On behalf of Applicant
Michelle Young: 2nd
Date: 10th March 2014
Exhibit MDY2 p1-11

Claim No: FD07D02865
8336 of 2010 (in bankruptcy)

IN THE HIGH COURT OF JUSTICE
FAMILY DIVISION

IN THE MATTER OF SCOT GORDON YOUNG

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

MICHELLE DANIQUE YOUNG

Petitioner/Applicant

And

SCOT GORDON YOUNG (in bankruptcy)

Respondent

SECOND WITNESS STATEMENT OF MICHELLE DANIQUE YOUNG

I, Michelle Danique Young, of Flat 24, 10 Rochester Row, London, SW1P 1NS, WILL SAY AS FOLLOWS:-

1. I make this statement in support of my application under Rule 6.132 Insolvency Rules 1986 (as amended) (IR) and section 298-299 Insolvency Act 1986 (as amended) (IA) for an order of the Court directing the Current joint Trustees (the Current Trustees"), to summon a general meeting of creditors and in response to David Ingram's cross application and Witness Statement, dated 26 February 2014 (sent by email on 28th February 2014, timed at 13.53hrs) and, I understand, filed in the Bankruptcy court. The facts and matters set out in this witness statement are within my own knowledge except where indicated and are true to the best of my knowledge and belief. Where reference is made to facts which are outside my own knowledge, I set out the source of my information and I believe such information to be true. My exhibit is "MDY2".

An order sought is for a Meeting of Creditors, not an order replacing the Trustee

2. My purpose in these proceedings (and in correspondence, has been) to seek a general meeting of the creditors so that they, as the initial arbiters of such matters, may properly consider the outstanding issue of the annulment of the Respondent's bankruptcy and the replacement of the Current Trustees under the Insolvency Rules. The Current Trustees seek to deny that.

3. Whilst Mr Ingram's statement, dated 26th February 2014, cites arguments why he should not be replaced, he has failed to provide a substantive reason, within the Insolvency Rules, why a general meeting of creditors should not be called. Instead, without properly replying to emails sent to him about the matter, he has filed his application, in another Division, going direct to court proceedings without warning and risking further delay and unnecessary costs. His application has now been listed in the Bankruptcy court for 22 May 2014 which would clearly occasion further delay. This has necessitated my filing my application and this, and my previous witness statement, now listed for Friday 14 March before this court.

4. With respect to the court's clear general discretion in such matters, Mr Ingram has failed to provide a substantive reason why a creditors' meeting (rather than as Mr Ingram seeks, the court) should not be the initial arbiters to consider and determine the Trusteeship. Whilst I concede the court might potentially wish to consider the Current Trustees' actions in this matter and or their fitness to act in the future, such is, I respectfully suggest, premature and in any event outside the parameters of the correspondence upon which the Trustees base their application to the court.

5. I have not written to Mr Ingram stating that I would be applying to Court for his replacement. On the contrary, I wrote to Mr Ingram seeking but a General Meeting of creditors, writing on 17th February 2014 [MDY1 p117-118]. The Insolvency Rules require that if one of the meeting's purpose is replacement, then that must be highlighted to creditors and I did so through Mr Ian Cadlock (an insolvency practitioner of Quantuma LLP), I also sought a personal meeting with Mr Ingram to discuss this [MDY1 p118]. This request for either a private meeting, or Mr Ingram's reasons for not calling a General Meeting, were sought more than once, in order to avoid the need for the unnecessary cost of an application [MDY1 p112 (21st February 2014), p97 (10th February 2014), p98 and p100 (7th February 2014), p102 (4th February 2014), p107 (4th February 2014)].

6. As I will set out below, Mr Ingram failed to comply with either request or to explain why. Instead, Mr Ingram has, via his surprising and rather unbalanced letter to the other creditors [DAI1 p217] (notably and curiously not sent to me), on top of his failure to disclose all relevant communication with creditors relating to his application, and in particular his application dated 26th February 2014, sought to characterise and conflate my request to call a General Meeting of creditors (of which his replacement was one purpose) with an application to the court for an order for his replacement. Such characterisation is inevitably misleading.

7. Respectfully, they are not the same and a request for a meeting of creditors and the effort, costs and time for the consideration of such a request should not be equated to, or treated a, an application for an order for the replacement of a trustee.

8. It is my understanding from Mr Cadlock of Quantuma LLP that at a meeting of the creditors, the Chairman may first adjudicate on creditors' claims and then call for votes on the resolutions in front of the meeting, of which they are on notice. Valid creditors (as decided by the Chairman) would then vote and report the result to the Official Receiver. Any aggrieved creditor then has the right to seek redress. Mr Ingram seeks instead to use his letter to the "other creditors" to advocate his position, to adjudicate prematurely on the creditors who support him and not to bother with a meeting which is the proper forum to resolve these matters.

Can Mr Ingram demonstrate that a majority of creditors oppose a general meeting of creditors?

9. I would submit that Mr Ingram cannot demonstrate a majority without first adjudicating on all the claims he wishes to rely upon. He has failed to do so, or, if he has done so prematurely and outside a meeting, he has not done so reasonably in these circumstances because he has not advised me of this.

10. I contend that a majority of creditors is not required to call a general meeting. By analogy, I understand from Mr Cadlock that only 25% is required to call a general meeting if the Trustee has been appointed (for example) by the court or Secretary of State (s.298 (4) IA).

11. In paragraph 3 of his application, supported by his statement dated 26th February [Paragraph 6], Mr Ingram, who in turn relies upon Mr Stephen Jones [DAI1 p224c], seeks to question my claim in the Bankruptcy Estate. I understand from Mr Cadlock that there are very limited circumstances in which a Trustee should properly seek to look behind a Judgement creditor (and these are not those).

12. I submit that regardless of the deficiencies in the claims of alleged defects in the other creditors' claims referred to by Mr Justice Moor (see paragraph 35 below), either there is a sufficient number of judgement creditors seeking a meeting (£25,500,000) to justify a meeting or there is sufficient cause shown (see below) to allow for a meeting to take place to explore whether, using usual procedures and invoking valid creditors, a majority can be obtained.

Not only should Mr Ingram's application be dismissed but the costs of the Application should be outside the Bankruptcy Estate and personal to Mr Ingram on an indemnity basis

13. Respectfully, a General Meeting of the creditors called as requested would have not only have followed more properly the procedure laid down by the Insolvency Rules (IR 6.132) but would have been far cheaper than these proceedings in the courts whose dominant purpose seems to be to keep the Trustee in his appointment more than to act in the best interest of the creditors. Such power should never be used merely to ensure the continuation of a trustee's appointment rather than to act in the best interest of the creditors. As seen below, the other issues sought by Mr Ingram in his application would not require court proceedings had the request for a meeting been properly dealt with by Mr Ingram. In any event this may not have required an application had he bothered to meet with me to discuss them (rather than avoiding a private meeting) before applying to the court. Instead of substantively replying to my correspondence asking for a meeting, Mr Ingram, without any warning, went directly to filing an application.

14. On 4th February 2014, I wrote to Mr Ingram seeking a private meeting between myself, Mr Ingram and Mr Cadlock in order to discuss these matters without the need for an application to the court. The first email was 4th February 2014 [MDY1 p106-107]. Mr Ingram failed to respond to that request for a meeting with me. At such a meeting I

would have been happy to discuss all the matters for which Mr Ingram seeks an order of the court. I refer to paragraphs1-3 of his application.

15. Turning to these points:

a) ***Annulment:*** This is reserved to Mr Justice Moor of this court. It was my intention only to apply to the court as a last resort, as set out in my First Witness Statement dated (28th February 2014) but drawn up and discussed with others before I had sight of Mr Ingram's application (which was only delivered by email in the afternoon of 28th February 2014). I would, of course, still be prepared to discuss any issue of a withdrawal of the annulment at a private meeting with Mr Ingram but wished first also to discuss this at the proposed Creditors' meeting (canvassing their opinions) before finally deciding upon what course would be appropriate. Had Mr Ingram sought a meeting rather than prematurely applying applied to the court, he would have discovered this. Instead, he ignored me.

b) ***Costs:*** I have part paid Mr Ingram's costs in respect of an earlier application but Mr Ingram has failed to send further detail of those costs or applied for the costs to be assessed.

c) ***Further Information:*** This is a remarkable application to be made by a trustee who has failed to respond to my requests for a private meeting and to discuss the estate. Mr Ingram has been in place since 2010, including during my lengthy divorce proceedings when information known to me was extensively canvassed in open court and referred to in the November 2013 Judgement of Mr Justice Moor [MDY1 p37 paragraph 3].

d) ***Further Information:*** It is simply untenable for Mr Ingram to try to characterise me as someone who has not actively sought out Mr Young's assets. On the one hand Mr Ingram criticises the lengths I have gone to, and the costs I have incurred, in seeking Mr Young's assets but, on the other, he tries to say that I have not co-operated with him. Mr Ingram did not write to me with specific requests and, if he had done so, I would certainly have responded once he had agreed to meet me to discuss the Bankruptcy Estate further to his correspondence with Mr Justice Moor [MDY1 p85-95]. I have spent considerable time and cost in attempting to get to the bottom of where the Bankrupt has concealed his assets and it is absurd to suggest that I would

not co-operate with the Joint Trustees to assist in the locating and realising of the same. The reality is that the Joint Trustees have simply recovered and realised nothing at all out of the assets of the Bankrupt – assets that the court considers ought to be made available, as is abundantly clear from the judgment of Mr Justice Moor.

e) ***Jurisdiction:*** In his letter dated 9th January 2014, Mr Ingram's solicitor applied to Mr Justice Moor on the basis of him having "concurrent insolvency jurisdiction". It appears that, in his latest application dated 26th February 2014, having been rebuffed by Mr Justice Moor in that application [MDY1 p 94-95], he now makes a *volte face*, and embarks upon a jurisdictional "shopping" expedition in the hope of a different result.

16. Mr Ingram appears to be seeking to make his application improperly to protect his appointment and to seek orders on issues which do not yet require litigation.

17. Had Mr Ingram bothered to provide a substantive response to me explaining his reasons for not meeting with me or for not calling the General Meeting of creditors, or had a private meeting with me or even disclosed all of the relevant correspondence to the court on this aspect, then not only would there be the prospect of a more cost-effective resolution of my concerns but less reason for this Witness Statement or for the applications now before the court. Instead, Mr Ingram wrote a letter to all other creditors (which he failed to send to me despite stating it was addressed "To All Creditors") and then followed that with his premature application, all without warning to me. That cannot be a commensurate, proportionate and cost-effective way to litigate and inevitably draws just and reasonable criticism.

18. Before making his application on 26th February 2014, there has been no attempt by Mr Ingram to explain to me why he has failed, as Joint Trustee, to act in the best interests of creditors, or to act more reasonably, or to follow the guidance of the Insolvency Rules or case law in this matter (as they have been explained to me by Mr Cadlock).

19. I first saw Mr Ingram's "18th February Letter" [DAI1 p217](see paragraph 20-21 below) and the other creditors' responses [DAI1 p220-225] when served with Mr Ingram's application on the afternoon of 28th February 2014. Having received the creditors' responses (but not mine obviously) he then failed to disclose them to me or use them as

the basis of a private meeting. Instead, he immediately made his application, without warning and prematurely.

20. It is my contention that in circumstances where a judgement creditor writes to a trustee seeking a private meeting with the trustee in order to discuss their request for a General Meeting of creditors, the more appropriate response before applying to court would have been to meet with me and Mr Ian Cadlock or at the very least provide me with a substantive reason why he would not. I particularly refer the court to the case of *Sheapherd v Lamey BPIR 2001*, in this respect.

21. Mr Cadlock referred the above *Sheapherd* case to Mr Ingram in his email to him dated 27th February 2014 (1240hrs), chasing for his response to my request for a general meeting, dated 17th February 2014 (and related emails seeking a private meeting including the email (1507hrs) dated 21 February 2014 [MDY1 p112]) but prior to Mr Ingram's Statement and Application being issued or served upon myself or Mr Cadlock. Mr Ingram did not respond on the point. Mr Cadlock's email stated thus:

> "Dear David, I understand that Michelle Young has been approached by a third party stating that they act on your (the Trustee's) behalf and seeking a meeting. If accurate, then Michelle has asked me to confirm that, as before, she is happy to meet with you (as long as I would also be present). She would much rather arrange an amicable transition process but in the absence of any substantive response or any reasons why you may have for not complying with her request she feels that unless you can say otherwise she is unable to resolve this without reluctantly applying to the Court. Michelle is keen to hear from you concerning her request for a general meeting of creditors (within which may be discussed the current state of the bankruptcy and including, but not exclusively, the stayed annulment application) to consider and if thought fit approve the proposed resolutions under s298 & 299 Insolvency Act 1986. In advance of a general meeting of the creditors such a meeting with Michelle & I may also be used to advocate (to Michelle & I) why the existing Trustees should remain in office. Notwithstanding the reserved position referred to in previous correspondence but specifically, my email dated 21 February and letter (with enclosures) dated 17th February, Michelle and I still hope that this matter can be dealt with urgently and amicably. Specifically that may obviate the unnecessary costs of the court

application [*Sheapherd v Lamey* 2001 BPIR] which, in the absence of a substantive response from you by 3pm tomorrow is ready for filing. If, as intimated by the above third party, you are prepared to meet with Michelle and myself then please, by return of email, confirm a time and place that you would wish to meet (along with a draft agenda). Provided such a meeting is to take place urgently consideration will be given to deferral of filing of the application. For the avoidance of doubt, if you do not provide a substantive response to this (repeated) request, then not only will I and Michelle assume that the third party did not speak for you (as they claimed), but further Michelle and I will rely upon that assumption in any subsequent proceedings. Regards Ian".

22. It is of particular note that when responding to the above email from Mr Cadlock of 27th February 2014, Mr Ingram did not respond that he had submitted his application for issue or that he had written to other creditors the week before and sought to rely upon their responses of 21 February 2014 in refusing my request. Rather in his email of 27th February 2014 (14.46hrs), he responded:

> "Ian, Whist I acknowledge receipt of your email I am out of the office today. I will endeavour to get back to you tomorrow morning with my comments. Regards David Ingram".

23. Mr Ingram's response subsequent "comment" consisted in his serving the filed (but not issued) application dated 26th February 2014 in the afternoon of 28th February 2014, without any prior warning to me of any such application. A final email exchange later on 28th February 2014 between Mr Cadlock and Mr Ingram adds nothing of substance to the above.

Mr Ingram's letter dated 18th February 2014 to "all known creditors"

24. Although both a private meeting and a General Meeting were sought by me from 4th February 2014 onward [MDY1 p107], and then requested formally (sent to and received by Mr Ingram on 17th February 2014), Mr Ingram's response was to write to other creditors on 18th February 2014, in an inappropriate manner [DAI1 p217-8], concealing the same from me and without consulting me.

25. I believe Mr Ingram's letter dated 18thFebruary 2014 ["the 18th February letter"] was inappropriate for the following reasons:

a) Mr Ingram failed to send the 18th February letter to me. This is evidenced by the lack of any mention of the 18th February letter in correspondence between Mr Ingram, myself and Mr Cadlock from 18th February to 28th February (when I was served with Mr Ingram's application). It is unclear whether Mr Ingram failed to send it to any other creditors.

b) In his application dated 25th February, Mr Ingram has failed to disclose other related correspondence and communications with creditors.

   i) I refer to "previous correspondence" in the first paragraph of the 18th February Letter [DAI1 p217].

   ii) I further refer to Mr Ingram's colleague referring to the statement "you have previously indicated your opposition to Michelle's applications" in his email to Mr Jones of Jirehouse Capital [DA11 p224c].

   Not only does this confirm undisclosed communication with other creditors in relation to his application but that raises the risk that Mr Ingram may have made other representations to the creditors of which I and the court are unaware.

c) In sending the 18th February letter, Mr Ingram failed accurately to portray my position to the creditors and instead sought to conflate the decision whether to call a meeting with the resolutions I seek at a general meeting. This conclusion is evidenced not only by the phrasing of the letter 18th February letter but also by the responses of HMRC [DAI1 p225] (25th February 2014 at 10.10hrs) and of other creditors, who, rather than responding that they oppose the calling of a General Meeting of creditors instead simply state that they oppose the replacement of the Trustee. This difference, respectfully, is more than mere nuance. What I seek is a General Meeting of creditors. It will be at that meeting that the Chairman will then be able to assess the validity of debts and to canvass creditors' wishes. Mr Ingram ignores this request of mine and seeks to side-step it. That cannot be a proper way for Mr Ingram to exercise his powers and underscores, rather than allays, my concerns and fears about the steps, or lack thereof, taken to get in the assets of the Bankrupt.

d) In sending out the 18th February letter, Mr Ingram sought not only to canvass support from known creditors but he also sought out new creditors, seeking, too, that they submit new Proofs of Debt [DAI1 p219]. One of these alleged new creditors had previously written to the Trustee in 2011. Mr Ingram now seeks to rely upon these new creditors without calling a meeting of creditors and without proper questioning of their claims. He does so some years after his first appointment, and for the first time, and it is difficult to escape the conclusion that he does so chiefly in order to circumvent my request for a general meeting and to head off any subsequent legitimate request, at such a meeting, to review his position as Joint Trustee. That, again, is not a proper way for him to proceed and is bound to exacerbate, rather than allay, my concerns and fears about the getting in of assets.

e) In sending the 18th February letter, and then seeking to rely upon the responses as a justification for denying my requests (and in making his application), Mr Ingram's implied assertion is that a majority of the creditors support his appointment. In doing so he is inappropriately seeking to bypass the correct appropriate procedures set out in s298-299 IA and IR 6.132. This is specifically so, in light of the declarations made by Mr Justice Moor in the November 2013 Judgement [MDY1 p81] paras 174-176] wherein the claims of several of the creditors (including Mr Jones' Jirehouse) are either strongly doubted or "on the balance of probabilities" simply denied as invalid.

f) It would be perverse for a reasonable trustee then to rely upon those same creditors either to sustain him in in his position as trustee, in the face of opposition from the largest creditor, or to deny me the opportunity, at a General Meeting to obtain, under an evidently neutral Chairman, a fair and proper consideration and decision regarding the appropriate voting levels before deciding upon the requested resolutions.

g) In the above context, I note with interest the following;

   i) the remark of Mr Jones (a solicitor) denouncing "Moor J's ludicrous summing up" [DAI1 p224c];

   ii) the support of Mr Martin Linton, the liquidator of Legal & Equitable Ltd in an inexplicably very long-running Members' Voluntary Liquidators("MVL"), whose final meeting of creditors was advertised for 23 December 2013 and is

referred to in the Exhibit to my First Statement dated 28th February 2014 [MDY1 p128], and the Statutory Declaration of Mr Jones in Legal & Equitable's MVL which states the company's assets as £252,038 despite a Proof of Debt of £2.69million; and

iii) Mr Ingram's request to Mr Jones in an email on 21 February 2014 [DAI1 p224c] "Can you also confirm those creditors whom you represent?",

and comment that these detract from the neutrality of Mr Ingram with respect to his not taking my request, as the largest creditor, with due and proper seriousness, and generally.

26. The denial of a General Meeting of Creditors with a neutral Chairman, especially in the above circumstances would be fundamentally unfair. I further assert that the Court should disregard the 18th February letter (and responses generated thereby) for the following reasons:

a) In his letter Mr Ingram does not address my request. Rather than ask whether a meeting should be called he asks for support in order to deny and prevent any prospect of his removal as Trustee.

b) Having received the creditors' responses (but not mine obviously) he then failed to disclose them to me or to use them as the basis of a meeting. Instead, he immediately made his application.

c) I first saw the 18th February letter and the other creditors' responses when served with Mr Ingram's application on the afternoon of 28th February 2014.

d) Even if Mr Ingram had accurately portrayed my position to the creditors, it is not clear from the responses that a majority oppose the calling of a General Meeting. In their email dated 20th February 2014 [DAI1 p221] Lloyds Bank make it clear that they would wish to be notified of any meeting, clearly anticipating that one might be called.

"I am neutral"

27. Mr Ingram has failed to act in a neutral and reasonable manner on the issue of the General Meeting. He chose to write exclusively to other creditors but did not have the professional courtesy to send me or Mr Cadlock a copy of the 18th February letter or the other creditors' responses or even to seek my comment before submitting his application to the court.

28. In his 18th February letter (and by inference, in other undisclosed communication with the other creditors) Mr Ingram has sought to advocate his opposition to his replacement. I have not had the same opportunity to advocate for the calling of a meeting prior to his application being submitted and in any event a general meeting of creditors (called under ss.298 & 299) is the more appropriate forum for all the valid creditors to resolve on whether the Trustees should be replaced under the IR and IA.

29. As above (paragraph 18(b)), Mr Ingram appears to have selectively disclosed his interaction with creditors on this issue. Further, even after issuing the application on 26th February, he appears to have forgotten he had done so in subsequent correspondence.

30. Instead, he has prematurely sought to adjudicate the claims which he seeks to rely upon and in a partisan manner. As set out above in paragraph 25, Mr Ingram has sought to rely upon the claims which he has not adjudicated upon.

31. Mr Ingram states he has not seen "any evidence" concerning the other creditors. This is an extraordinary statement (see paragraph 35 below). On the one hand his application is based upon a criticism of the November 2013 Judgement in my favour and yet, on the other, appears to ignore findings of Mr Justice Moor or any of the documents and evidence produced in the Divorce proceedings.

32. I submit that the above indicates that Mr Ingram is so set upon preventing a meeting of creditors, and largely with a view to retaining his position, that there is a serious risk that he would not exercise his position as Chairman of the Meeting of the creditors neutrally. Notwithstanding the above, not only should such a meeting be fair, it must also be seen to be fair, and I query that is likely in light of Mr Ingram's approach thus far and the manner of his latest application. As before, I seek that Mr Cadlock be appointed as Chairman of the requested meeting of creditors.

33. In another part of his statement, Mr Ingram seeks to raise the issue of costs (yet to be assessed) arising out his role in the linked Divorce and annulment proceedings. In those proceedings, the veracity of the other creditors in Mr Young's bankruptcy and the status of Mr Young were considered at length and Mr Justice Moor considered them at length in his Judgement dated 22 November 2014. How can Mr Ingram be so pressingly keen to recover his un-assessed costs in proceedings in which (by inference of his statement) he has received no information concerning either the assets of Mr Young or Mr Young's creditors? If he has yet to find any assets, then the question of his costs being assessed is premature at best and otiose at worst. I could, by the same logic, query what purpose Mr Ingram had in running up such further additional and, on his case, irrecoverable, costs for the Bankruptcy Estate if an application for annulment based upon s282(1)(a) of IA "ought not to have been made", as he urges.

Is Mr Ingram acting reasonably?

34. It is not my intention in this matter to impugn Mr Ingram's motives, I merely seek to point out that in making this application he does not appear to be acting in the interest of all the bankruptcy estate's creditors. He has however opened himself up to the appearance of "taking sides" i.e. not being neutral.

35. I would respectfully contrast Mr Ingram's attempt to adjudicate against my own claim in the bankruptcy and in doing so his attempt to look behind the Order and Judgment of Mr Justice Moor, coupled with an apparent lack of curiosity regarding the real value of the claims of some of the other creditors.

The "supportive" creditors

36. As regards the creditors whom Mr Ingram considers "supportive":

    a) Legal & Equitable [Proof of Debt £2,690,000 MDY1 p6]: Mr Ingram appears to have relied upon them for his appointment, and for a meeting for the approval of his remuneration and, as cited in Mr Ingram's statement, he has ongoing and apparently cordial contact with them [DA11 p224c & p223] seeking not only to rely upon their support for this application but improperly relying upon their claim, before adjudication, or at least appearing to do so;

b) However, at paragraph 173 of the 2013 November Judgement, Mr Justice Moor states:

> "There has also been considerable evidence given about significant cash repayments made to Legal & Equitable, a company controlled by Mr Lawrence. It was alleged that the Husband repaid Mr Lawrence between £3 and £4 million in cash. The Husband did not deny making significant cash repayments. He said he could not remember the quantum, which is quite remarkable given that we are talking about such large amounts. Moreover, the Legal & Equitable company balance sheet does not include any significant debt owed by the Husband. I did not hear from Mr Lawrence, who is not in the jurisdiction. *On the balance of probabilities, I find that the Husband does not owe any money to Legal & Equitable*" [My italics for emphasis];

c) Notwithstanding that Mr Ingram has disregarded the findings of Mr Justice Moor, [MDY1, para 171-178, p80-82] I note the publicly available extracted reports from Companies House and the London Gazette concerning the above company's very long running Members Voluntary Liquidation;

d) I note in particular that the final meeting of the above company was advertised for 23 December 2013 [MDY1 p128]. Despite this, the solvent liquidation (commenced in 2008) continues, together with a claim to be a creditor in the Bankruptcy, and one of the creditors upon whom Mr Ingram relies for "support". From the latest Companies House Liquidation Accounts, the liquidators' solicitors appear to be Isadore Goldman;

e) Mr Jones (a solicitor) of Jirehouse Ltd, [Proof of Debt £3,232,512 MDY1 p3] upon whose letter Mr Ingram also seeks to rely in support of his appointment [DAI1 p224c] had, prior to submitting the submission by Mr Linton of a Proof of Debt for £2,690,000 [MDY1 p6 & DAI p223], in one of his other capacities as the sole director of Legal & Equitable (in MVL), sworn a statutory declaration that the assets of that company were £252,038 [MDY1 p126-7];

f) Notwithstanding the above, this amount appears to be significantly less than the amount of the claim and yet does not appear to warrant any further comment, investigation or even hesitation by Mr Ingram;

g) Other commentary on the creditors by Mr Justice Moor includes the following:

   i) [MDY1 p 81 Para 174] "Turning to the other debts, I find that they are at best massively overstated. I consider, however, that I can go further. The Husband told me that he offered the investors a loan arrangement for the first year of the Project Moscow investment, after which he would, at their election, either repay them or they would have equity. Apart from Ms Berezovskya, all these investors were close associates of the Husband. Many of them have lent him significant sums of money since. Some have been involved in ventures with him in the past which have made money. I take the view that they viewed this as an investment. Unfortunately, it did not prosper. On the balance of probabilities, I find that they do not consider the Husband owes them any further money.";

   ii) [MDY1 p 82 Para 175] "There is another debt in the Schedule to Elizabeth Sears in the sum of $2,000,000. This is also completely shrouded in mystery. I am not satisfied that it exists any more";

   iii) Ms Sears' letter of support to Mr Ingram dated 21 February 2014 [DAI1 p220] should be read in the context of the above;

   iv) [MDY1 p81 Para 176] "It follows that, on the balance of probabilities, I find that the only true debts are those to HMRC, said in the Schedule to be for £944,344 but subsequently claimed by HMRC at £1,607,321 plus interest and penalties and the debt to the Bank of Scotland in the sum of £3,355,340. The Bank has previously said it will take £1.2 million in full and final satisfaction but I consider I should take the total amount owed. The Husband's total debts are therefore £5 million, although there will additionally be the costs incurred by his trustees in bankruptcy";

   v) The other creditors' correspondence in support of Mr Ingram [DAI1 p220-225] should also be read in the context of the above.

Conclusion

37. I seek an Order directing the Current Trustee's to call a general meeting of creditors. One of the purposes of the meeting would be to seek their removal. In the light of Mr Ingram's actions, I further believe that the interest of creditors would be better served if the Chairman of the Meeting were not to be either of the Current Trustees.

38. I defer to the wide discretion of the Court to make orders concerning the conduct of the Meeting (in accordance with IR 6.130) but my preference for Chairman of the General Meeting of Creditors would be one of the following three partners of Quantuma LLP, 3rd Floor, Lyndean House, 43-46 Queens Road, Brighton, BN1 3XB, namely, Mr James Haddow (CV as per MDY2 p1-5), Mr Carl Jackson (CV as per MDY2 p6-9) or Ian Cadlock (CV as per MDY2 p10-11). I refer the court to the above gentleman's CV (MDY2 p-11) and confirm that I have approached them to ask if each is willing to act as Chairman and they have indicated to me that they are willing to act. Of the three, Mr Ian Cadlock would be my first choice but again I would emphasis my deference to the Court's discretion.

39. It is my further preference that the Meeting should be held urgently. In light of Mr Ingram's premature application, dated and filed on 26th February (over 14 days before the hearing listed for 14th March), I respectfully seek that the Court abridge the 14 day notice provision of IR 6.132(3) in accordance with its discretion to do so generally (s303 IA) and in any event by CPR r3.1(2)(a) (by virtue of IR 12.9) and the time related provisions of s376 IA.

STATEMENT OF TRUTH

I believe that the facts set out in this Witness Statement are true.

Signed:…….

Name:……..

MICHELLE DANIQUE YOUNG

Date:…… 2014

On behalf of Applicant
Michelle Young: 2nd
Date: 10th March 2014

Claim No: FD07D02865
8336 of 2010 (in bankruptcy)

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And

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SECOND WITNESS STATEMENT OF MICHELLE DANIQUE YOUNG

Michelle Young
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