As investors may be aware the adjourned meeting of creditors will be held on the 25th November 2019 and Investors will once again be asked to consider the administrators' proposals which allow for the company to enter into a Company Voluntary Arrangement "CVA", giving control of the business back to the directors without any investigations into the affairs of the Company and the conduct of its directors.

The Administrators released a circular to creditors on 9 October 2019 confirming the meeting date and set out their view of the proposed modifications to the administrators' proposals (for the Companies to enter into Liquidation and independent Liquidators be appointed). The Administrators stated in this correspondence that they believed that a Liquidation was not the best outcome for investors.

This is disputed and this guidance is intended to set out an alternative view considering the disadvantages of a CVA and the benefits of another insolvency process, which is a liquidation. It has been prepared by licensed insolvency practitioners who work for Dow Schofield Watts and Quantuma LLP, whose partners have put themselves forward to become the liquidators of the Companies, which will also be voted on by the creditors at the meeting on 25 November 2019.

A Liquidation with new independent insolvency practitioners appointed as Liquidators over the Companies may be the best outcome for investors for the following reasons:

1. In circumstances where thousands of individual investors have invested millions of pounds into an illegal investment scheme and the FCA have intervened with allegations of impropriety on the part of the directors, the insolvencies of these companies have to be conducted in an entirely open manner and with the creditors' full knowledge and consent. We are entirely independent of the directors and the Companies since neither of our firms have acted for or had dealings with either the directors or the Companies historically. As such if our partners are appointed as liquidators the creditors would have the comfort of knowing this and be sure that we will act entirely impartially and independently.

2. The FCA allege that there is strong evidence to suggest that the directors have been guilty of wrong doing whilst trading the companies. At the first creditors meeting, the Administrators explained that large sums of investors' money may have been transferred out of the companies to directors or connected companies. This can be investigated by a Liquidator and action taken. A Supervisor (the Insolvency Practitioner who controls the CVA process) does not have powers to clawback assets and monies for the benefit of investors.

3. We believe that CVAs could well be expensive failures. This is because if CVAs are approved it is likely that the CVAs will be trading CVAs, which means that the Companies will be handed back to the directors as solvent companies and the Administrations will come to an end. However, the Administrators have not explained how the Companies can continue to trade where the FCA is taking action against the directors and has alleged that the modified schemes are themselves at real risk of being shut down at creditors' requests. The FCA confirmed on 17 October 2019 that they are taking action against the management and connected companies for compensation and also injunctions so that those individuals cannot act in this capacity again. The Administrators have not confirmed how this affects their plans to issue a CVA proposal.

4. The Administrators have advised investors that the £32m is only available in a CVA. However, what is not clear is what claim the creditors or the Companies could have over that £32m in

any case, even where the companies do not go into CVAs. The FCA has confirmed that they already have the money under their control (in that it is held to the joint instructions of the FCA and the directors). The FCA have also confirmed directly to creditors that the funds would be available in a Liquidation although that would be subject to an agreement being reached with the directors or a court order releasing the money to the liquidators.

5. In a CVA the car parks would not be sold for the benefit of investors, they would remain under the control of the existing directors. In a Liquidation they would be sold and the proceeds available for distribution to investors.

6. A CVA hands back control of the Company to the directors. A Liquidation ensures a thorough investigation into the conduct of the directors and the directors have no capacity to continue to trade.

7. Administrators have to believe that a statutory objective is capable of being achieved (this is a legal requirement) otherwise an administration is inappropriate. As CVAs do not appear to be viable there appears to be no reason for the Companies to remain in Administration. If that is the case then by remaining in Administration, costs will be incurred with little or no benefit to creditors. No detailed alternative to a CVA has been suggested by the Administrators.

8. The Administrators have not yet issued CVA proposals therefore it is extremely difficult for investors to fully consider a CVA proposal. No reasons have been provided as why the Administrators have not issued the CVA proposals.