

Mercian Law

Commercial Debt Recovery Specialists

What can be done if you are dissatisfied at how the insolvency is proceeding?

Administrative Receivership

- Potential negligence claim if breach of common law duty of care to creditors
- An Administrative Receiver is obliged to pay the debts due to preferential creditors out of asset realisations covered by floating charges in priority. Failure to do so will incur personal liability to the preferential creditors in tort for breach of statutory duty

Administration

You may apply to the Court for relief if you believe that the company's affairs, business and property are being managed by the administrator in a manner unfairly prejudicial to the interests of its creditors.

Liquidation

If you are aggrieved by an act or decision of the liquidator you may apply to the Court for relief.

Voluntary Arrangements

As an individual creditor you could challenge the decision reached at a meeting of creditors on grounds of unfair prejudice or irregularity.

Removal of Office Holder

In cases of serious misconduct or dereliction of duty the Court has the power to remove an Administrator from office. You can apply for revocation of the Administration Order.

Liquidation

In both voluntary and compulsory liquidation and bankruptcy, a liquidator may be removed from office by Order of the Court or by general meeting of the company's creditors. In compulsory liquidation a liquidator appointed by the Secretary of State may be removed from office by direction of the Secretary of state.

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