



CASE NO. CR-2021-MAN-000111
CR-2021-MAN-000116
CR-2021-MAN-000117
CR-2021-MAN-000118
CR-2021-MAN-000118

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

BEFORE HIS HONOUR JUDGE PEARCE (SITTING AS A HIGH COURT JUDGE)

ON THURSDAY 28 JULY 2022

**IN THE MATTER OF THE HOUSE CROWD LIMITED (IN ADMINISTRATION)
(07893395)**

**AND IN THE MATTER OF HOUSE CROWD PROPERTY MANAGEMENT LIMITED
(IN ADMINISTRATION) (08964668)**

**AND IN THE MATTER OF HOUSE CROWD FINANCE LIMITED (IN
ADMINISTRATION) (10564875)**

**AND HOUSE CROWD FINANCE (SECURITY AGENT) LIMITED (IN
ADMINISTRATION) (09893838)**

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

BETWEEN:

**FRANKLYN OFONAGORO,
JEREMY WOODSIDE, AND
FRANCIS WESSELY (AS JOINT
ADMINISTRATORS OF THE
COMPANIES)**

Applicants

ORDER

UPON the Applications dated 21 March 2022 and 20 July 2022 of Franklyn Ofonagoro, Jeremy Woodside, and Francis Wessely (as Joint Administrators of The House Crowd Limited (“**THC**”), House Crowd Property Management Limited, House Crowd Finance Limited (“**Finance Limited**”) and House Crowd Finance (Security Agent) Limited (“**Security Agent**”)) (together the “**Applicants**”)

AND UPON this hearing having been listed in accordance with the Order dated 21 June 2022

AND UPON hearing by video David Mohyuddin QC and Martin Ouwehand of Counsel for the Applicants

AND UPON considering the evidence

IT IS DECLARED that:

1. the security agreements entered into by Security Agent, and any monies received or to be received pursuant thereto, constitute property it holds on trust for the benefit of those persons owed any sum by way of capital or interest (the “**Investors**”) in respect of the loans promoted through The House Crowd peer to peer lending platform (the “**Platform**”) as described in the Witness Statement of Franklyn Ofonagoro dated 18 March 2022 (“**Mr Ofonagoro’s First Witness Statement**”).
2. subject to paragraphs 3 and 4 below, the Applicants are entitled to deduct the amount of their costs and expenses incurred in their capacities as Joint Administrators of THC and/or Security Agent which are associated with the recovery of the loans made through the Platform from the amounts recovered from borrowers in respect of those loans.
3. in respect of the amounts recovered for those Investors who made their loans using the “Self-Select product”, such deduction is permitted in accordance with clause 6.16 of “The House Crowd Terms and Conditions” (as described in Mr Ofonagoro’s First Witness Statement) and is limited to 10% of the amounts recovered.
4. in respect of the amounts recovered for those Investors who made their loans using the “Auto-Invest product”, such deduction is permitted by clause 8(2) of the “Auto-Invest Products Terms and Conditions” (as described in Mr Ofonagoro’s First Witness Statement) and is unlimited in amount.

AND IT IS DIRECTED that:

5. the Applicants be indemnified out of the capital, interest and costs recovered during their appointments under the loan and security agreements entered into by Security Agent, in respect of their remuneration, costs and expenses in their capacities as Joint Administrators of THC, Security Agent and Finance Limited.
6. such indemnity be upon the following terms:
 - a. it applies to the extent the Applicants are unable to deduct their costs and expenses in accordance with clause 6.16 and clause 8.2 referred to above and have not paid them (and will not be able to pay them) from the assets of THC, Security Agent or Finance Limited;
 - b. it applies during the Applicants' appointment, both retrospectively and prospectively, and continues to apply in respect of an Applicant where his capacity becomes that of liquidator of any of THC, Security Agent and/or Finance Limited;
 - c. the Applicants are permitted to pay, at such times as in their discretion they shall consider appropriate, their remuneration, costs and expenses associated with recovery of the loans and generally from an amount which is no greater than 11% of the net sums recovered under such loan and security agreements at any time during their time in office;
 - d. the costs and expenses of THC, Security Agent and Finance Limited Administrations first be paid from such funds;
 - e. the Applicants' may then pay themselves remuneration in respect of THC, Security Agent and Finance Limited from such funds on a time costs basis for the time spent only by those fee earners set out on page 28 of Exhibit "FO2" to the Second Witness Statement of Franklyn Ofonagoro made 20 July 2022 and only at their respective standard hourly rates from time to time (or by an equivalent fee earner in their place applying their standard hourly rates applicable from time to time);

- f. any remaining funds be returned to form part of the recoveries to be distributed to the Investors in due course following a future application for directions to the Court.
7. the costs of this Application be paid from the net sums recovered under such loan and security agreements on an indemnity basis in addition to the payment of the remuneration, costs and expenses referred to in paragraphs 5 and 6.
8. the Applicants have permission to apply: a) in respect of the indemnity aforesaid including any increase in the sums permitted to be paid to them, or b) generally.

AND IT IS ORDERED that:

9. notice of this Order pursuant to CPR r19.8A be served by the Applicants upon those Investors they are able to identify from THC's records, the requirements of such rule modified being follows:
 - a. notice shall be given in the form of Annex A to this Order and will not be issued by the Court;
 - b. an Investor need not acknowledge service; and
 - c. CPR r19.8A(4) and (9) otherwise do not apply.
10. in accordance with paragraph 1(5) of Schedule 4 to the Insolvency (England and Wales) Rules 2016, such service be effected as soon as reasonably practicable, by uploading electronic copies of the Order and 19.8A Notice to the Platform and the "Glasscubes" website (as described in the evidence) from where those documents can be viewed and downloaded.
11. as soon as reasonably practicable after such documents are uploaded, the Applicants shall send an email (or, if the Applicants do not have an email address, send a letter) to each Investor, or the personal representative of any deceased Investor, or any person the Applicants believe is most likely to have conduct of that deceased Investor's affairs, to the email or postal address last known to the Applicants, notifying such persons that the documents have been uploaded and providing a link to the relevant websites.

DATED

Service of this order

The court has provided a sealed copy of this Order to the serving party's solicitors:

JMW Solicitors LLP

1 Byrom Place, Spinningfields,

Manchester, M3 3HG

Solicitors for the Applicants