



CR-2019-004876
CR-2019-005195

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

CR-2019-005195

IN THE MATTER OF **THE FINANCIAL SERVICES AND MARKETS ACT 2000**
AND IN THE MATTER OF **THE ELECTRONIC MONEY REGULATIONS 2011**
AND IN THE MATTER OF **THE INSOLVENCY ACT 1986**

AND IN THE MATTER OF **ALLIED WALLET LIMITED (No. 05832811)**

Before: **MR JUSTICE SNOWDEN**

Dated: **23 August 2019**

BETWEEN:

THE FINANCIAL CONDUCT AUTHORITY

Applicant/Respondent

and

ALLIED WALLET LIMITED

Respondent/Applicant

ORDER OF APPOINTMENT OF PROVISIONAL LIQUIDATORS

UPON THE APPLICATION dated 22nd July 2019 of the Financial Conduct Authority (**'the Authority'**) of 12 Endeavour Square, London, E20 1JN for the appointment of provisional liquidators of Allied Wallet Limited (No. 05832811) (**'the Company'**) (**'the PL Application'**)

AND UPON THE APPLICATION dated 2 August 2019 by Ahmad Khawaja, the Company's director, for the appointment of administrators of the Company (**'the Administration Application'**)

AND UPON THE APPLICATION dated 16 August 2019 by the Company for certain declarations, transfers of monies, and release of funds (**'the Release Application'**)

AND UPON HEARING Orlando Fraser QC and Dr Riz Mokal, Counsel for the Authority, David McIlroy, Counsel for Allied Wallet Limited (No. 05832811) (**'the Company'**), and Philip Currie, Counsel for Baltic Bill UAB (a company incorporated in Lithuania) (**'Baltic Bill'**)

AND UPON READING the evidence

AND UPON THE COURT BEING SATISFIED that the EC Regulation on Insolvency Proceedings does not apply

AND UPON THE COURT BEING SATISFIED that upon the application to the Authority of the provisional liquidators to be appointed by the Court, the Authority would as soon as practicable remove all the requirements imposed upon the Company by the First Supervisory Notice issued to the Company on 4 June 2019 and varied on 21 June 2019 pursuant to Regulation 11(1) of the Electronic Money Regulations, it being understood that if such requirements were not then removed, the Authority shall provide an explanation to the Court

AND UPON IT BEING UNDERSTOOD that the Court was not determining Baltic Bill's relation (if any) to the Company nor its standing (if any) in relation to any of the aforestated Applications

IT IS ORDERED THAT:

- 1 With effect from 12 noon on 27 August 2019, Shane Michael Crooks, Emma Sayers and Malcolm Cohen, being qualified insolvency practitioners, and of BDO LLP of 55 Baker Street, London, W1U 7EU are appointed provisional liquidators (**'the Provisional Liquidators'**) of the Company pursuant to section 367 of the Financial Services and Markets Act 2000, and section 135 of the Insolvency Act 1986.
- 2 The Provisional Liquidators shall have the powers listed in the Appendix to this Order.

- 3 Any act required or authorised under any enactment to be done by the Provisional Liquidators is to be done by any one or all of the Provisional Liquidators.
- 4 The Provisional Liquidators shall report to the Court no later than two weeks before the final hearing of the Authority's petition dated 22 July 2019 for the Company to be wound up ('**the Winding-up Petition**') as to the assets and affairs of the Company, including in particular as to whether:
 - a. all "**Relevant Funds**" for the purposes of each of the Electronic Money Regulations and the Payment Services Regulations are available for return to customers, the location of any such Funds, and if relevant, the reasons why any such Funds are not available;
 - b. any part of the Company's business remains viable as a going concern either if retained by the Company or sold; and,
 - c. the Company is solvent.
- 5 The Provisional Liquidators shall permit the Company's director to draw on the Company's assets, which for the avoidance of doubt do not for this purpose include Relevant Funds, to meet the reasonable costs of obtaining legal advice and legal representation in relation to the Applications.
- 6 In the event that a winding-up order is made in respect of the Company on the Winding-up Petition, no disposition of the Company's property by or with the authority of the Provisional Liquidators in either case in the carrying out of their duties and functions and the exercise of the powers conferred by this Order or under the Insolvency Act 1986 shall be avoided by virtue of Section 127 of the Act.
- 7 The remuneration of the Provisional Liquidators shall be payable as costs of the provisional liquidation and shall be fixed by the Court on application of the Provisional Liquidators from time to time by reference to the work done by the Provisional Liquidators and their staff on a time costs basis, together

with any expenses incurred in acting as Provisional Liquidators and any applicable value added tax.

- 8 Each of the Administration Application and the Release Application is adjourned to the hearing of the Winding-up Petition.
- 9 At the hearing of the Winding-up Petition, listed for 11 September 2019, the parties are to seek directions for the hearing by order of the Petition by a Judge of the High Court with a time estimate of 2-3 days.
- 10 Time for service of the PL Application on the Company be abridged.
- 11 The costs of the Applications (including for the avoidance of doubt Baltic Bill's costs) are reserved.
- 12 Liberty to apply to the Court.

Service of this Order

The court has provided a sealed copy of this Order to the serving party:
Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN

Notice to officers of the Company

You are required by section 235 of the Insolvency Act 1986 to give the Provisional Liquidators all the information as they may reasonably require relating to the Company's property and affairs and to attend upon them at such times as he may reasonably require.

Appendix

1. To enter upon the Company's premises and any other premises held out/and or utilised by the Company as a registered office and/or as a trading address (collectively the '**Premises**') and to locate, secure, take possession of, collect, get in and protect all the property and assets (of whatever nature) to which the Company is or appears to be entitled including any third party or trust monies or any assets in the possession or under the control of the Company either in the UK or abroad, such assets not to be distributed or parted with until further order except pursuant to the functions and powers hereby conferred.
2. To locate, protect, secure, take possession of, collect and get in all the property and assets (of whatever nature) held by the Company on behalf of its clients, such assets and property not to be distributed or parted with until further order except pursuant to the functions and powers contained herein.
3. To locate, protect, secure, take possession of, collect, get in and secure the books, papers and records of the Company (whether in paper or digital form) including accounting and statutory records.
4. To do all such things as may be necessary or expedient for the protection of the Company's property or assets and/or trust assets and/or client assets and/or the value thereof.
5. To exclude officers or employees of the Company or persons associated with it from the Premises whilst the Provisional Liquidators secure possession of the property, assets, books, papers and records of the Company.
6. To investigate the affairs of the Company and obtain such information as may be necessary to locate, protect, secure, take possession of, collect and get in the assets of the Company as well as any third party

or trust monies or assets in the possession of or under the control of the Company.

7. To investigate insofar as it is considered necessary (with a view to tracing and protecting the assets of the Company or trust assets for which the Company is responsible) any transactions entered into by the Company and/or any dispositions made by the Company which may have resulted in and/or involved the dissipation and/or reduction in value of all or any of the Company's assets or assets it holds as trustee or which in the event that a winding-up order is made may be avoidable and/or recoverable pursuant to the provisions of the Insolvency Act 1986.
8. Subject to the requirement to seek the approval of the Court specified in paragraph 22 below, to do such things as may be necessary or expedient to ensure the Company's compliance with its legal and regulatory obligations, including without limitation obligations to cooperate with the Financial Conduct Authority and any other regulatory, investigating or prosecuting authority (whether in the UK or otherwise) in relation to the production of information and/or the safeguarding of evidence regarding the affairs of the Company.
9. To seek the cooperation of the Financial Conduct Authority and any other regulatory, investigating or prosecuting authority (whether in the UK or otherwise), if the Provisional Liquidators consider it necessary or expedient to do so in discharge of their functions.
10. To exercise such rights and powers as are conferred upon provisional liquidators under sections 234, 235 and 236 of the Insolvency Act 1986.
11. To carry on the business of the Company insofar as practicable in the ordinary course.
12. To pay any employees or officers of the Company or of any other

company or entity concerned in the business of the Company as they think fit.

13. To incur and pay normal administrative expenses of the Company and to make any other payments which are necessary or incidental to the performance of the Provisional Liquidators' duties and functions.
14. To complete or perfect any contracts or transactions relating to the business of the Company.
15. To deal with any creditor or debtor of the Company or any third party including for the purposes of entering into compromises, settlements, commutations, transfers or assignments of contracts entered into by the Company or rights of the Company under such contracts.
16. To effect any insurance in connection with the management and maintenance of the business, property and assets of the Company.
17. To bring, defend, continue, compromise or intervene in any action or other legal proceedings, whether in their own names or in the name of the Company, in any jurisdiction.
18. In the name and on behalf of the Company to do all acts and to execute all deeds, receipts or other documents and for that purpose when necessary use the Company's seal.
19. To rank and claim in the bankruptcy, liquidation or insolvency of any person (including but not limited to a body corporate) indebted to the Company and to receive dividends, and to accede to trust deeds for the creditors of any such person.
20. To engage and retain and/or employ in any jurisdiction any financial advisors, brokers, consultants, lawyers, accountants and other professionally qualified persons, agents or specialists as may be

necessary to assist them in the carrying out of their duties and functions. The costs of the same shall be payable from the assets of the Company (or, to the extent that the costs incurred relate to any monies or assets which are Relevant Funds Relevant Funds, from such Funds) at the discretion of the Provisional Liquidators.

21. To continue to operate the existing bank accounts of the Company (including those used for the purpose of holding client funds or Relevant Funds), and to open and operate new bank accounts (including client fund or Relevant Funds accounts) as appropriate.
22. To take such steps as they are able (on the information available to them) to safeguard Relevant Funds. For the avoidance of doubt, the Provisional Liquidators may not, without the approval of the Court, take any steps to adjust the amounts held as Relevant Funds to the potential detriment of the proper distribution of assets in a winding-up or administration as amongst electronic money holders, payment service users, and other creditors.
23. To appoint a trustee, nominee or agent, or direct an employee or partner of BDO LLP, to take any step which the Provisional Liquidators are unable to do themselves or which could more conveniently be done by any such person.
24. To enter into contracts with third parties for the provision of such goods and services as may be necessary to assist them in the carrying out of their duties and functions.
25. To redirect the electronic mail accounts used by the Company as may be necessary.
26. To establish, continue to operate, or to close, redirect, change or otherwise control, any internet website or other digital media, network or systems in the name of or used by the Company.

27. To incur and expend such sums as necessary or appropriate for the carrying on of their powers and functions as provisional liquidators and to pay such sums out of the assets of the Company (or, to the extent that the costs incurred relate to client assets or Relevant Funds, to pay such sums from the client assets or Relevant Funds to the same extent that they would be entitled if they were liquidators of the Company, pursuant to the Electronic Money Regulations 2011, the Payment Services Regulations 2017, or any other appropriate legislation).
28. To change the registered office of the Company.
29. To take all steps as may be reasonably necessary to have this Order recognised and/or enforced in any other jurisdiction.
30. To seek directions in the Courts of England and Wales to assist the Provisional Liquidators in carrying out their functions under this Order.
31. To do all things reasonably and properly incidental to the exercise of the foregoing powers and/or as may be necessary for the conduct of the affairs of the Company insofar as practicable in the ordinary course.