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**SUMMATIVE (FORMAL) ASSESSMENT: MODULE 8C**

**HONG KONG**

This is the **summative (formal) assessment for Module 8C** of this course and must be submitted by all candidates who **selected this module as one of their elective modules**.

**The mark awarded for this assessment will determine your final mark for Module 8C**. In order to pass this module, you need to obtain a mark of 50% or more for this assessment.

**INSTRUCTIONS FOR COMPLETION AND SUBMISSION OF ASSESSMENT**

**Please read the following instructions very carefully before submitting / uploading your assessment on the Foundation Certificate web pages.**

1. You must use this document for the answering of the assessment for this module. The answers to each question must be completed using this document with the answers populated under each question.

2. All assessments must be submitted electronically in **Microsoft Word format**, using a standard A4 size page and an 11-point Arial or Avenir Next font. This document has been set up with these parameters – **please do not change the document settings in any way**. **DO NOT** submit your assessment in PDF format as it will be returned to you unmarked.

3. No limit has been set for the length of your answers to the questions. However, please be guided by the mark allocation for each question. More often than not, one fact / statement will earn one mark (unless it is obvious from the question that this is not the case).

4. You must save this document using the following format: **[studentID.assessment8C]**. An example would be something along the following lines: 202223-336.assessment8C. **Please also include the filename as a footer to each page of the assessment** (this has been pre-populated for you, merely replace the words “studentID” with the student number allocated to you). Do not include your name or any other identifying words in your file name. **Assessments that do not comply with this instruction will be returned to candidates unmarked**.

5. Before you will be allowed to upload / submit your assessment via the portal on the Foundation Certificate web pages, you will be required to confirm / certify that you are the person who completed the assessment and that the work submitted is your own, original work. Please see the part of the Course Handbook that deals with plagiarism and dishonesty in the submission of assessments. **Please note that copying and pasting from the Guidance Text into your answer is prohibited and constitutes plagiarism. You must write the answers to the questions in your own words**.

6.The final submission date for this assessment is **31 July 2024**. The assessment submission portal will close at **23:00 (11 pm) BST (GMT +1) on 31 July 2024**. No submissions can be made after the portal has closed and no further uploading of documents will be allowed, no matter the circumstances.

**ANSWER ALL THE QUESTIONS**

**QUESTION 1 (multiple-choice questions) [10 marks in total]**

Questions 1.1. – 1.10. are multiple-choice questions designed to assess your ability to think critically about the subject. Please read each question carefully before reading the answer options. Be aware that some questions may seem to have more than one right answer, but you are to look for the one that makes the most sense and is the most correct. When you have a clear idea of the question, find your answer and mark your selection on the answer sheet by highlighting the relevant paragraph **in yellow**. Select only **ONE** answer. Candidates who select more than one answer will receive no mark for that specific question.

**Question 1.1**

A petition to wind up a company on grounds of insolvency can be presented when a company is unable to pay its debts. Section 178 of CWUMPO provides three circumstances in which a company shall be deemed to be unable to pay its debts. Which one of the following is one of those circumstances?

1. A creditor has properly served a statutory demand in the prescribed form and the company has, more than three weeks after service, neglected to pay the sum demanded.
2. Where the statutory definition of “insolvency” (appearing elsewhere in the same Ordinance) is satisfied.
3. Where the company is insolvent according to its balance sheet.
4. Where a judgment has been made against the company.

**Question 1.2**

A **receiver** appointed pursuant to a charge created by a company (A) over its assets in favour of its lender (B) acts as:

1. Agent of the company granting the charge (A, in this instance).
2. Agent of the lender appointing him (B, in this instance).
3. Agent of the Official Receiver.
4. An officer of the court.

**Question 1.3**

Which of the following is a correct statement as to the **core requirements** which need to be satisfied before the Hong Kong court will wind-up a foreign company:

1. All of the below apply.
2. At least one of the directors must be a Hong Kong resident.
3. The petitioning creditor must be a Hong Kong company or a Hong Kong resident.
4. There must be a reasonable possibility that the winding-up order would benefit those applying for it.

**Question 1.4**

Between them, CWUMPO and the Companies Ordinance (Cap 622) (CO) provide a comprehensive statutory regime relating to corporate rescue.

Choose the correct statement:

1. This statement is true: the provisions of these two statutes provide a comprehensive package of provisions relating to corporate rescue.
2. This statement is untrue: CWUMPO alone provides a comprehensive regime for corporate rescue as well as for liquidations.
3. This statement is untrue: the CO alone provides for such a regime.
4. This statement is untrue: Hong Kong has no comprehensive statutory regime for corporate rescue.

**Question 1.5**

As a lawyer practising Hong Kong law, you are asked to advise a client on a tricky legal issue. There are no Hong Kong authorities dealing with the issue but there is a 1985 decision from the English House of Lords more or less directly on point. It has not been cited in the Hong Kong court. Is it binding in Hong Kong?

1. Yes, because it is a House of Lords decision pre-dating the Handover in 1997 so it is binding on the Hong Kong court.
2. No, because all decisions from England ceased to have any relevance in Hong Kong after the Handover in 1997.
3. Yes, because it is directly on point.
4. No, because the decision is from the House of Lords and is not a Privy Council decision made on an appeal from Hong Kong (only those decisions were ever binding in Hong Kong, and they remain so).

**Question 1.6**

After a winding up order is made against a company, which one of the following can a creditor of that company still do?

1. Issue a writ to pursue its claim in the usual way.
2. Continue to enforce against the assets of the company if it already has a judgment.
3. Apply to the court to appoint a receiver over the assets of the company so that the receiver can collect in assets for the creditor’s own benefit.
4. Retain the proceeds of enforcing a judgment where such proceeds were received by the creditor one month before the date of the petition on which the winding up order was made.

**Question 1.7**

Which one of the following statements is correct in relation to cross-border insolvency law in Hong Kong?

(a) Part X of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) gives the Hong Kong court jurisdiction to wind up foreign companies.

(b) The Foreign Judgments (Reciprocal Enforcement) Ordinance (Cap 319) gives the Hong Kong court jurisdiction to make a winding up order against a foreign company if the creditor has a judgment in the company’s country of incorporation.

(c) The UNCITRAL Model Law on Cross-Border Insolvency as adopted in Hong Kong provides a complete code as to cross-border insolvency law in Hong Kong.

(d) The only jurisdiction in respect of which the Hong Kong court can give any recognition or assistance to non-Hong Kong liquidators is the Mainland of the PRC due to the 2021 Co-operation Mechanism.

**Question 1.8**

Which of the following statements can accurately complete this phrase: “A voluntary liquidation of a Hong Kong company…”

1. can only be commenced by the company’s creditors.
2. is commenced by the shareholders passing a special resolution to wind up the company voluntarily.
3. can only be commenced if all debts can be paid within 12 months.
4. is commenced by the directors advertising a notice in the Hong Kong Gazette.

**Question 1.9**

Which of the following statements can accurately complete this phrase: “Where there is a valid floating charge over certain of a company’s assets and the company goes into compulsory liquidation five years later, and the charge-holder has appointed a receiver…”

1. the liquidator takes control of the charged assets but pays the expenses of the receivership.
2. the receiver must have his appointment confirmed by the court and then takes control of the company.
3. the receiver realises the charged assets for the benefit of the charge holder, only remitting to the liquidator any sums necessary to pay preferential creditors in the liquidation if the liquidator has no uncharged assets to do so.
4. no winding up order can be made because the company is already in receivership.

**Question 1.10**

Which of the following ingredients is required for a creditor’s scheme of arrangement to be sanctioned?

1. At least 75% of the creditors of the relevant class who are entitled to vote must attend the meeting.
2. A majority in number representing at least 75% by value of the creditors attending and voting must vote in favour of the scheme.
3. The company is a Hong Kong incorporated company.
4. None of the above describe any of the ingredients required.

**QUESTION 2 (direct questions) [10 marks in total]**

**Question 2.1 [maximum 3 marks]**

What is the role of the Official Receiver?

*The Official Receiver is an officer of the HK government who heads the Official Receiver's Office. The Official Receivers functions include acting as a liquidator or bankruptcy trustee where no private practice liquidator or trustee is appointed. The Official Receiver must also be served with a copy of every application made to court in a court supervised liquidation and if the matter is straightforward will often ask for permission not to attend. Where the matter is more complicated, it may attend hearings and make submissions from a policy perspective. The role also includes monitoring private practice insolvency practitioners to ensure they are properly carrying out their duties. They are also responsible for dealing with the prosecution of insolvency offences and the disqualification of directors. It also reviews insolvency legislation.*

*The Official Receiver also operates a Company Liquidation Account into which all realisations made by a liquidator in a compulsory liquidation. It monitors payments into and out of the account and deducts ad valorem duty and other charges.*

Question 2.2 [maximum 3 marks]

A creditor is pursuing a company by way of a civil (writ) action. What effect could liquidation steps taken by another creditor have on the first mentioned creditor’s action?

*Where there are extant civil proceedings on foot and a petition is issued to wind up the company but before a winding up order is made, the Hong Kong court has the power to stay or restrain proceedings. The stay is not automatic and requires an application which can be made by the company, any creditor or contributory.*

*Therefore, once a petition is presented but before a winding up order is made, the civil claim is at risk of a discretionary stay.*

*However, where a winding up order is made or if a provisional liquidator is appointed, there will be an automatic stay of the civil claim. While the creditor could apply for permission to continue the claim, such permission usually only granted where the claim could not properly be brought by proving in the liquidation. Here, as the civil claim appears to be a simple debt claim, it would be provable in the liquidation and so if a winding up order is made, the creditor would no longer be entitled to proceed with its civil claim and its likely remedy would be to prove in the liquidation instead.*

Question 2.3 [maximum 4 marks]

What are the key elements needed for a Hong Kong liquidator to make use of the mechanism for co-operation between Hong Kong and the Mainland? Please provide an outline only.

*Hong Kong appointed liquidators or provisional liquidators are entitled to apply for recognition in the Mainland provided that the debtor's COMI is Hong Kong which is usually presumed to be its place of incorporation; UMPO or the CO and including compulsory liquidations, creditors' voluntary liquidations and schemes of arrangement which are promoted by a liquidator or provisional liquidator. The debtor must have its principal assets in one of the pilot areas or a place of business or representative office in those areas (the Shanghai Municipality, the Xiamen Municipality of Fujian Province, and the Shenzhen Municipality of Guandong Province). The representative applying for recognition must also have a letter of request issued by the High Court of Hong Kong.*

**QUESTION 3 (essay-type question) [15 marks]**

Question 3.1 [maximum 4 marks]

Where a creditor makes a statutory demand against a debtor and the debtor disputes the debt, what steps can it take to counteract the statutory demand? Your answer should deal with the position both for an individual debtor and a corporate debtor.

*Where a company disputes the debt claimed in a stator demand, the company should put the creditor on notice that it disputes the debt and if the basis on which the debt is disputed, the creditor should withdraw. There is no specific procedure for setting aside a statutory demand. Rather, if the creditor refuses to withdraw the statutory demand, the company would need to issue an application for an injunction restraining presentation of the petition. The Hong Kong court has made it clear that such an application needs to be backed up by cogent evidence of the dispute as to the debt as well as evidence of the company's solvency.*

*The debtor must be able to demonstrate that there is a bona fide dispute on substantial grounds and that bare or uncorroborated assertions will be insufficient.*

*In contrast, there is a statutory mechanism by which an individual debtor who disputes the debt claimed in a statutory demand can apply to set aside the stator demand. He/she has 18 days from the date of service on him/her to make an application to set aside the statutory demand and similar considerations to the corporate debtor will apply. The debtor will need to show that the dispute as to the debt is bona fide and on substantial grounds and similarly will need to adduce cogent evidence rather than bare assertions to make out the debt.*

Question 3.2 [maximum 6 marks]

The scheme of arrangement is, in essence, Hong Kong’s only statutory tool for corporate rescue. Describe it, listing its pros and cons.

*A scheme of arrangement is a statutory mechanism under Hong Kong law which permits a binding compromise or arrangement between its company and its members or creditors (or any class of them) and can be used to effect an insolvent restructuring of the debtors' debt obligations or a reduction of the company's share capital. It is a court supervised mechanism in the sense that the scheme must be sanctioned by the court to be effective.*

*A scheme of arrangement enables companies and their creditors to compromise or adjust debts if stipulated majorities of the relevant creditors approve such compromise or adjustment with the sanction of the court. Without a scheme of arrangement, a company would need to obtain approval of 100% of the relevant creditors to contractually vary the debt. Schemes are therefore necessary when a company seeks to adjust debts with many creditors at the same time in circumstances where it would be difficult or impossible to obtain unanimous consent of all creditors. They can also be useful where there may be hold-out creditors who seek an unfair advantage as against a substantial majority of similarly ranked creditors.*

*The process for a scheme of arrangement is as follows:*

1. *An application is made by originating summons for leave to convene the scheme meetings for the relevant creditors, and if thought fit, approve the scheme. The application is heard by the court (the convening hearing) at which the court will give directions for giving notice of and advertising the meetings.*
2. *The scheme meetings are held. In this regard, there should be separate meetings for every class of creditor and, for the scheme to be successful, a majority in number representing at least 75% by value of the creditors present and voting in person or by proxy needs to be obtained from each class of creditor. As to classes of creditors, persons whose rights are so dissimilar that they cannot sensibly consult together with a view to their common interest should form a separate class of creditors and have separate meetings. Where persons' rights are sufficiently similar that they can consult together with a view to their common interest should be summoned to a single meeting. Approval will need to be obtained in each meeting for each class of creditors for the scheme to be effective. All scheme creditors have the right to participate in and vote at the creditor's meeting whether or not they are based in Hong Kong.*
3. *Once the scheme meetings have been held, the results need to be reported to the court.*
4. *Assuming the scheme was approved, an application will be made by petition for the court to sanction the scheme. If the scheme is not approved at the scheme meetings, the court has no jurisdiction to sanction it but equally is not mandated to sanction it if it has been approved at the meetings.*

*The advantages of a scheme are that they can vary the debts of numerous creditors at the same time, provided they are split into appropriate classes which each vote in favour of the scheme. Provided the requisite statutory majorities are met, any dissenting creditors will be bound by the scheme if it is sanctioned by the court. It also allows third party obligations to be compromised (such as guarantees) provided that the guarantees are in respect of the debt being compromised under the scheme.*

*There are certain disadvantages however including that there is no automatic moratorium on claims (though this can be achieved by appointing provisional liquidators, assuming the relevant test is met). Further, as a matter of common law, the scheme will only have real and substantive effect if it the debt is discharged under the governing law of the debt. In other words, unless the debt is governed by Hong Kong law, a Hong Kong scheme of arrangement will not operate to fully and completely compromise that debt as a matter of common law. Whilst there are many advantages to a scheme of arrangement, they are complicated legal processes which require full information to be provided to the creditors in order that they can properly consider the compromise they are being asked to approve. They are therefore fairly expensive and can be time-consuming.*

Question 3.3 [maximum 5 marks]

Describe (briefly, in overview) what security can be created over assets of a Hong Kong company and the effect of such security on the liquidation of the company.

*There are various different types of security which can be created over the assets of a Hong Kong company however the most common types of security are pledges, liens, mortgages, and charges. Guarantees (a type of personal security) are also fairly commonplace and quasi-security such as reservation of title clauses are also seen fairly often.*

*Generally in Hong Kong, secured creditors (and the security they hold) will not be dealt with as part of the insolvency proceedings. This is because compulsory liquidation in Hong Kong is a collective process for the benefit of unsecured creditors where the officeholder realises the debtor's assets for the benefit of the unsecured creditors but assets which are secured will not be available for realisation for the benefit of the unsecured creditors as they fall outside of the insolvent estate.*

*There are certain exceptions to this statement. Certain types of security need to be registered otherwise they will be void against the liquidator (these include charges over land and book debts, and floating charges over the company's undertaking or property).*

*Further, where a floating charge has been granted over the debtor's assets, preferential creditors need to be paid out of the realisations before the obligations owed to the floating charge holder are satisfied (unless if the company is in liquidation, there are sufficient assets to make the payments to preferential creditors out of the general estate). Where a company goes into insolvent liquidation, a floating charge that is created within a certain period before the commencement of the liquidation may be voidable.*

*A secured creditor submitting a proof of debt can only vote or prove to the extent its claim is unsecured. If a creditor fails to value his security properly or fails to account for it at all, the security is deemed to be waived and the asset becomes available to realisation by the liquidator for the benefit of the general body of unsecured creditors.*

*Other principles which are relevant to the treatment of secured creditors in an insolvency context are (i) the anti-deprivation rule (which provides that a creditor cannot use contractual arrangements to put itself into a better position than other creditors where that mechanism is considered a "fraud on the insolvency laws". Where the contractual arrangements are part of a genuine commercial transaction and is not intended to create an advantage on the insolvency of one of the parties, the arrangements will not be struck down); and double-dipping (which means that if a debtor goes into insolvency and a creditor of that debtor also holds a guarantee from a third party, the creditor is still entitles to prove for the full amount owed but is not entitled to recover more than the full amount of his actual claim).*

**QUESTION 4 (fact-based application-type question) [15 marks]**

Question 4.1 [maximum 5 marks]

A receiver is appointed pursuant to a floating charge over all the assets and undertaking of Pacific Tin Mines Limited (PTM), a Hong Kong company. Shortly after the receiver’s appointment, PTM is put into liquidation. The liquidator writes to the receiver and asks her to hand over all assets (or realisations from assets) of PTM under her control so that the liquidator can pay the costs and expenses of the liquidation and make a distribution to PTM’s unsecured creditors. What (if any) assets or realisations should be handed over by the receiver?

*Section 79, read with section 265(3B), of the Companies (Winding Up and Miscellaneous Provisions) Ordinance ("****CWUMPO****") provides that where a receiver is appointed over the assets of a company which have been secured by a floating charge, and there is a liquidation on foot, any realisations from those assets must first be used to pay the company's preferential creditors to the extent that the company has insufficient assets to meet those debts. Once the preferential claims have been settled, the remaining realisations can be used to settle the outstanding obligations owed to the secured creditor.*

*Without further information, the receiver should not hand over any assets or realisations because there is security interest over the assets and realisations covered by the floating charge which is not absolute but is not available for the payment of the costs and expenses of the liquidation or for the benefit of the general body of unsecured creditors. Rather, the receiver should ask for further information to find out the value of the preferential claims and the value of the company's unsecured assets to determine what, if any, payment should be made (as the liquidator should first look to the company's available assets to pay off any preferential debts before seeking to recoup realisations from the receiver appointed in connection with a floating charge).*

Question 4.2 [maximum 5 marks]

Soaring Kite Limited (SKL) is a Cayman incorporated company that is listed on the Hong Kong Stock Exchange, and has assets and a representative office in Shenzhen. SKL is in insolvent liquidation in Cayman. The liquidator appointed in Cayman (L) tells you he wants to obtain documents from SKL’s bank in Hong Kong and he also wants to obtain orders to examine the auditors who are in Hong Kong and who will not co-operate with his investigations. L says he has heard that it is straightforward to get a “standard order” from the Hong Kong court recognising his appointment and giving him a full so suite of powers in Hong Kong, including a stay of any actions that any creditor of SKL may bring in Hong Kong. Outline the advice you would give to L.

Historically where a foreign representative applied for recognition, they would seek what was referred to as a "standard order" that stated that the liquidator would have powers to take steps in Hong Kong provided the relevant power was available in both the originating jurisdiction and in Hong Kong. However, recent developments mean that foreign liquidators can no longer expect this to be the case. Rather, the Hong Kong courts has since made it clear that, whilst the liquidator may still be granted assistance, the liquidator must carefully articulate the powers it needs, and why, so that the request suits the situation at hand.

The courts have found in the *Up Energy* decision that the court does not have any authority to give actual powers to foreign liquidators as the powers which had commonly been referred to in the "standard order" are only available under the relevant legislation to Hong Kong companies and/or Hong Kong appointed officeholders given that liquidation is a creature of statute.

This does not mean that the liquidator will be unable to obtain assistance from the Hong Kong court but rather that any application should be carefully framed to ensure that it fits the circumstances. In this case, the liquidator would need to explain why the documents held by the Hong Kong bank will assist the winding up in the Cayman Islands and, similarly, why the auditors need to be examined.

The liquidator would need to obtain a letter of request from the Grand Court of the Cayman Islands which sets out the powers needed. The powers requested by the letter of request would also have to be in line with the powers that are available to the liquidators in the Cayman Islands. In other words, if the powers in Hong Kong are broader, the liquidator would not be able to get the benefit of those broader powers unless the company was wound up in Hong Kong as an ancillary liquidation and the liquidator was then formally appointed in Hong Kong.

Given that the order would affect third parties, the application to the Hong Kong courts will need to be made on notice to the bank and the auditors in order that they may be heard on the application.

Question 4.3 [maximum 5 marks]

L has been appointed in Hong Kong as a liquidator of Lobster Investments Ltd (Lobster), a Hong Kong company against which a winding-up order has been made.

In conversations with former employees, L has been told that Lobster has a valuable property on the Peak but there is no reference to this in the books and records.

On investigation, it seems the property is owned by another Hong Kong company called Continental Limited (Continental). L learns that until about one and a half years before the liquidation, Lobster held all the shares in Continental but the main director and shareholder of Lobster (a Mr Aubrey) then executed share transfer documents to transfer the shares in Continental to Verandah Limited (Verandah), a BVI company. L then learns that the sole director / shareholder of Verandah is Mr Aubrey’s wife. There is no indication that Lobster received any consideration upon the shares transfer.

Outraged, L confronts Mr Aubrey who tells L that the former employees are mistaken, and the property never belonged to Lobster as Lobster had only ever held those shares on trust for Mrs Aubrey for convenience and because she had lent money to Lobster, but, as they were going through some matrimonial issues a couple of years ago, she insisted that the shares be transferred to her own name.

L asks you what she could do to pursue the matter. Relevant statutory provisions should be referred to.

Here, it appears that an asset of Lobster (being the shares in Continental which owns the real property) were transferred to Vernadah by share transfer documents executed by Lobster's main shareholder and director, Mr Aubrey. Verandah in turn which is owned and controlled by Mr Aubrey's wife. Although Mr Aubrey claims that the transfer was valid (in that the transfer was contemplated in consideration for monies lent by Mrs Aubrey to Lobster), there is insufficient information to confirm this is the case.

The liquidator would be well advised to obtain as much information as possible before deciding on the most appropriate course of action.

The liquidator could for example apply for an order that Mr and Mrs Aubrey both attend court and be examined under oath to explain the circumstances of the transfer. This power is granted to the liquidators by section 286B of the CWUMPO. This provision can also be used to obtain books and papers in Mr and Mrs Aubrey's power which explain the monies loaned by Mrs Aubrey to Lobster and the trust arrangement alleged by Mr Aubrey.

If it is proven to the liquidator's satisfaction that the trust arrangement is valid, then the shares in Continental do not form part of the insolvent estate such that no further action can (or should) be taken in connection with them.

On the contrary, if the trust arrangement is shown to be a sham and / or is otherwise unenforceable, then there are various options open to the liquidator:

1. The liquidator could bring a claim that the transfer of the shares in Continental constitute a transaction at an undervalue. "Undervalue" for these purposes means a gift or transaction for no consideration or a transaction where the value is in money or money's worth, significantly less than the consideration provided by the company. This power is found in sections 266D, 266C and 266B of CWUMPO. These provisions allow that a transaction may be impugned provided it occurred within 5 years of the commencement of Lobster's winding up and that the company was cash-flow insolvent at the time or became cashflow as a result of the transfer. Given the transfer of shares was to Mr Aubrey's wife, Lobster would be presumed to have been cash flow insolvent at the time of the transfer however this can be rebutted with evidence to the contrary). This is because Mrs Aubrey would be considered to be a person connected to the company, being the spouse of a director/shareholder of Lobster (section 265A and 265B of CWUMPO). If the court finds that the transaction took place at an undervalue (ie for no consideration) and within five years of the commencement of Lobster's liquidation (and there is no evidence to rebut that Lobster was cash flow insolvent at the time of the transfer or the transfer resulted in Lobster's insolvency), the court may make an order returning the shares in Continental to Lobster.

1. If the liquidator considers Mr Aubrey's conduct was sufficiently egregious when signing the share transfer documents, she could consider seeking an order that Mr Aubrey be disqualified from being a director. The grounds for doing so include fraud (which may be applicable if the shares in Continental were transferred out of Lobster for no consideration and for the benefit of him / his wife), the failure to keep records in connection with the transfer, and being unfit to act as a director. To the extent that Mr Aubrey has assets available for execution, the liquidator may also wish to consider whether there are any claims against him for breach of fiduciary duty. Before issuing such a claim, the liquidator would need to consider whether bringing such a claim is in the best interests of the body of creditors by reference to the merits of the claim, the amount likely to be recovered and the fees and expenses likely to be incurred in going after the director.

**\* End of Assessment \***