

## Message

**From:** Stephen Dilley; GRO  
**Sent:** 10/02/2010 12:29:29  
**To:** 'mandy.talbot'; GRO  
**CC:** Tom Beezer [/o=Bond Pearce/ou=First Administrative Group/cn=Recipients/cn=tmb2]  
**Subject:** Post Office v Lee Castleton [1A.FID18640]  
**Attachments:** \_LETTER\_2056940(1)\_scanned letter from BDO\_.PDF

Dear Mandy,

I attach a copy of the Trustee in bankruptcy's notice to creditors of the final general meeting of creditors and that no dividend will be declared. I know that this will not come as a surprise given previous discussions we've had.

The Trustee investigated the property position and as I previously reported, discovered that there was negative equity.

Prior to the bankruptcy order Mr Castleton and his wife re-mortgaged their matrimonial home with RBS in 2005 and again with Commercial First in December 2006. This resulted in £42,000 being paid into an RBS account, but the majority of this was used for personal expenditure and the Trustee determined it was not recoverable.

Furthermore, Mr Castleton and his wife surrendered two endowment policies in February 2007 and payments totalling £9,000 were made to his father in law. I advised the Trustee around this ie did it amount to a voidable preference under the Insolvency Act and considered that there was probably an arguable or a good defence to any claim because he repaid a loan and it would not have been economic to pursue.

In short, the Trustee appears to have done what he can, but the bottom line is given Mr Castleton's lack of assets this has not resulted in any dividend for the creditors as there are insufficient funds. The Trustee's remuneration and disbursements will be written off.

At least we got the precedent value from the judgment and from experience, it has helped in other cases.

Please give me a call if you have any queries. Otherwise, I propose to close our file.

Kind regards.

Stephen Dilley  
Senior Associate  
for and on behalf of Bond Pearce LLP

**GRO**

[www.bondpearce.com](http://www.bondpearce.com)