



Claim No: CR-2023-001772

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

CR-2023-001772

BEFORE: The Honourable Mr Justice Rajah
DATE: 23 July 2024

IN THE MATTER OF WEALTHTEK LLP (IN INVESTMENT BANK SPECIAL ADMINISTRATION) (Partnership Number OC355200)

AND IN THE MATTER OF THE INVESTMENT BANK SPECIAL ADMINISTRATION REGULATIONS 2011

ORDER

UPON THE APPLICATION of Shane Michael Crooks, Mark James Shaw and Emma Sayers (the “**Joint Administrators**”), in their capacity as joint administrators of WealthTek LLP (in investment bank special administration) (“**WealthTek**”), dated 9 May 2024 and made pursuant to rules 146(2) and 134(3) of the Investment Bank Special Administration (England and Wales) Rules 2011 (the “**IBSA Rules**”) and pursuant to regulation 15 of the Investment Bank Special Administration Regulations 2011 (the “**IBSA Regulations**”) (applying paragraph 63 of Schedule B1 to the Insolvency Act 1986)

AND UPON READING the second witness statement of Shane Michael Crooks dated 9 May 2024 (“**Crooks (2)**”), the draft distribution plan prepared pursuant to rule 146(2) of IBSA Rules (the “**Distribution Plan**”), the third witness statement of Shane Michael Crooks dated 4 June 2024, the fourth witness statement of Shane Michael Crooks dated 6 June 2024, the Opinion produced by Matthew Weaver KC dated 14 July 2024, the witness statement of Guy Enright dated 16 July 2024, and the eighth witness statement of Shane Michael Crooks dated 17 July 2024

AND UPON HEARING Daniel Bayfield KC and Paul Fradley for the Joint Administrators and Matthew Weaver KC addressing the Court

AND UPON the Court expressing a concern as to whether the Joint Administrators can, as a matter of jurisdiction, calculate the Costs Contribution (as that term is defined in the

Distribution Plan) to include a sum representing the estimated costs of litigation they are considering causing WealthTek to bring in the interests of its clients (the “**Costs Reserve Issue**”)

IT IS ORDERED AND DIRECTED THAT:

1. The Distribution Plan is hereby approved, in the form annexed to this Order at Annex A (together with the Addendum at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/wealthtek-administration> which has not been included in Annex A due to its length).
2. The Joint Administrators be at liberty to cause WealthTek to pay “Unclaimed Client Estate Amounts” (as defined in paragraph 158(c) of Crooks (2)) into the Insolvency Services Account with the Bank of England (subject, in the case of client money, to the provision of consent by the Financial Conduct Authority to the modification of the requirements of CASS 7A.2.4R and CASS 7A.2.7-AR pursuant to section 138A of the Financial Services and Markets Act 2000), provided that:
 - a. Regulation 3B(3) of the Insolvency Regulations 1994 (as modified and applied by Regulation 27 and Part 1 of Schedule 6 to the IBSA Regulations) shall be applied.
 - b. The fees specified in paragraph 2 of Schedule 1 to the Insolvency Practitioners and Insolvency Services Account (Fees) Order 2003 (applicable pursuant to section 414 of the Insolvency Act 1986 and Regulation 15 of the IBSA Regulations) for the use of the Insolvency Services Account shall be charged as follows (the “**ISA Fees**”):
 - i. Fee 2A (*Payment of unclaimed dividends or other money-administration*) is applied;
 - ii. Fee 3 (*Cheque etc issue fee*) is applied; and
 - iii. Fee 4 (*Electronic funds systems (CHAPS and BACs etc) fees*) is applied.

- c. The ISA Fees shall be paid as part of the costs and expenses of the Joint Administrators' pursuit of Objective 1 of the special administration objectives (as set out in regulation 10(1) of the IBSA Regulations).
3. The order of priority for the payment of the expenses of the special administration of WealthTek set out in rule 134(1) of the IBSA Rules be varied in accordance with rule 134(3) of the IBSA Rules such that the liability imposed on the Joint Administrators by regulation 10H(3) of IBSA Regulations ranks after the expenses listed in rule 134(1)(k) of the IBSA Rules.
4. The Joint Administrators shall file written submissions in relation to the Costs Reserve Issue by 4pm on 30 July 2024.
5. The costs of and incidental to this Application be paid as part of the costs of the Joint Administrators' pursuit of Objective 1 of the special administration objectives (as set out in Regulation 10(1) of the IBSA Regulations) and in accordance with the provisions of the Distribution Plan.
6. Liberty to apply.

Service of this Order

The Court has provided a sealed copy of this Order to the Solicitors for the Applicants: Norton Rose Fulbright LLP, 3 More London Riverside, London, SE1 2AQ.