

TO ALL KNOWN CREDITORS AND MEMBERS

30 April 2020

Our Ref 00273876/C3/SR/TB

Please ask for Teddy Blankson
Dial: 0151 237 4421
Email: BRCMT@bdo.co.uk

Dear Sir

**ARM Asset Backed Securities S.A.
In Compulsory Liquidation and subject to a Company Voluntary Arrangement ('ARM')**

High Court of Justice, Chancery Division No 006914 of 2013

On 4 October 2013, ARM, a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg, presented a petition to the English court that it be wound up (i.e. that it be placed into liquidation). That petition was adjourned and Mark Shaw and Malcolm Cohen were appointed as Provisional Liquidators of ARM by an Order of the English court dated 9 October 2013.

Following an application made during the Provisional Liquidation ('PL') of ARM, Mark Shaw, Malcolm Cohen and I were appointed Joint Liquidators of ARM on 10 March 2017 by the Secretary of State.

I set out below an annual progress report in accordance with Section 104A of the Insolvency Act 1986 and Rule 18.4 of the Insolvency (England and Wales) Rules 2016 ('the Rules').

This report covers the period 10 March 2019 to 9 March 2020 ('the Period'), and should be read in conjunction with previous bondholder updates issued during the PL and Liquidation, available at <https://www.bdo.co.uk/en-gb/arm-asset-backed-securities-sa>.

The Joint Liquidators proposed a Company Voluntary Arrangement ('CVA') on 5 April 2017, which was approved at a meeting of creditors on 3 May 2017, and subsequently by the members of ARM on 4 May 2017. As such, the Joint Liquidators will also shortly be reporting on the progress of the CVA, in their capacities as Joint Supervisors of the CVA.

It should be noted that actions regarding payments of dividends to bondholders have been undertaken by the Joint Supervisors as part of the CVA, and as such this report only contains a brief summary of the parallel CVA process.

Professional information regarding the Joint Liquidators

The Joint Liquidators are Sarah Rayment (officeholder number: 9162), Mark Shaw (officeholder number: 8893) and Malcolm Cohen (officeholder number: 6825) all of BDO LLP, 55 Baker Street,

London, W1U 7EU who were appointed on 10 March 2017, following a winding up order made on 10 March 2017. The Joint Liquidators carry out their functions jointly and severally, meaning any action can be done by one or more of the Liquidators. The Joint Liquidators may be contacted via Teddy Blankson at BRCMT@bdo.co.uk.

Receipts and Payments

I attach for your information a summary of our receipts and payments account to 9 March 2020 showing a balance in hand of £42,375 analysed to show activity since our previous annual progress report.

Receipts

The only receipt during the Period was bank interest as shown on the enclosed receipts and payments account.

Payments

A cumulative payment of £154,428 was transferred from the Insolvency Service Account ('ISA') to the CVA account during the Period to contribute towards the CVA estate and payment of the third interim dividend.

Progress of the Liquidation

As previously reported, the purpose of the Liquidation was to allow the Joint Liquidators to propose a CVA, through which the terms of the settlement agreement could be put into effect and the assets of ARM could be distributed to creditors.

On 20 November 2017, the Joint Liquidators, as Joint Supervisors of the CVA, declared the first interim dividend in the CVA of 11p in the £.

The Joint Liquidators, as Joint Supervisors of the CVA, declared a second interim dividend in the CVA of 5.1p in the £ on 12 July 2018.

The Joint Liquidators, as Joint Supervisors of the CVA, originally anticipated that all funds would be distributed in a third and final dividend by 31 January 2020. The FSCS, which has taken an assignment of approximately 87% of the claims in the CVA, requested additional time to prove its claim in full. As a result, a third interim dividend was declared on 31 January 2020 at a rate of 5p in the £.

A fourth and final dividend will be declared in the CVA by 31 May 2020. Despite the current circumstances regarding COVID-19 the Joint Supervisors currently anticipate being able to make the final payment concurrently with the declaration. If circumstances should change, notice will be published on <https://www.bdo.co.uk/en-gb/arm-asset-backed-securities-sa>.

Further details surrounding these distributions will be provided in the annual report of the CVA, to be published by 3 July 2020.

Future of the Liquidation

As previously reported, it is intended that the Liquidation will run alongside the CVA and that ARM will be handed back to the authorities in Luxembourg for dissolution at the end of the Liquidation and CVA.

Prescribed Part

Under Section 176A of the Insolvency Act 1986 where, after 15 September 2003, a company has granted to a floating charge to a secured creditor, a proportion of the net property of that company must be made available purely for the unsecured creditors. ARM has not granted a floating charge to any creditor after the 15 September 2003 and consequently there will be no prescribed part in this Liquidation.

Investigations

As this is a Compulsory Liquidation, the duty to investigate the affairs of ARM and also the conduct of the directors remains with the Official Receiver who will carry out their own investigations.

If any creditor believes that they may have any information that would assist the Official Receiver in their enquiries, they should write to the Official Receiver at 4 Abbey Orchard Street, London, SW1P 2HT.

Joint Liquidators' Remuneration

Pursuant to the Rules, the Joint Liquidators are obliged to fix their remuneration in accordance with Rule 18.16. This permits remuneration to be fixed either:

- (1) As a percentage of the assets realised and distributed; and/or
- (2) By reference to the time the Joint Liquidators and the staff have spent attending to matters in the Liquidation as set out in the fees estimate; and/or
- (3) As a set amount; and/or
- (4) As a combination of the above.

The creditors have already approved the Joint Liquidators' remuneration of £149,668 on a time cost basis in line with the Joint Liquidators' Fee Estimate provided to creditors on 15 December 2017.

To date, the Joint Liquidators have drawn £149,668 in respect of remuneration, as shown on the enclosed receipts and payments account.

I attach two schedules detailing the time costs incurred to date. The first schedule covers the Period and records time costs of £7,147 which represents 30 hours spent at an average charge out rate of £258 per hour.

The second schedule covers the whole period of appointment and records time costs of £169,929 which represents 463 hours spent at an average charge out rate of £367 per hour.

I also attach the Joint Liquidators' Fees Estimate annotated with a column showing the time costs accrued in respect of each activity, together with a detailed description of the work undertaken. I now request your approval of the amended fee estimate for an additional £35,435.15, taking the total estimated fees to £185,103 for the whole liquidation and ask you to return the enclosed voting form.

For guidance, I enclose a document that outlines the policy of BDO LLP in respect of fees and disbursements.

Disbursements

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 category 1 disbursements have been incurred.

Some liquidators recharge expenses, for example printing, photocopying and telephone 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. The policy of BDO LLP in respect of this appointment is not to charge any category 2 disbursements with the exception of mileage on the basis of the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to the creditors. No category 2 disbursements have accrued during the Period.

Total disbursements of £6,308 have been incurred and drawn in the Liquidation as detailed below.

Narrative	Cat. 1 (£)	Cat. 2 (£)	Total (£)
Statutory Bonding	200.01	-	200.01
Advertisement Costs	4,801.74	-	4,801.74
Travel Costs	1,255.59	-	1,255.59
Committee Expenses	51.05	-	51.05
Total	6,308.39	-	6,308.39

Creditors' Rights

I provide at the end of this report an extract from the Rules setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the Liquidation. Creditors may access information setting out creditors' rights in respect of the approval of the Joint Liquidators' remuneration at <https://www.r3.org.uk/what-wedo/publications/professional/fees>.

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 the response from me then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

The Joint Liquidators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at: <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>.



If you require any further information please do not hesitate to contact Teddy Blankson of my office.

Yours faithfully
For and on behalf of
ARM Asset Backed Securities SA

A handwritten signature in blue ink, appearing to read 'S Rayment'.

Sarah Rayment
Joint Liquidator
Authorised by the Insolvency Practitioners Association in the UK

Enclosures
Receipts and payments account
SIP 9 Time Cost Report for the Period
SIP 9 Time Cost Report for the period of Liquidation
BDO LLP Policy in Respect of Fees and Disbursements
Statement of Creditors' Rights in respect of Fees and Disbursements

ARM Asset Backed Securities SA - in Compulsory Liquidation
Summary of receipts and payments for the period 10 March 2017 to 9 March 2020

	Statement of Affairs £	10 March 2019 to 9 March 2020 £	Total £
Receipts			
Transfer from Provisional Liquidation	-	-	5,918,558.02
Receipt of funds held by Jarvis Investment	-	-	1,512,820.66
Bank Interest	-	2,587.12	10,705.46
Petitioners' Deposit	-	-	1,165.00
	-	2,587.12	7,443,249.14
Payments			
Transfers to CVA account for distribution	-	154,427.60	6,876,888.84
Joint Liquidators' Fees	-	-	149,668.00
CVA Nominee Fees	-	-	86,187.00
Secretary of State General Fees	-	-	80,000.00
Provisional Liquidators' Fees	-	-	68,812.06
Professional Fees	-	-	68,267.90
Irrecoverable VAT	-	-	54,380.98
Liquidators' Disbursements	-	-	6,308.39
Secretary of State Statutory Fees	-	-	2,520.00
Corporation Tax	-	6,288.46	7,471.89
Bank Charges	-	98.46	369.53
	-	160,814.52	7,400,874.59
Balance in hand			42,374.55
			7,443,249.14

BDO LLP
55 Baker Street
London
W1U 7EU

Sarah Rayment
Joint Supervisor
09 March 2020

ARM Asset Backed Securities SA

Detailed Time Charged and Rates Applicable for the Joint Liquidators for the Period From 10 March 2019 to 9 March 2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
Planning and Strategy							1.50	436.50					1.50	436.50
General Administration	0.85	689.30	1.90	768.70	0.50	80.75	1.25	184.60	4.80	371.05	0.05	5.80	9.35	2,100.20
Reporting	1.00	760.00					0.25	32.15	12.70	2,363.20			13.95	3,155.35
Distribution and Closure							5.00	1,455.00					5.00	1,455.00
	1.85	1,449.30	1.90	768.70	0.50	80.75	8.00	2,108.25	17.50	2,734.25	0.05	5.80		
Total													29.80	7,147.05

ARM Asset Backed Securities SA

Detailed Time Charged and Rates Applicable for the Joint Liquidators for the Period From 10 March 2017 to 9 March 2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
Pre-Appointment Matters														
Documentation Review	19.00	13,794.00	6.75	2,882.25									25.75	16,676.25
Sub Total	19.00	13,794.00	6.75	2,882.25									25.75	16,676.25
Steps On Appointment														
Statutory Documentation			20.25	8,646.75					1.00	157.00			21.25	8,803.75
Sub Total			20.25	8,646.75					1.00	157.00			21.25	8,803.75
Planning & Strategy														
Review Financial Position							1.50	436.50					1.50	436.50
Progression Planning & Strategy	70.00	52,737.80	32.50	13,929.25					3.25	674.50			105.75	67,341.55
Sub Total	70.00	52,737.80	32.50	13,929.25			1.50	436.50	3.25	674.50			107.25	67,778.05
General Administration														
Liaising with Solicitors			10.75	4,590.25									10.75	4,590.25
Receipts/Payments Accounts			5.60	1,219.10	2.55	317.25	9.65	1,543.85	80.35	9,133.35	2.50	175.75	100.65	12,389.30
Statutory Matters	1.00	726.00					0.10	11.90					1.10	737.90
Court Hearings	6.00	4,860.00											6.00	4,860.00
General Meetings & Correspondence	7.70	5,890.40	26.50	11,214.20			0.30	36.50	30.25	4,210.30			64.75	21,351.40
Maintain Internal Files					0.50	80.75	0.10	11.60	2.50	447.50			3.10	539.85
Sub Total	14.70	11,476.40	42.85	17,023.55	3.05	398.00	10.15	1,603.85	113.10	13,791.15	2.50	175.75	186.35	44,468.70
Asset Realisation														
Other Matters			1.00	427.00									1.00	427.00
Sub Total			1.00	427.00									1.00	427.00
Creditor Claims														
Dealing with creditor claims									15.00	2,025.00			15.00	2,025.00
Sub Total									15.00	2,025.00			15.00	2,025.00

ARM Asset Backed Securities SA

Detailed Time Charged and Rates Applicable for the Joint Liquidators for the Period From 10 March 2017 to 9 March 2020

	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL	
Description	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
Reporting														
Statutory Reporting	2.00	1,501.00	4.55	1,594.25			2.65	320.45	38.80	5,287.60			48.00	8,703.30
Reporting to Committee			12.50	5,337.50									12.50	5,337.50
Reporting to Court			25.25	10,790.75					4.00	732.00			29.25	11,522.75
Sub Total	2.00	1,501.00	42.30	17,722.50			2.65	320.45	42.80	6,019.60			89.75	25,563.55
Distribution and Closure														
Distributions			1.00	436.00			5.00	1,455.00	10.50	2,295.75			16.50	4,186.75
Sub Total			1.00	436.00			5.00	1,455.00	10.50	2,295.75			16.50	4,186.75
	105.70	79,509.20	145.65	60,640.30	3.05	398.00	19.30	3,815.80	185.65	24,963.00	2.50	175.75		

Total	462.85	169,929.05
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ARM Asset Backed Securities S.A. - In Compulsory Liquidation

Fees Estimate to Accrued Time Comparison

Below are the previously accrued fees as at 24 November 2017, which were approved to be drawn and have been drawn, and our estimated fees to the end of the Liquidation. The Joint Liquidators now seek approval of our estimated fees.

Fees accrued and approved as at 24 November 2017 compared to fees estimated to the end of the Liquidation					
Joint Liquidators' Fees	Fees Previously Approved	Total	Blended	Additional Estimated	Total
	Time	Hours	Rate	Time	Time
	£		£	£	£
Summary Activity					
A. Pre Appointment Matters	16,676.25	0.00	0.00	0.00	16,676.25
TOTAL	16,676.25			16,676.25	16,676.25
B. Steps on Appointment	8,803.75	0.00	0.00	0.00	8,803.75
C. Planning and Strategy	67,251.40	5.35	112.04	599.40	67,850.80
D. General Administration	36,983.95	47.75	256.19	12,233.05	49,217.00
E. Assets Realisation/Dealing	427.00	0.00	0.00	0.00	427.00
F. Trading Related Matters	0.00	0.00	0.00	0.00	0.00
G. Employee Matters	0.00	0.00	0.00	0.00	0.00
H. Creditor Claims	2,025.00	0.00	0.00	0.00	2,025.00
I. Reporting	17,500.75	69.55	239.89	16,684.45	34,185.20
J. Distribution and Closure	0.00	21.00	281.82	5,918.25	5,918.25
TOTAL	149,668.10			35,435.15	168,568.50

Our last fee approval request of £149,668 was based on fees incurred to 24 November 2017. Since this time the Joint Liquidators have not taken any further fees. As we approach the conclusion of this Liquidation we now wish to seek approval of our estimated fees to the end of the Liquidation.

As such, I would now ask the creditors to consider approving my revised Fees Estimate of an additional £35,435.15 which takes into account fees accrued from 25 November 2017 to 9 March 2020 and the estimated fees to the close of the Liquidation. Under Section 246ZE of the Insolvency Act 1986, I attach a notice of a decision process by correspondence together with a written resolution.

For guidance, I enclose a creditors' guide to Liquidators' fees.

Detail of Work Undertaken

Planning and Strategy

The additional hours accrued to date total 5.10 at a cost of £527. We estimate a further 0.25 hours being spent at a total of £73. Overall, we estimate fees of £599 for 5.35 hours.

These costs have been accrued in relation to progressing the liquidation. As investors/creditors will be aware, the nature of this assignment has been complex from the outset and as such more time has been necessary to ensure all strategies have been explored to provide the maximum return to investors/creditors.

General Administration

The additional hours accrued to date total 34.40 at a cost of £7,485. We estimate a further 11.75 hours being spent at a total of £4,527. Overall, we estimate fees of £12,233 for 47.75 hours.

These costs have largely been incurred with regard to the management of numerous bank accounts, corresponding with solicitors on legal matters and general communications/meetings with investors/creditors regarding the Company.

Reporting

The additional hours accrued to date total 46.50 at a cost of £8,063. We estimate a further 10.50 hours being spent at a total of £4,660. Overall, we estimate fees of £16,684 for 69.55 hours.

These costs have been accrued in relation to the preparation and distribution of the statutory annual reports. These costs have been unavoidable and have provided necessary information to the investors/creditors throughout the liquidation.

Distribution and Closure

The additional hours accrued to date total 16.50 at a cost of £4,187. We estimate a further 4.25 hours being spent at a total of £1,606. Overall, we estimate fees of £5,918 for 21 hours.

Necessary steps must be taken to hand the Company back to the Luxembourg authorities. These costs are in relation to all outstanding matters.

ARM Asset Backed Securities S.A. - In Compulsory Liquidation

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, follows:

GRADE	£
Partner	783-873
Manager	346-604
Assistant Manager	311
Senior Administrator	291
Administrator	170-291
Other Staff	92-114

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LL are reviewed on a regular basis each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:-

Pre Appointment
Steps upon Appointment
Planning and Strategy
General Administration
Asset Realisation/Management
Trading Related Matters
Employee Matters
Creditor Claims
Reporting
Distribution and Closure
Other Issues.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

1) Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

2) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

3) Category 2

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue and Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP
30 April 2020

Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the Joint Liquidators' fees and expenses:

Creditors' and members' requests for further information in administration, winding up and bankruptcy

18.9.—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
 - (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
 - (c) 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;
 - (d) any unsecured creditor with the permission of the court; or
 - (e) any member of the company in a members' voluntary winding up with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.
- (3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—
- (a) providing all of the information requested;
 - (b) providing some of the information requested; or
 - (c) declining to provide the information requested.
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—
- (a) the time or cost of preparation of the information would be excessive; or
 - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
 - (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
 - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—
- (a) the office-holder giving reasons for not providing all of the information requested; or
 - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34.—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
 - (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
 - (c) the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—
- (a) a secured creditor,
 - (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
 - (c) in a members' voluntary winding up—
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question (“the relevant report”).

Applications under rules 18.34 and 18.35 where the court has given permission for the application

18.36.—(1) This rule applies to applications made with permission under rules 18.34 and 18.35.

(2) Where the court has given permission, it must fix a venue for the application to be heard.

(3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.

(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 office-holder is entitled to charge;

(b) an order reducing any fixed 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 is not to be treated as expenses of the administration, winding up or bankruptcy;

(e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —

(i) the administrator or liquidator or the administrator’s or liquidator’s personal representative to the company, or

(ii) the trustee or the trustee’s personal representative to such person as the court may specify as property comprised in the bankrupt’s estate;

(f) any other order that it thinks just.

(5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.

(6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

Applications under rule 18.34 where the court’s permission is not required for the application

18.37.—(1) On receipt of an application under rule 18.34 for which the court’s permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.

(2) Unless the application is dismissed, the court must fix a venue for it to be heard.

(3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.

(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 office-holder is entitled to charge;

(b) an order reducing any fixed 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 administration or winding up or bankruptcy;

(e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —

(i) the administrator or liquidator or the administrator’s or liquidator’s personal representative to the company, or

(ii) the trustee or the trustee’s personal representative to such person as the court may specify as property comprised in the bankrupt’s estate;

(f) any other order that it thinks just.

(5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.

(6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.



ARM Asset Backed Securities SA - In Compulsory Liquidation

**NOTICE OF ARRANGING A DECISION PROCEDURE FOR CREDITORS BY CORRESPONDENCE
SECTION 246ZE OF THE INSOLVENCY ACT 1986
Fee approval**

NOTICE that the Creditors of the Company are invited to make decisions as to whether to approve or reject the resolution(s) below.

Decision Procedure: The creditors are invited to indicate by correspondence whether they approve or reject the resolution(s). A voting form is attached to record your vote. The completed voting form, together with a completed proof of debt form, must be sent to the Joint Liquidators either by post or email, whose details are below. Your voting form must be delivered to me on or before the Decision Date listed below otherwise it cannot be counted.

Decision Date: 15 May 2020

Creditors may within five business days of this notice require a physical meeting be held to consider the matter. This is explained in more detail overleaf.

Any creditor, including creditors whose debt is treated as a small debt (less than £1,000) or who has opted out of receiving notices, must deliver a completed proof of debt form, as detailed above, if they wish to vote or request a physical meeting.

RESOLUTIONS

That:

- 1 The Joint Liquidators' remuneration be approved in accordance with the Fees Estimate circulated to creditors on 30 April 2020.

Date: 30 April 2020

**Sarah Rayment
Joint Liquidator**

The Joint Liquidators are Sarah Rayment (officeholder No: 9162), Mark Shaw (officeholder No: 8893) and Malcolm Cohen (officeholder No: 6825) all of BDO LLP, 55 Baker Street, London, W1U 7EU. The Joint Liquidators may also be contacted by via Teddy Blankson at BRCMT@bdo.co.uk.

Certain Rules apply to decision procedures. The full text of the Rules is attached but the effect of those Rules is summarised here:

Creditor Voting rights (R.15.28): Every creditor who has this notice is entitled to vote in respect of the debt due to the creditor. Where there is a physical meeting the creditor must submit a proxy form (not relevant at this stage). Creditors, including creditors whose debt is treated as a 'small debt' (£1,000 or less) must still deliver a proof for voting purposes, if they have not already done so otherwise their vote will be disregarded.

Calculation of creditors voting rights (R.15.31): In respect of this liquidation creditors' claims will be calculated as at the date of the winding up order being: 10 March 2017. Claims that have an uncertain value will be subject to £1, or a higher value if the Chair allows.

Requisite majority of creditors for making a decision (15.34): A liquidation decision is approved if a majority of creditors, by value vote, in favour by the Decision Date.

Appeals against decisions (R.15.35): Decisions of the Joint Liquidator in convening the Decision Procedure and dealing with voting is subject to appeal to the court by a creditor. Any appeal must be made within 21 days of the Decision Date.

Physical Meeting: If creditors want to consider the resolutions at a physical meeting they must notify in writing the Joint Liquidator, whose details are above, within five business days of delivery of this notice. A meeting will be convened if sufficient creditors notify the nominee within the timeframe. Section 246ZE The insolvency Act sets the 'minimum number' of creditors for requisitioning a meeting at any of the following:—

- (a) 10% in value of the creditors or contributories;
- (b) 10% in number of the creditors or contributories;
- (c) 10 creditors or contributories.

Extract from the Insolvency (England and Wales) Rules 2016

Creditors' voting rights

15.28.—(1) In an administration, an administrative receivership, a creditors' voluntary winding up, a winding up by the court and a bankruptcy, a creditor is entitled to vote in a decision procedure or to object to a decision proposed using the deemed consent procedure only if—

- (a) the creditor has, subject to 15.29, delivered to the convener a proof of the debt claimed in accordance with paragraph (3), including any calculation for the purposes of rule 15.31 or 15.32, and
 - (b) the proof was received by the convener—
 - (i) not later than the Decision Date, or in the case of a meeting, 4pm on the business day before the meeting, or
 - (ii) in the case of a meeting, later than the time given in sub-paragraph (i) where the chair is content to accept the proof; and
 - (c) the proof has been admitted for the purposes of entitlement to vote.
- (2) In the case of a meeting, a proxy-holder is not entitled to vote on behalf of a creditor unless the convener or chair has received the proxy intended to be used on behalf of that creditor.
- (3) A debt is claimed in accordance with this paragraph if it is—
- (a) claimed as due from the company or bankrupt to the person seeking to be entitled to vote; or
 - (b) in relation to a member State liquidator, claimed to be due to creditors in proceedings in relation to which that liquidator holds office.
- (4) The convener or chair may call for any document or other evidence to be produced if the convener or chair thinks it necessary for the purpose of substantiating the whole or any part of a claim.
- (5) In a decision relating to a proposed CVA or IVA every creditor, secured or unsecured, who has notice of the decision procedure is entitled to vote in respect of that creditor's debt.
- (6) Where a decision is sought in an administration under sub-paragraph 3.52(3)(b) (pre administration costs), paragraph 18.18(4) (remuneration: procedure for initial determination in an administration) or paragraph 18.26(2) (first exception:

administrator has made statement under paragraph 52(1)(b) of Schedule B1), creditors are entitled to participate to the extent stated in those paragraphs.

Calculation of voting rights

15.31.—(1) Votes are calculated according to the amount of each creditor's claim—

- (a) in an administration, as at the date on which the company entered administration, less—
 - (i) any payments that have been made to the creditor after that date in respect of the claim, and
 - (ii) any adjustment by way of set-off which has been made in accordance with rule 14.24 or would have been made if that rule were applied on the date on which the votes are counted;
 - (b) in an administrative receivership, as at the date of the appointment of the receiver, less any payments that have been made to the creditor after that date in respect of the claim;
 - (c) in a creditors' voluntary winding up, a winding up by the court or a bankruptcy, as set out in the creditor's proof to the extent that it has been admitted;
 - (d) in a proposed CVA—
 - (i) at the date the company went into liquidation where the company is being wound up,
 - (ii) at the date the company entered into administration (less any payments made to the creditor after that date in respect of the claim) where it is in administration,
 - (iii) at the beginning of the moratorium where a moratorium has been obtained (less any payments made to the creditor after that date in respect of the claim), or
 - (iv) where (i) to (iii) do not apply, at the Decision Date;
 - (e) in a proposed IVA—
 - (i) where the debtor is not an undischarged bankrupt—
 - (aa) at the date of the interim order, where there is an interim order in force,
 - (bb) otherwise, at the Decision Date,
 - (ii) where the debtor is an undischarged bankrupt, at the date of the bankruptcy order.
- (2) A creditor may vote in respect of a debt of an unliquidated or unascertained amount if the convener or chair decides to put upon it an estimated minimum value for the purpose of entitlement to vote and admits the claim for that purpose.
- (3) But in relation to a proposed CVA or IVA, a debt of an unliquidated or unascertained amount is to be valued at £1 for the purposes of voting unless the convener or chair or an appointed person decides to put a higher value on it.
- (4) Where a debt is wholly secured its value for voting purposes is nil.
- (5) Where a debt is partly secured its value for voting purposes is the value of the unsecured part.
- (6) However, the value of the debt for voting purposes is its full value without deduction of the value of the security in the following cases—
- (a) where the administrator has made a statement under paragraph 52(1)(b) of Schedule B1 and the administrator has been requested to seek a decision under paragraph 52(2); and
 - (b) where, in a proposed CVA, there is a decision on whether to extend or further extend a moratorium or to bring a moratorium to an end before the end of the period of any extension.
- (7) No vote may be cast in respect of a claim more than once on any resolution put to the meeting; and for this purpose (where relevant), the claim of a creditor and of any member State liquidator in relation to the same debt are a single claim.
- (8) A vote cast in a decision procedure which is not a meeting may not be changed.
- (9) Paragraph (7) does not prevent a creditor or member State liquidator from—
- (a) voting in respect of less than the full value of an entitlement to vote; or
 - (b) casting a vote one way in respect of part of the value of an entitlement and another way in respect of some or all of the balance of that value.

Requisite majorities

15.34.—(1) A decision is made by creditors when a majority (in value) of those voting have voted in favour of the proposed decision, except where this rule provides otherwise.

(2) In the case of an administration, a decision is not made if those voting against it—

- (a) include more than half in value of the creditors to whom notice of the decision procedure was delivered; and
- (b) are not, to the best of the convener or chair's belief, persons connected with the company.

(3) Each of the following decisions in a proposed CVA is made when three-quarters or more (in value) of those responding vote in favour of it—

- (a) a decision approving a proposal or a modification;

- (b) a decision extending or further extending a moratorium; or
 - (c) a decision bringing a moratorium to an end before the end of the period of any extension.
- (4) In a proposed CVA a decision is not made if more than half of the total value of the unconnected creditors vote against it.
- (5) For the purposes of paragraph (4)–
- (a) a creditor is unconnected unless the convener or chair decides that the creditor is connected with the company;
 - (b) in deciding whether a creditor is connected reliance may be placed on the information provided by the company's statement of affairs or otherwise in accordance with these Rules; and
 - (c) the total value of the unconnected creditors is the total value of those unconnected creditors whose claims have been admitted for voting.
- (6) In a case relating to a proposed IVA–
- (a) a decision approving a proposal or a modification is made when three-quarters or more (in value) of those responding vote in favour of it;
 - (b) a decision is not made if more than half of the total value of creditors who are not associates of the debtor vote against it.
- (7) For the purposes of paragraph (6)–
- (a) a creditor is not an associate of the debtor unless the convener or chair decides that the creditor is an associate of the debtor;
 - (b) in deciding whether a creditor is an associate of the debtor, reliance may be placed on the information provided by the debtor's statement of affairs or otherwise in accordance with these Rules; and
 - (c) the total value of the creditors who are not associates of the debtor is the total value of the creditors who are not associates of the debtor whose claims have been admitted for voting.

Appeals against decisions under this Chapter

- 15.35.—(1) A decision of the convener or chair under this Chapter is subject to appeal to the court by a creditor, by a contributory, or by the bankrupt or debtor (as applicable).
- (2) In a proposed CVA, an appeal against a decision under this Chapter may also be made by a member of the company.
- (3) If the decision is reversed or varied, or votes are declared invalid, the court may order another decision procedure to be initiated or make such order as it thinks just but, in a CVA or IVA, the court may only make an order if it considers that the circumstances which led to the appeal give rise to unfair prejudice or material irregularity.
- (4) An appeal under this rule may not be made later than 21 days after the Decision Date.
- (5) However, the previous paragraph does not apply in a proposed CVA or IVA, where an appeal may not be made after the end of the period of 28 days beginning with the day–
- (a) in a proposed CVA, on which the first of the reports required by section 4(6) or paragraph 30(3) of Schedule A1 was filed with the court(a); or
 - (b) in a proposed IVA–
 - (i) where an interim order has not been obtained, on which the notice of the result of the consideration of the proposal required by section 259(1)(a) has been given, or
 - (ii) otherwise, on which the report required by section 259(1)(b)(b) is made to the court.
- (6) The person who made the decision is not personally liable for costs incurred by any person in relation to an appeal under this rule unless the court makes an order to that effect.
- (7) The court may not make an order under paragraph (6) if the person who made the decision in a winding up by the court or a bankruptcy is the official receiver or a person nominated by the official receiver.

Extract from the Insolvency Act 1986 (as amended)

Section 246ZE Decisions by creditors and contributories: general

- (1) This section applies where, for the purposes of this Group of Parts, a person ("P") seeks a decision about any matter from a company's creditors or contributories.
- (2) The decision may be made by any qualifying decision procedure P thinks fit, except that it may not be made by a creditors' meeting or (as the case may be) a contributories' meeting unless subsection (3) applies.
- (3) This subsection applies if at least the minimum number of creditors or (as the case may be) contributories make a request to P in writing that the decision be made by a creditors' meeting or (as the case may be) a contributories' meeting.
- (4) If subsection (3) applies P must summon a creditors' meeting or (as the case may be) a contributories' meeting.
- (5) Subsection (2) is subject to any provision of this Act, the rules or any other legislation, or any order of the court–

- (a) requiring a decision to be made, or prohibiting a decision from being made, by a particular qualifying decision procedure (other than a creditors' meeting or a contributories' meeting);
 - (b) permitting or requiring a decision to be made by a creditors' meeting or a contributories' meeting.
- (6) Section 246ZF provides that in certain cases the deemed consent procedure may be used instead of a qualifying decision procedure.
- (7) For the purposes of subsection (3) the "minimum number" of creditors or contributories is any of the following—
- (a) 10% in value of the creditors or contributories;
 - (b) 10% in number of the creditors or contributories;
 - (c) 10 creditors or contributories.
- (8) The references in subsection (7) to creditors are to creditors of any class, even where a decision is sought only from creditors of a particular class.
- (9) In this section references to a meeting are to a meeting where the creditors or (as the case may be) contributories are invited to be present together at the same place (whether or not it is possible to attend the meeting without being present at that place).
- (10) Except as provided by subsection (8), references in this section to creditors include creditors of a particular class.
- (11) In this Group of Parts "qualifying decision procedure" means a procedure prescribed or authorised under paragraph 8A of Schedule 8.



VOTING FORM

ARM Asset Backed Securities SA

RESOLUTIONS

That:

- 1 The Joint Liquidators' remuneration be approved in accordance with the Fees Estimate circulated to creditors on 30 April 2020.

*Approved/Rejected

(* Please indicate voting preference)

TO BE COMPLETED BY THE CREDITOR WHEN RETURNING FORM

Name of Creditor

Signature of Creditor

(If signing on behalf of creditor, state capacity e.g. director/solicitor etc)

NOTE: This form must be accompanied by a proof of the amount due to the creditor unless a proof of debt/claim form has already been delivered. Creditors whose debt is treated as a 'small debt' (£1,000 or less) or who has opted out of receiving notices must still deliver a proof for voting purposes.

This form must be returned to Sarah Rayment (Officeholder IP No: 9162) by email to BRCMT@bdo.co.uk by no later than the Decision Date, 15 May 2020.

The Joint Liquidator may also be contacted via Teddy Blankson at BRCMT@bdo.co.uk.