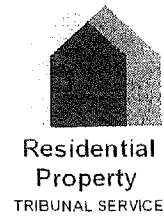


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RESIDENTIAL PROPERTY TRIBUNAL SERVICES
DECISION AND DIRECTIONS OF LEASEHOLD VALUATION TRIBUNAL
LANDLORD AND TENANT ACT 1987, SECTION 24

REF: LON/00BK/LVM/2012/0002

PROPERTY: ALDFORD HOUSE, PARK LANE, LONDON W1

APPLICANT: Mr CALUM WATSON (Tribunal Appointed Manager)

RESPONDENTS: THE LANDLORD AND LEASEHOLDERS AS LISTED IN
THE SCHEDULE ATTACHED TO THE APPLICATION

APPEARANCES: Mr. J. CLARGO (Counsel)
MR J McCARTHY (Solicitor, Liddigans LLP)
For the Applicant

For the Respondent Landlord

No Appearance by any of the Respondents

Application Received: 14th June 2012

Date of Case Management Conference and Directions: 12th July 2012

Date of Directions: 12th July 2012

Date of Hearing: 10th September 2012

Members of Tribunal: Mr S Shaw LLB MCI Arb
Mr L. Jarero BSc FRICS

IMPORTANT NOTE:

- **These directions are formal orders and must be complied with**
- **They are intended to help the parties and the Tribunal deal with applications swiftly and economically**
- **If you fail to comply with them your case may be prejudiced**
- **Whenever you send a letter or email to the tribunal you must also send a copy to the other parties and note this on the letter or email**

DECISION AND CONSEQUENTIAL FURTHER DIRECTIONS

BACKGROUND

1. By Order dated 23rd January 2012, the Applicant was appointed as Joint Manager of the Property
2. The Applicant has been joined as Fourth Party in 2 sets of proceedings in the Mayor's and City County Court, as referred to at page 8 of this Application.
3. The extensive background to this matter has already been set out in the Decision and Order of the Tribunal dated 23rd January 2012, and in the earlier Decision of the Tribunal dated 6th July 2012. Reference to these documents should be made for this background.
4. The Manager now seeks Directions from the Tribunal as to how he should deal with his joinder in these 2 sets of proceedings. The Manager is proposing to apply to strike out the proceedings against him, and is seeking certain Directions from the Tribunal in this regard, and if necessary variation of the existing Management Order.
5. There was a Case Management Conference on 12th July 2012, following which Directions were given to the effect that the application and further directions or variation sought should be served on all

Respondents, and an opportunity given to them to make representations, and/or to call for an oral hearing.

6. In the event, representations in writing have been received from 2 Respondents, namely Park Lane Holdings Inc, (which company, as well as being the leaseholder, or more accurately, under-leaseholder, of Flats 60 and 70, is also the Head Leaseholder), and in addition from solicitors on behalf of the leaseholder of Flats 20/21 and 23, namely Mbose Ltd. Neither of these Respondents has asked for an oral hearing, but in the light of the representations made on behalf of Mbose Ltd, the Applicant has himself asked for an oral hearing.
7. The hearing took place on 10th September 2012, and was attended by Mr Calum Watson ("The Manager"), together with Counsel, Mr Clargo, and Mr McCarthy, solicitor of Liddigans LLP.
8. The hearing was not attended by any other parties or their representatives. The representations made on behalf of the Head Leaseholder, Park Lane Holdings Inc were uncontroversial. They were essentially, that provision should be made in the Directions or variation of the Management Order, to the effect that costs incurred in the Fourth Party proceedings by the Manager, should be reasonable, and that no settlement should take place without the Head Leaseholder's consent. These matters have been incorporated in the variation or directions, which will be referred to below.
9. On behalf of Mbose Ltd, representations have been made by its solicitors as set out in the Witness Statement of Lorraine Helen Davies, appearing at pages 65-68 of the hearing bundle. In relation to the order requested of the Tribunal by the Manager, Mbose Ltd's position has been condensed at paragraph 6 of the Witness Statement. Insofar as these objections to the directions or variation proposed are in opposition to those requested by the Manager, the Tribunal prefers the form of order proposed by the Manager, for the reasons given by him in his Statement in Reply, appearing at pages 70-73 of the bundle, and as

expanded upon by Mr Clargo in his oral submissions and Skeleton Argument. The Tribunal derives its authority from section 24 of the Act and applies it for the reasons set out in those documents.

10. At paragraph 7 of Ms Davies' statement, concerns are expressed to the effect that the Respondents should be kept up-to-date about the progress and costs of the Fourth Party proceedings. This request seems reasonable to the Tribunal, and is incorporated in the variation set out below.
11. The Tribunal's view generally in relation to this application is that the Tribunal's Manager has been drawn into the proceedings referred to, and it seems entirely reasonable to the Tribunal (indeed in the interests of the Respondents themselves, for the reasons given in his witness statements and the Skeleton Argument referred to) that he should take reasonable steps to avoid a judgment being made against him, the result of which will only be to deplete the Respondents' own funds. In doing so, it seems to the Tribunal equally reasonable that the reasonable costs of so doing should be met by the Respondents, whose interests he is seeking to protect. Of the 26 Respondents, the only Respondent who has resisted the variation sought is the Ninth Respondent, and then only to a qualified extent.
12. For the reasons set out above the Order of the Tribunal dated 23rd January 2012, is varied by substitution of the following paragraphs:

20A Pursuant to section 24(9) of the Landlord and Tenant Act 1987, the Order of 6th July 2011, as varied by this Order, is further varied by this Order so as to provide that Mr Watson is entitled to recover from the Underlessees and the Landlord all such liabilities or costs as

- (a) he may reasonably have incurred, or may incur, in defending "the Wright Proceedings" (County Court Action 0UA25222) and/or the "the Hemy Proceedings" (County Court Action 2MY00001) including any adverse costs orders in either proceedings

(b) are (other than adverse costs) reasonable in amount as if the same were recoverable under paragraph 6 of the Fifth Schedule and paragraph 7 of the Sixth Schedule to the Underleases.

20B The Tribunal authorises Mr Watson to issue and prosecute (including by appeal if so advised) such applications as are necessary to strike out the claims made against him by Wood Management Trustees Limited in the "Wright Proceedings" and/or the "Hemy Proceedings."

20C Mr Watson shall, either by himself or through his solicitors, take reasonable steps to make available for the Underlessees and the Landlord, by the most economic route or medium available, periodic up-dates of the progress and costs incurred of and in the proceedings referred to above.

20D For the avoidance of doubt, this variation of the order, does not give Mr Watson any authority to reach any compromise of the above proceedings, without the consent of the Underlessees and the Landlord, or further Order of this Tribunal."

Legal Chairman: S SHAW

A handwritten signature in black ink, appearing to read "S. Shaw". The signature is written in a cursive style with a period at the end.

Dated: 10th September 2012