

Message

From: Stephen Dilley
Sent: 28/06/2007 11:57:50
To: 'john.bangham' **GRO**
Subject: Potential new bankruptcy Job: Lee Castleton [1A.FID18640]

Dear John,

We act for Post Office Limited (**POL**).

POL obtained judgment in January 2007 in a claim against Lee Castleton, the former sub post master of 14 South Marine Drive, Bridlington YO15 3DB for failing to account for monies received. The judgment and costs comes to nearly £310,000. POL obtained a final charging order on Marine Drive on 24 May, but we now understand that Mr Castleton has made himself bankrupt on 23 May 2007. The O.R in Hull tells me that his total creditors are apparently £323,000, so POL are by far the biggest creditor and will control who gets appointed as trustee.

In terms of assets, Lee Castleton owns Marine Drive jointly with his wife. He has 2 children living there. He bought it with an RBS mortgage for £218,000 on 17 October 2003, but remortgaged it on 18 December 2006 with Commercial First Business when the majority of the trial had been finished and it had then been clear that he was not going to succeed, although judgment had not been given at that stage. I am told that there is between £274,000 and £300,000 outstanding on the new mortgage, which begs the question as to what he and his wife have done with the cash (presumably between £52,000 and £82,000) they got from the re-mortgage. He can hardly say he spent it on lawyers, because he had before the event insurance to cover the lawyers fees and when that ran out he represented himself at trial.

There is a shop within Marine Drive as well as a post office. I am told that his wife's company runs the shop and that he receives £85 a week from this which he contributes to the family expenses.

I am also told that Mr Castleton has been marketing Marine Drive for sale at £400,000 by RTA and that purchasers have been shown around, although I've not been able to find the property advertised on RTA's website. I suspect £400,000 is optimistic. Obviously the eventual sale price will depend in part upon whether POL are going to leave a post office operating from the building. I think they probably will do.

POL have asked us to submit the names of 2 firms who could act as trustees in bankruptcy and I've put your name forward with a strong recommendation. They've asked me to ascertain the hourly rates of the people likely to be dealing with this sort of matter and then they'll make a decision. Please could you come back to me on this? They're going to make a decision this afternoon.

I look forward to hearing from you.

Kind regards.

Stephen Dilley
Solicitor
for and on behalf of Bond Pearce LLP

GRO

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