 to 1 August 2015.

This report has been prepared solely to comply with the statutory requirements of Rule 2.47 of the Insolvency Rules 1986 (as amended). It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the company. Any estimated outcomes for creditors are illustrative and may be subject to significant change.

Neither the Special Administrators nor Baker Tilly Restructuring and Recovery LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

For the purposes of ascertaining the percentage due to clients', all client balances have been converted for illustrative purposes into US Dollars at the exchange rate prevailing on 30 January 2015.

Your funds have not actually been converted into US Dollars and they are being held in the same currency that funds were held by the Company prior to our appointment.

## 2. PROGRESS OF THE ADMINISTRATION IN THE PREVIOUS SIX MONTHS

### 2.1. Reconciliation of the Client Accounts

In order to fully understand the balance of monies held by the Company on behalf of clients the Joint Special Administrators required the Director and two of the employees of the Company to provide detailed information. The director provided the Joint Special Administrators with a list of client balances as at 27 January 2015. These balances were stated as the amount held on behalf of clients following the closure of all open trades. The Company had to close all open trades as a result of instructions issued by the FCA which preceded the issuance of the Supervisory Notice on 28 January 2015.

The Company had ten client accounts with Santander UK plc ("Santander") and five client accounts with Barclays Bank plc ("Barclays"). These accounts were omnibus accounts designated as client monies. At the time of the appointment of the Special Administrators, the Company held various balances in these accounts which had a dollar equivalent of US\$ 2.195 million at the exchange rates prevailing on 30 January 2015. The Company advised that the total amount owed to clients was dollar equivalent value of US\$ 3.550 million. Therefore, from the information provided, the Special Administrators estimated a deficit on client monies of approximately dollar equivalent value US\$ 1.355 million.

However, during the reconciliation process, the Special Administrators have established that there are an additional 137 clients with balances totalling dollar equivalent US\$ 1.482 million at the prevailing exchange rates on 30 January 2015 of which they were not previously aware. This has increased the estimated deficit on client monies to

approximately US\$2,837,656.40. The FCA has been advised of the additional clients and increased deficit.

The Joint Special Administrators are currently investigating how and why the deficit has occurred. More detail on the progress of our investigations is provided in section 2.3.

This has not affected the ability of the Joint Special Administrators to review and agree clients' claims with a view to them making a claim to the FSCS for compensation.

## **2.2. Realisation of Assets**

### **Client Monies**

As detailed above, the Company held client money in omnibus accounts designated as client monies at banks or clearing houses.

On 28 January 2015, the FCA issued a Supervisory Notice against the Company which constituted a primary pooling event under the FCA's client money rules. This required all of the Company's client monies to be notionally pooled. Clients are entitled to a share of the client money pool on a pro-rata basis after deduction of costs. The Joint Special Administrators have been advised there is no immediate requirement to hold the client money pool in a single currency.

Therefore, the Joint Special Administrators have opened designated accounts with Bank of Scotland for the Special Administration in the currencies in which the client monies were held by the Company.

As illustrated on the Receipts and Payments account ("R&P") at Appendix B, client funds with a sterling equivalent value of £1,414,436.54 have been transferred to the Special Administration accounts.

**PLEASE NOTE THAT APPENDIX B HAS BEEN PREPARED ONLY FOR ILLUSTRATIVE PURPOSES. ALL FUNDS ARE HELD IN THE SAME CURRENCY AS THEY WERE HELD BY THE COMPANY ON APPOINTMENT.**

For the avoidance of doubt I provide a breakdown below of the currency held:

<b>Currency</b>	<b>Amount</b>
USD	827,341.66
GBP	379,244.60
CHF	24,536.55
HUF	578,130.79
Euro	668,117.77
JPY	157,629.00
PLN	9,552.92

A number of charges have been deducted from several balances transferred from Barclays. The Joint Special Administrators will seek to recover these charges as it is believed that charges should not apply to designated client accounts.

### **Rental Deposit**

The Company rented an apartment in London at 806 Altitude, 63 Alley Street, London E1 8EB. The Company vacated the apartment prior to the Special Administrators' appointment. A sum of £2,960 has been received from Jones Lang LaSalle in respect of the Company's rental deposit.

### **Petty Cash**

On appointment the Special Administrators received £3,860 of petty cash which is shown in the attached Receipts and Payments account.

### **Client Debtors**

The Company has 31 clients in negative equity totalling approximately US\$ 569,784 according to the information provided to the Joint Special Administrators to date.

These negative balances are thought to have occurred following the unpegging of the Swiss Franc which led to some client accounts falling into negative equity.

No realisations have been made in this regard so far. The Joint Special Administrators continue to pursue the debtors.

### **2.3. Investigations**

In accordance with our statutory obligations, we have filed the appropriate documentation with the Department for Business, Innovation and Skills in relation to the conduct of the directors.

I can advise you that, following my initial assessment, further investigations are being undertaken in relation to how the deficit on client monies has arisen as well as a full investigation into the transfer of the business assets from LQD Markets Limited in Cyprus ("LQD CY") to the Company.

The Joint Special Administrators have retained Nabarro LLP to advise on possible actions and claims that can be brought against certain parties should it be deemed appropriate.

The Joint Special Administrators are unable to provide more detail in this regard due to the nature of the investigations and the release of any information to third parties could jeopardise any potential litigation. It is uncertain as to when our investigations will be complete, however, we will provide an update to clients and creditors in future reports.

## **2.4. Case Specific Matters**

The Joint Special Administrators have received a large volume of client queries and therefore have spent a considerable amount of time responding to these and updating our client claims matrix.

Due to the deficit on client monies, the Joint Special Administrators have also incurred significant time on the reconciliation and investigation process.

The Joint Special Administrators have also been involved in protracted discussions with the FSCS with regard to products provided by the Company and their eligibility for protection under the Compensation Scheme.

As you will note from Appendix G a large amount of time has been spent dealing with client queries, classed on the SIP 9 breakdown as unsecured creditors. On average we receive and respond to over twenty emails a day from clients.

### **3. ASSETS REMAINING TO BE REALISED**

All assets as stated on the Director's statement of affairs provided in the Joint Special Administrators' Proposals have been realised. Any further realisations will be dependant upon the outcome of the Joint Special Administrators' investigations and any subsequent actions bought against third parties.

### **4. EXTENSION OF THE SPECIAL ADMINISTRATION**

In accordance with Regulation 15, Table 1, of the Investment Bank Special Administration Regulations 2011 ("SAR") the duration of the Special Administration does not automatically end after 12 months as Schedule B1, paragraph 76 of the Insolvency Act 1986 ("IA86") is dis-applied. Therefore, there is no requirement to apply for an extension.

### **5. CLIENTS' AND CREDITORS' CLAIMS AND DIVIDEND PROSPECTS**

#### **5.1. Clients**

During the reporting period the Special Administrators have been reviewing and where appropriate agreeing clients' claims, answering client queries and liaising with the FSCS in respect of the prospect of compensation for the clients.

**The Financial Services Compensation Scheme ("FSCS") has recently confirmed that the investment products offered by the Company are covered by the Compensation Scheme.**

**On 12 August 2015 the FSCS and the Joint Special Administrators made announcements to clients via their websites which can be found by following these links:**

**<http://www.fscs.org.uk/news/2015/august/customers-of-lqd-markets-are-a-step-closer-to-receiving-compensation/>**

<https://bakertilly.insolvencypoint.com/1069879>

**The Joint Special Administrators have also sent correspondence via email to those clients whose claims have been agreed, those clients whose claims have not been agreed and those clients who are yet to submit their claims.**

**You can also find the Joint Special Administrators' announcement attached at Appendix G.**

To the date of this report, the Joint Special Administrators have agreed 396 clients' claims totalling approximately dollar equivalent of US\$3,918,407.19. Details of these claims have been sent to the FSCS who have advised that they will be in touch with those clients shortly to provide them with an application form to apply for compensation if they are deemed to be eligible.

Several clients' claims have been rejected due to the fact that their claims are different from that stated as being due in the Company records.

The Company's Special Administrators have obtained legal advice that a client's entitlement to client monies is calculated by offsetting the individual client balance at the date of the primary pooling event (the amount shown on your most recent statement) against the client equity balance (open trades) as at that date.

In this case, the primary pooling event took place on 28 January 2015, being the date that the FCA published its Supervisory Notice. By this date, in accordance with requirements imposed by the FCA, all clients' open positions had already been closed out on 27 January 2015. Accordingly, each client's client money entitlement is equal to the client's account balance on 28 January 2015.

These rules are contained in the Client Assets Sourcebook in the Financial Conduct Authority ("FCA") Handbook of Rules and Guidance ("CASS") 7A.2.4R, CASS 7A.2.5R(1) and (2), and Re Lehman Brothers International (Europe) (in administration) 2009 EWHC 3228 (Ch).

The agreed clients' claims have been converted from their base currencies to US\$ in order to ascertain the aggregate value of all claims, as at the date of the primary pooling event which occurred on 28 January 2015.

The FSCS have advised that they will distribute funds in US\$, but the Joint Special Administrators have not decided what currency they will distribute in as they are not yet in a position to make a distribution.

The Joint Special Administrators will continue to hold the client monies in their designated currency accounts in the source currency they were held by the Company.

It should be noted that it is not the Joint Special Administrators' responsibility to determine each client's eligibility for compensation. This matter will be dealt with by the FSCS, however, we will work with the FSCS to provide any assistance or information it may require in relation to these matters.



## **5.2. Secured Creditors**

There are no secured creditors.

## **5.3. Preferential Creditors**

There are no preferential creditors.

## **5.4. Unsecured Creditors**

The deficit suffered by clients in respect of client monies will rank as an unsecured claim against the Company.

Upon appointment the Company had 223 Introducing Brokers (“IBs”) with positive balances on their accounts in relation to commissions earned. The commission claims will be treated as unsecured claims against the Company.

The Company’s remaining unsecured creditors are trade creditors whose debts were incurred through day to day trading.

The agreement of creditors’ claims by the Joint Special Administrators (or any subsequently appointed Supervisor or Liquidator) is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

The Joint Special Administrators do not expect there to be sufficient realisations of the Company’s own assets to enable a distribution to creditors of this class.

## **5.5. Prescribed Part**

The “Prescribed Part” is a statutory amount, calculated as a percentage of net floating charge realisations, required to be set aside for unsecured creditors. This is calculated on a sliding scale up to a maximum of £600,000 before costs.

There are no creditors secured by charges over the assets and undertakings of the Company. There is therefore no requirement to estimate the amount of the prescribed part of the assets under Section 176A of the Insolvency Act 1986 (as amended) and the Special Administrators do not intend to apply to court under section 176A(5) of the Insolvency Act 1986.

## **6. RECEIPTS AND PAYMENTS SUMMARY**

We attach as Appendix B a summary of our receipts and payments for the period from 2 February 2015 to 1 August 2015. This is purely for illustrative purposes as all currency is held in its source currency as it was held by the Company. The conversion rates used for illustrative purposes are the rates prevailing at the time funds were transferred to the Special Administrators account. As a result the FX loss shown is again for illustrative purposes.

## VAT Basis

Receipts and payments are shown net of VAT as the company was not VAT registered, and consequently VAT is not recoverable from HM Revenue and Customs. The irrecoverable VAT is shown in the receipts and payments account as a “cost of realisation”.

## 7. COSTS AND JOINT ADMINISTRATORS’ REMUNERATION

The firm’s charging, expenses and disbursements policy was provided with the Joint Special Administrators’ proposals. A further copy can be provided on request

### 7.1. Pre-administration costs

The Joint Special Administrators’ proposals dated 26 March 2015 detailed un-paid pre-administration costs totalling £42,708.05. The sum of £16,882.25 has been paid by a third party in relation to advice provided to the Company and pre-appointment related work. The remaining sums below were approved by the clients’ and creditors’ committee on 11 May 2015.

Pre-Administration Costs Charged / Incurred			
To whom paid	Amount Approved £	Date Approved	Date paid
Baker Tilly – time costs	7,400.15	11 May 2015	27 July 2015
Baker Tilly – disbursements	145.15	11 May 2015	27 July 2015
Nabarro LLP – time costs	18,277.50	11 May 2015	30 July 2015
Nabarro LLP - disbursements	3.00	11 May 2015	30 July 2015

### 7.2. Joint Special Administrators’ Remuneration and Disbursements

The Joint Special Administrators’ remuneration was approved on a time cost basis by the clients’ and creditors’ committee on 11 May 2015. Approval was also given to the drawing of disbursements, including category 2 disbursements via correspondence with the committee following this meeting. Details of the current rates are attached at Appendix C.

The Joint Special Administrators and their staff have incurred time costs totalling £176,720.20 and disbursements totalling £8,685.75. Of this amount the sum of £56,690 has been paid in respect of fees and £8,685.75 has been paid in respect of disbursements. An analysis of time incurred in the period is attached at Appendix F. Sums drawn in respect of remuneration in the period covered by this report are shown in the receipts and payments account (Appendix B).

Category 2 disbursements incurred in the period are detailed in Appendix D.

### 7.3. Other Professional Costs

Appendix E includes details of other professional costs that have been incurred. The receipts and payments abstract at Appendix B sets out which of these costs have been paid. All such costs are subject to review before being paid and any payments made in the period are disclosed in the receipts and payments account at Appendix B.

## 8. CREDITORS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE REMUNERATION AND EXPENSES

In accordance with the provisions of Rules 2.48A and 2.109 of the Insolvency Rules 1986 creditors have a right to request further information about remuneration or expenses (other than pre-administration costs) and to challenge such remuneration or expenses.

A request for further information must be made in writing within 21 days of receipt of this report.

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the administrator are in all the circumstances excessive.

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

A Creditors' Guide to Administrators' Fees, which provides information for creditors in relation to the remuneration of an Administrator, can be accessed by following the links within our website. Please note that a hard copy of any document uploaded to our website can be requested.

Should you have any further queries please do not hesitate to contact me.



**Matthew Haw**  
**Baker Tilly Restructuring and Recovery LLP**  
**Joint Special Administrator**

Matthew Robert Haw is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales  
Graham Bushby is licensed to act as an Insolvency Practitioner in the UK by Institute of Chartered Accountants in England and Wales  
Matthew Richard Medley Wild is licensed to act as an Insolvency Practitioner in the UK by Institute of Chartered Accountants in England and Wales

LQD Markets (UK) Limited is authorised and regulated by the Financial Conduct Authority (FCA) in the UK, reference number is 603186.  
Registered office is 25 Farringdon Street, London EC4A 4AB with company number 08319222.

**The affairs, business and property of the company are being managed by the Joint Special Administrators who act as agents of the company and without personal liability**

## STATUTORY INFORMATION

Company Name:	LQD Markets (UK) Limited
Joint Special Administrators:	Matthew Robert Haw, Graham Bushby and Matthew Richard Meadley Wild of 25 Farringdon Street London EC4A 4AB
Date of Appointment:	02/02/2015
Functions:	The Joint Special Administrators' appointment specified that they would have power to act jointly and severally. The Joint Special Administrators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.
Previous Company Names:	LQD Markets Limited
Company Number:	08319222
Date of Incorporation:	05/12/2012
Trading Name:	LQD Markets
Trading Address	The Broadgate Tower Level 12, 20 Primrose Street London EC2A 2EW
Principal Activity:	Premium online foreign exchange broker
Registered Office:	Baker Tilly Restructuring and Recovery LLP 25 Farringdon Street London EC4A 4AB
Previous Registered Office:	The Broadgate Tower Level 12, 20 Primrose Street London EC2A 2EW
Appointor:	Nicholaos Hjalmar Bang Route D'Hermance 494 Hermenance Geneva 1248 Switzerland
Proposed exit route:	Dissolution

## Appendix B

### Receipts and Payments Abstract: LQD Markets - LQD Markets (UK) Limited - In Special Administration

Bank, Cash and Cash Investment Accounts: From 02/02/2015 To 01/08/2015

SOA Value £		£	£
	<b>ASSET REALISATIONS</b>		
	Bank Interest Gross	0.84	
550217.78	Cash at Bank (\$USD 827,341.66)	531,897.53	
379,235.43	Cash at Bank (£GBP 379,244.60)	379,244.60	
17,707.22	Cash at Bank (CHF 24,536.55)	16,389.40	
1,444.40	Cash at Bank (HUF 578,130.79)	1,351.83	
503,909.17	Cash at Bank (€Euro 668,117.77)	476,274.43	
894.09	Cash at Bank (JPY 157,629.00)	818.49	
1723.51	Cash at Bank (PLN 9,552.92)	1,639.42	
3,860.00	Petty Cash	3,860.00	
2,960.00	Rent	2,960.00	
<u>1,461,951.60</u>			<u>1,414,436.54</u>
	<b>COST OF REALISATIONS</b>		
	Bank Charges	(568.68)	
	Data storage maintenance	(5,770.80)	
	Joint Administrators Disbursements	(8,685.75)	
	Joint Administrators Fees	(56,790.00)	
	Joint Administrators Pre Appointment	(7,400.15)	
	Pre - Appointment Legal Fees	(18,277.50)	
	Pre Appointment Legal	(3.00)	
	Statutory Advertising	(76.72)	
	Storage Costs	(127.70)	
			<u>(97,700.30)</u>
	<b>REPRESENTED BY</b>		
	Bank - (BoS)	19,109.41	
	Bank - (BoS) - Client Monies \$US	472,679.00	
	Bank - (BoS) - Client Monies £GBP	251,765.31	
	Bank - (BoS) - Client Monies Euros	445,405.04	
	Bank - (BoS) - Client Monies HUF	1,437.69	
	Bank - (BoS) - Client Monies JPY	799.15	
	Bank - (BoS) - Client Monies PLN	1,729.33	
	Bank - (BoS) - Client Monies CHF	17,022.40	
	Unrealised FX Loss (Gain)	89,106.73	
	VAT Receivable (Payable)	17,682.18	
			<u><u>1,316,736.24</u></u>

#### Notes

- 1 All client balances have been converted at the date funds were transferred
- 2 SofA Value show figures in accordance with those provided by the Director in his statement of Affairs dated 25 March 2015

**BAKER TILLY RESTRUCTURING AND RECOVERY LLP  
CURRENT CHARGE OUT AND DISBURSEMENT RATES**

<b>CHARGE OUT RATES</b>		
	<b>Rate at commencement £</b>	<b>Current rate £</b>
Partner	400-485	400-485
Manager	200-400	200-400
Assistant Manager	200-220	200-220
Administrator	105-185	105-185
Support staff	105	105

It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it. Baker Tilly Restructuring and Recovery LLP's charge out rates are reviewed periodically.

**“CATEGORY 2” DISBURSEMENTS**

“Category 2” disbursements will be recovered, where funds are available, at the following rates as set out in the body of the report.

<b>“CATEGORY 2” DISBURSEMENT RATES (TABLE A)</b>	
<b>Travel &amp; Subsistence</b>	
Motor travel	40p per mile (from 1 April 2010)
Subsistence	£23
<b>Circulars to Members / Creditors</b>	
Labels	£ 0.16 (BT) or £0.01 (avery plain – 7163) each
Headed paper	£ 0.08 per sheet
Plain paper (continuation)	£ 0.08 per sheet
Large envelopes	£ 0.22 each
Small envelopes	£ 0.08 each
Photocopying charge	£ 0.04 (b&w) £ 0.20 (colour) per sheet
<b>Stationery</b>	
Lever arch files	£ 0.75 per file
Cashiering files	£ 0.75 per file
A-Z dividers	£1.75 per set
1-31 dividers	£2.88 per set
Coloured dividers (5 part)	£0.49 per set
Coloured dividers (10 part)	£0.99 per set
Multi-punch pockets	£0.03 per pocket
Storage boxes	£1.50 per box
<b>Sundry</b>	
Faxes	N/a
Internal room hire (for meetings)	£50-200 dependent on room

**BAKER TILLY RESTRUCTURING AND RECOVERY LLP  
JOINT SPECIAL ADMINISTRATORS' CATEGORY 2 DISBURSEMENTS TABLE**

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest		
Recipient, Type and Purpose	Paid	Unpaid
	£	£
<b>Total</b>	NIL	NIL

## Appendix E

### STATEMENT OF EXPENSES INCURRED BY THE JOINT SPECIAL ADMINISTRATORS IN THE PERIOD FROM 2 FEBRUARY 2015 TO 1 AUGUST 2015

Type and Purpose	Incurred in Period
	£
ECS Webhosting - Data Storage Maintenance for continued use of the Company's servers	5,770.80
TMP (UK) Limited - Statutory Advertising	76.72
Fyfield Storage – Storage and scheduling of books and records	127.70
Nabarro LLP – legal fees incurred	128,309.50
Nabarro LLP – legal disbursements incurred	5,102.45
Joint Special Administrators time costs incurred	172,732.20
Joint Special Administrators' disbursements incurred	8,685.75
<b>Total</b>	<b>320,805.12</b>

The table above excludes any tax liability as the amounts due will depend on the position at the end of the accounting period. The statement above may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period.



**JOINT SPECIAL ADMINISTRATORS' TIME COST ANALYSIS**

**FOR THE PERIOD FROM 2 FEBRUARY 2015 TO 1 AUGUST 2015**

Please note that we have re-designed our SIP9 analysis table to provide a more detailed analysis of the grades of staff within the firm. Please note that this change does not alter the value of time costs recorded, purely the column within the table to which that time, and cost, has been allocated

# Restructuring & Recovery SIP9 Summary Level 2

LQD Markets (UK) Limited

1069879 / 702 - Post Appointment

For the period 02/02/2015 to 01/08/2015

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates	
From 2 February 2015	<b>Administration and Planning</b>										
	Appointment	0.3	0.0	0.0	2.0	3.8	1.0	7.1	£ 1,627.50	229.23	
	Background information	0.0	0.0	0.0	0.0	9.5	0.2	9.7	£ 2,300.00	237.11	
	Case Management	4.8	0.0	3.6	2.2	17.4	0.0	28.0	£ 7,772.50	277.59	
	Director(s)/debtor/bankrupt	10.6	0.0	0.8	18.2	8.5	0.0	38.1	£ 11,400.00	299.21	
	Post-appointment - general	0.1	0.0	0.0	0.0	2.5	0.0	2.6	£ 649.50	249.81	
	Pre-appointment matters	0.0	0.0	0.0	0.0	0.0	0.5	0.5	£ 57.50	115.00	
	Receipts and Payments	0.0	0.0	1.7	0.6	17.0	0.0	19.3	£ 3,268.50	169.35	
	Statement of Affairs	0.0	0.0	0.0	0.8	0.5	0.0	1.3	£ 296.00	227.69	
	<b>Total</b>	<b>15.8</b>	<b>0.0</b>	<b>0.0</b>	<b>6.1</b>	<b>23.8</b>	<b>59.2</b>	<b>1.7</b>	<b>106.6</b>	<b>£ 27,371.50</b>	<b>256.77</b>
	<b>Investigations</b>										
	DTI/Official Receiver	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.5	£ 242.50	485.00
	Investigations/CDDA	2.3	0.0	0.0	26.3	1.8	40.5	0.0	70.9	£ 18,224.00	257.04
<b>Total</b>	<b>2.8</b>	<b>0.0</b>	<b>0.0</b>	<b>26.3</b>	<b>1.8</b>	<b>40.5</b>	<b>0.0</b>	<b>71.4</b>	<b>£ 18,466.50</b>	<b>258.63</b>	
<b>Realisation of Assets</b>											
Assets - general/other	4.5	0.0	0.0	0.7	7.7	13.2	0.0	26.1	£ 7,230.00	277.01	
Chattels	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.5	£ 242.50	485.00	
Debtors & sales finance	0.2	0.0	0.0	0.8	0.0	1.5	0.0	2.5	£ 671.00	268.40	
HP/Leasing creditors	0.0	0.0	0.0	0.0	0.0	3.5	0.0	3.5	£ 840.00	240.00	
Land and Property	0.0	0.0	0.0	0.3	0.6	0.0	0.0	0.9	£ 211.50	235.00	
Sale of business	5.1	0.0	0.0	0.0	10.9	9.5	0.0	25.5	£ 7,151.50	280.45	
<b>Total</b>	<b>10.3</b>	<b>0.0</b>	<b>0.0</b>	<b>1.8</b>	<b>19.2</b>	<b>27.7</b>	<b>0.0</b>	<b>59.0</b>	<b>£ 16,346.50</b>	<b>277.06</b>	
<b>Trading</b>											
Trading	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.7	£ 154.00	220.00	
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.7</b>	<b>£ 154.00</b>	<b>220.00</b>	
<b>Creditors</b>											
1st creditors/shareholders meetings and reports	12.0	0.0	0.0	10.3	10.1	63.0	0.0	95.4	£ 25,963.50	272.15	
Committee	3.3	0.0	0.0	2.6	0.0	11.5	0.0	17.4	£ 5,082.50	292.10	
Employees	0.0	0.0	0.0	0.0	0.0	3.0	0.0	3.0	£ 720.00	240.00	
Other Creditor Meetings and Reports	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.5	£ 120.00	240.00	
Unsecured Creditors	8.0	0.0	0.0	9.9	11.1	216.3	0.0	245.3	£ 60,844.00	248.04	
<b>Total</b>	<b>23.3</b>	<b>0.0</b>	<b>0.0</b>	<b>22.8</b>	<b>21.7</b>	<b>293.8</b>	<b>0.0</b>	<b>361.6</b>	<b>£ 92,730.00</b>	<b>256.44</b>	
<b>Case Specific Matters - Legal Matters</b>											
Legal Matters	12.2	0.0	0.0	38.5	15.7	13.5	0.0	79.9	£ 21,651.70	270.98	
<b>Total</b>	<b>12.2</b>	<b>0.0</b>	<b>0.0</b>	<b>38.5</b>	<b>15.7</b>	<b>13.5</b>	<b>0.0</b>	<b>79.9</b>	<b>£ 21,651.70</b>	<b>270.98</b>	
<b>Total Hours (From Jan 2003)</b>	<b>64.4</b>	<b>0.0</b>	<b>0.0</b>	<b>95.5</b>	<b>82.9</b>	<b>434.7</b>	<b>1.7</b>	<b>679.2</b>	<b>£ 176,720.20</b>	<b>260.19</b>	
<b>Total Time Cost (From Jan 2003)</b>	<b>£ 31,447.00</b>	<b>£ 0.00</b>	<b>£ 0.00</b>	<b>£ 24,034.70</b>	<b>£ 18,248.00</b>	<b>£ 102,783.00</b>	<b>£ 207.50</b>	<b>£ 176,720.20</b>			
<b>Total Hours</b>	<b>64.4</b>	<b>0.0</b>	<b>0.0</b>	<b>95.5</b>	<b>82.9</b>	<b>434.7</b>	<b>1.7</b>	<b>679.2</b>	<b>£ 176,720.20</b>	<b>260.19</b>	
<b>Total Time Cost</b>	<b>£ 31,447.00</b>	<b>£ 0.00</b>	<b>£ 0.00</b>	<b>£ 24,034.70</b>	<b>£ 18,248.00</b>	<b>£ 102,783.00</b>	<b>£ 207.50</b>	<b>£ 176,720.20</b>			
<b>Average Rates</b>	<b>488.31</b>	<b>0.00</b>	<b>0.00</b>	<b>251.67</b>	<b>220.12</b>	<b>236.45</b>	<b>122.06</b>	<b>260.19</b>			

**Appendix G**

**JOINT SPECIAL ADMINISTRATORS' ANNOUNCEMENT TO CLIENTS DATED 12  
AUGUST 2015**



## **LQD Markets (UK) Limited – In Special Administration (“the Company”)**

**Update to clients - dated 12 August 2015**

### **Financial Services Compensation Scheme**

The FSCS have confirmed that the investment products offered by the Company are covered by the Compensation Scheme.

It is not the Special Administrators’ responsibility to determine each client’s eligibility for compensation. This matter will be dealt with by the FSCS, however, we will work with the FSCS to provide any assistance or information it may require in relation to these matters.

Please visit the FSCS’s website <http://www.fscs.org.uk/news/2015/august/customers-of-lqd-markets-are-a-step-closer-to-receiving-compensation/> and review the Q&As document for further information regarding the compensation process and assigning your claim to FSCS.

### **What does this mean for you?**

The FSCS will pay compensation to eligible claimants up to a maximum of £50,000 per person for claims against LQD Markets UK Limited.

If you wish to receive compensation and are eligible for compensation, the FSCS will now accept claims and begin to make payments, however if you have not done so already, you must first submit your claim to the Special Administrators for their agreement.

There are two types of claimants involved in the process:

1. Individuals holding one single account;
2. Clients who hold monies in multiple names, in multiple accounts, trusts and corporate accounts

### **How do I claim if I am an individual holding one account?**

#### **Step 1**

Submit your claim to the Special Administrations (if you have not done so already), the FSCS will not pay compensation to clients whose claims have not been agreed by the Special Administrators first.

#### **Step 2**

The Special Administrator will then provide the FSCS with the details of all agreed claims.

#### **Step 3**

The FSCS will therefore contact claimants with agreed claims and will provide them with a FSCS application form to complete. You will need to complete this form and return it to the FSCS as soon as possible.



Any client who fits this criteria and expects to receive an application form but does not receive it after their balance is agreed, they should contact the FSCS Customer Service Team on +44(0)207 741 4100.

**Please Note:**

To have your claim agreed please forward a copy of your most recent statement to [lucy.griffiths@bakertilly.co.uk](mailto:lucy.griffiths@bakertilly.co.uk). The statement may have been sent to you automatically via email on a monthly basis from the Company's trading platform up until March 2015. If you cannot locate your statement please write to us at the email address above confirming the amount you believe to be held in your account. We will then confirm the position according to the Company records and look to agree your claim with you.

**How do I claim if I am an individual hold multiple accounts in different names or in trusts or corporate accounts?**

**Step 1**

Submit your claim to the Special Administrations (if you have not done so already), the FSCS will not pay compensation to clients whose claims have not been agreed by the Special Administrators first.

**Step 2**

The Special Administrator will then provide the FSCS with the details of all agreed claims.

**Step 3**

The FSCS requires additional information to ensure claimants are eligible for the compensation scheme.

The FSCS will therefore contact claimants with agreed claims and will provide them with a FSCS application form to complete. You will need to complete this form and return it to the FSCS as soon as possible.

Any client who fits this criteria and expects to receive an application form but does not receive it after their balance is agreed, they should contact the FSCS Customer Service Team on +44(0)207 741 4100.

**How do I know if my claim has been accepted by the Special Administrators?**

We will write to all clients to confirm whether their claim has been agreed or if it is rejected. If it has been rejected we will explain why.

**When will I receive compensation from the FSCS?**

The FSCS will aim to issue a decision within three months of receiving a completed application form, which will be issued once your account balance has been agreed with the Special Administrator.



### **Do I have to assign my claim?**

Claimants are not obliged to claim through the FSCS, or to accept the offer of the FSCS compensation.

If you do not want to assign your claim to the FSCS in exchange for the compensation, then you can refuse the FSCS compensation and continue your claim in the administration. After you have received the dividend(s) you can return to the FSCS to claim for any remaining shortfall.

If you choose to pursue your claim with the joint special administrator directly, please advise us of this in writing immediately.

The FSCS has advised that if it pays compensation, claimants will assign all their legal rights in relation to their claim to FSCS.

### **What happens if I am due more than £50,000?**

If FSCS subsequently recovers funds from the Special Administration, it will make further payments to the claimant if uncompensated losses remain. An example of this situation is provided below:

- Loss = £100,000
- FSCS compensation = £50,000
- Dividend of 50p/£ received from the special administrator by the FSCS = £50,000
- FSCS pays £50,000 to claimant so he is fully compensated (total £100,000), and retains nothing for itself

FSCS does not have to have made a full recovery of its £50,000 before it starts paying its dividend recovery on to claimants.

Matthew Robert Haw is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

Graham Bushby is licensed to act as an Insolvency Practitioner in the UK by Institute of Chartered Accountants in England and Wales

Matthew Richard Medley Wild is licensed to act as an Insolvency Practitioner in the UK by Institute of Chartered Accountants in England and Wales

LQD Markets (UK) Limited is authorised and regulated by the Financial Conduct Authority (FCA) in the UK, reference number is 603186.  
Registered office is 25 Farringdon Street, London EC4A 4AB with company number 08319222.

**The affairs, business and property of the company are being managed by the Joint Special Administrators who act as agents of the company and without personal liability**