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Alexander David Securities Limited (“the Company”) - In Creditors’ Voluntary Liquidation

11 October 2022

Notice to all potential Client Money claimants

Since the Joint Liquidators’ appointment on 1 July 2022, we have worked with our legal advisers and in consultation with the Financial Conduct Authority (“the FCA”) to:

- investigate the Pooled Funds (i.e. funds which were received by the Company as client money pursuant to the Client Asset Sourcebook (“CASS”) 7 and which (following the liquidation of the Company) have been pooled pursuant to CASS 7A.2.4R); and
- ultimately make an application to Court (“the Application”) for the approval of a plan for the distribution of the Pooled Funds to the rightful owners of those funds (“the Distribution Plan”).

The Application was filed in the Insolvency and Companies Court (“the Court”) on 6 September 2022, and was heard by the Court on 30 September 2022. At the hearing, the Court made an order approving the terms of the Distribution Plan in substantially the same terms sought by the Joint Liquidators (“the Order”).

The Distribution Plan provides that:

- The Joint Liquidators will send a notice (a “Distribution Notice”) to all clients of the Company: (i) which have asserted a claim in relation to the Pooled Funds (i.e. a claim asserting a Client Money Entitlement as defined in CASS at 7A.2.5R: a “Client Money Claim”), but who have not yet submitted a Client Money Claim Form; and (ii) to those clients who have not asserted a Client Money Claim but who the Joint Liquidators consider may have such a claim.
- In addition to the Distribution Notice requirement set out in the Distribution Plan, the Joint Liquidators will place a notice in relation to the distribution of the Pooled Funds in the Financial Times and invite any claims from any clients of which the Joint Liquidators are not already aware;
- The Joint Liquidators will set a “Bar Date”, being the date by which Client Money claimants are to assert a Client Money Claim to the Joint Liquidators (such Bar Date to be not less than 30 days from the date of a Distribution Notice);
- The Joint Liquidators will, as soon as reasonably practicable, admit such Client Money Claims, request further information, or reject them in full or in part (in which case they will provide their reasons for any rejection);
- Any person who has lodged a Client Money Claim which the Joint Liquidators subsequently reject in full or in part will have a period of 21 days from the date of receipt of the notice of rejection to apply to Court to challenge any such rejection;
- The Joint Liquidators will not make any distribution of the Pooled Funds prior to the Bar Date;

- The Joint Liquidators will make a distribution after the Bar Date (which distribution may be either interim or final), as soon as reasonably practicable but no later than 2 months after the Bar Date;
- The distribution will be in US dollars. If the recipient account (as nominated by the client) is in an alternative currency any conversion fee charged by the recipient bank will be deducted from the funds paid; and
- For the avoidance of doubt, claims received after the Bar Date will not be entitled to disturb any prior distribution as against the Joint Liquidators, however nothing in the Distribution Plan shall prejudice any right of any person to:
 - prove in the liquidation of the Company as an unsecured creditor; or
 - assert tracing claims in relation the Pooled Funds or their product.

In summary, the Distribution Plan provides a mechanism for the Joint Liquidators to distribute the Pooled Funds in the most expeditious manner possible. The Bar Date allows the Joint Liquidators to make a distribution to clients with agreed Client Money claims without such distributions being delayed by the risk that a potential claimant will subsequently challenge the distribution.

The Joint Liquidators will shortly send Distribution Notices to all known potential Client Money claimants.

Please find links to the sealed copy of the Joint Liquidators' application notice and the Order below.

Any clients who require any further information should email the dedicated email address: ADSLclients@bdo.co.uk or write to the Joint Liquidators c/o BDO LLP, 5 Temple Square, Temple Street, Liverpool L2 5RH.