

In Bankruptcy

Re: GLENN ANTONY ARMSTRONG

I, Alan Draycott, Deputy Official Receiver hereby report to the court in support of an application for a bankruptcy restrictions order pursuant to schedule 4A to the Insolvency Act 1986.

I have been directed by the Secretary of State to make this application.

**Introduction**

1. A Bankruptcy Order was made against the above-named on 11 February 2021. Under the provisions of Section 279 of the Insolvency Act 1986 the bankrupt's latest discharge date will be 17 August 2022.

**Allegations**

2. The allegation made in this report is as follows:

After a bankruptcy petition was presented against him on 9 April 2018, Glenn Antony Armstrong (Mr Armstrong):

- Provided false and misleading information to private individuals to obtain loans and/or investments totalling at least £273,000.
- Disposed of £458,738 to companies and individuals associated with him, to the detriment of his creditors.

**Background and events leading up to the bankruptcy**

3. The events leading up to the bankruptcy can be summarised as:

Date	Event
6 June 2005	Mr Armstrong is made bankrupt by the County Court at Milton Keynes on the petition of Bibby Factors Bedford Limited.
9 January 2006	Mr Armstrong is discharged from bankruptcy.
2008	Mr Armstrong starts a property training business with his wife Amanda Flynn (formerly Armstrong now divorced) through G&A Property Trading Limited (now called AMF PROPERTY TRADING LTD).
2011	The Property Investment Training Company Limited (PICT) is incorporated with Mr Armstrong as its sole director.
2016	Mr Armstrong and Amanda Flynn separate.

24 March 2017	Decree nisi is pronounced on Ms Flynn's petition
21 November 2017	Anni Nakamura makes a statutory demand of £80,874.96 against Mr Armstrong (AD2).
21 March 2018	Erdene Limited obtains a CCJ of £57,462.99 against Mr Armstrong (AD6)
9 April 2018	Anni Nakamura petitions for Mr Armstrong's bankruptcy (AD3).
23 July 2018 – 25 July 2018	£80,000 is paid into Mr Armstrong's HSBC account from Ms Dinah Pickering (AD4)
14 August 2018	CCJ of £24,509 made against Mr Armstrong under case number E58YX279 in County Court of Brighton. (AD5)
31 October 2018	The Financial Conduct Authority (FCA) write Mr Armstrong with a decision letter stating they consider him to be operating in breach of the Financial Services and Markets Act 2000 (AD90).
11 December 2018	Mr Armstrong through his solicitors agrees an undertaking with the FCA (AD91)
1 April 2019	CCJ of £10,346 made against Mr Armstrong under case number F17YX882 in the County Court Money Claims Centre (AD5)
6 June 2019	Ms Bernadette Hamilton transfers £50,000 to Glen Armstrong for an investment at 42 Station Road (AD9)
12 June 2019	£50,000 transferred to Glen Armstrong by Jason Antony Evangelista for an investment at 42 Station Road. (AD9)
5 July 2019	CCJ of £83,935 made against Mr Armstrong under case number E8QZ9F7C in the County Court Money Claims Centre in favour of Erdene limited (AD7)
8 July 2019	CCJ of £13,030 made against Mr Armstrong under case number F4QZ2M31 (AD5)
2 August 2019	£23,200 Transferred to Glen Armstrong by Jason Antony Evangelista for an investment at 42 Station Road. (AD20)
30 August 2019	The Mockings pay £50,000 into Mr Armstrongs RBS bank account RBS account 10983983 in two payments of £20,000 and one payment of £10,000 (AD20).

17 October 2019	CCJ of £813 made against Mr Armstrong under case number F7QZ1X8N in the County Court Business Centre. (AD5) (AD10)
11 March 2020	Ms Caroline Ellen Manetta obtains a CCJ of £73,540 against Mr Armstrong. (AD5) (AD10)
11 February 2021	Bankruptcy order is made against Mr Armstrong by the High Court of Justice. (AD8)
18 May 2022	Mr Armstrong's discharge is suspended until 17 August 2022 (AD87)

#### **Financial position at the date of the bankruptcy order**

4. The bankrupt's assets and liabilities can be summarised as:

Assets	
Property	£
Carisbrook House	0
Leasehold Flat - 14 Stowe Court, 153 Rochfords, Coffee Hall	1,080
Company Shares	£
Glennmark Trading Ltd 50% shareholding	0
Glenmor Developments Limited 100% shareholding	0
Glennspv1 Limited 95% shareholding	0
RedHills Development Partners Limited 33% shareholding	0
Sutherland Investment Property Ltd (in Liquidation) 50% shareholding	0
Other	£
Financial Remedies Order 14 October 2019 following divorce with Amanda Flynn AD61	2,480,493

Total assets	2,481,573
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Liabilities AD63	
Omolade Afolabi	£ 30,000
Adeyemi Adeyemo - Rock of Ages Consultancy	60,000
Omolade Afokab	0
Kaye Alyole	0

Barclaycard	11,470
Birmingham Midshires	0
BUBBLEGUM BALLOONS	0
David Bogan	92,160
Martin Vivian Brewer	45,197
Metin Bektas	7,000
Terence John Barlow	60,040
T.J. Baily Ltd	13,030
Bernard Odukudu	71,000
Close Brothers (Novitas)	537,830
Clysedale Finance	0
Julian Collins	388,000
Keith Roland Crossman	15,337
Mr & Mrs Kevin Edward Clynes	600,000
Charm Chi Foon	57,280
Deborah Dixon	195,600
DLS Law	341,411
Paolo Donati	82,320
Diana Griffin	140,000
Deji Orekoya	25,000
Mark Dunlop	12,000
Olu Duks	0
Melvyn Defriend	0
E.ON Energy	9,476
Erdene Ltd	255,286
Jason Evangelista	117,000
Linda Eldridge	0
Amanda Flynn	752,193
FLIGHT BROS LTD	88,182
Josephine ruth Olga French	115,579
Glennmark Trading Ltd	499,000

Vikas Ghai/Redhills Development Partners Ltd	66,500
Genet Developments Limited	40,543
Andrew William Hartley	143,040
Bernadette Hamilton	93,750
Heald Solicitors LLP	37,515
Hitachi Capital	475
HMRC	2,022,611
HMRC	0
Kuki Hundal	61,000
Craig Harrison	0
John Lewis Financial Services Limited	0
Fazlur Jaufeerally	91,600
JKP Properties/J Proctor	90,000
Charm Chi Foon	0
Angela Ellis Jones	0
Alan Kipping	460,088
Fiona King	492,405
ESTATE OF DELORES DYER c/o KELITA MOO	78,800
Krishna Singh	49,932
Alex Kamar	0
Kayode Olaoye	83,000
Link Financial	195
Lowell Financial	2,343
Peter Ledger	0
Caroline Ellen Manetta	77,750
Manolete Partners PLC	500,000
Martinus and Lisa Mocking	352,750
Mortgage One Savings Bank	0
Mark Armstrong	109,346
Terranova/Mikshu Patel	383,889
Mark Norman	0

Martyn Darby	197,572
Maria Tarabassa	78,575
Markella Mikkelsen	52,200
Mike	0
Anni Nakamura	131,173
Juan Nogales	220,000
Natwest (UK) Card Services	0
Rafael Ocana	123,559
Dinah Pickering	118,840
Jamie Proctor	0
Krishna Patel	0
Christopher Reilly	0
Jon Raper	123,125
Lorna Reynolds	660,140
Noel Christopher Reilly	28,904
Royal Bank of Scotland	40,359
Roger Robinson	62,000
Roland Alexander	51,960
RD Real Estate Investment Limited	7,200
Dominique Simond	115,800
Ketan and Sonal Shah-Patel	146,800
Rodney Sheriff	96,934
Sehjpai Sekhon	278,250
SUTHERLAND INVESTMENT PROPERTY LIM	686,208
Stephen Gebbie	91,500
Neil Sykes	80,000
Kerry Tomlinson	28,551
Marcia Turner/Estate RGT Turner	118,000
Roy Taylor	0
Turtle Properties Limited	40,092
Judy and Louis Utchanah-Burrows	0

Vodaphone	0
Antony Waters	61,112
Robin Whitehead	97,800
<b>Total liabilities</b>	
	13,595,574
<b>Deficiency</b>	<b>£</b>
Overall deficiency	11,114,001

### **Evidence in support of the allegation**

5. The following evidence is given in support of the allegation.

#### **Introduction**

6. This report sets out a brief background of Mr Armstrong's business history, his separation from his wife and the ongoing action being taken against him by his creditors as of 9 April 2018, the date a bankruptcy petition was made against him. As is made out, by the date of the bankruptcy petition, Mr Armstrong had considerable debts and was under significant pressure from his creditors.
7. In this period post-petition Mr Armstrong provided misleading information to four lenders/investors enabling him to take out new credit totalling at least £273,000.
  - Mrs. Bernadette Hamilton's loan of £50,000,
  - Mr. Jason Anthony Evangelista's investment of £93,000,
  - Ms. Dinah Pickering's loan of £80,000,
  - Mr. Martinus Gerardus Adrianus Mocking's loan of £50,000.
8. In addition, and post-petition, Mr. Armstrong made transfers of £1,072,515, to companies and parties associated with him, including his new wife Lady Charlotte Armstrong, with a net negative transfer balance of £458,738 (and some of these monies will have been those obtained from investors/lenders by Mr Armstrong's providing of misleading information).
9. Mr Armstrong did not behave appropriately in his dealings with lenders/investors and gave them information which he knew to be incorrect. In addition, his use of his available monies in making transfers to his wife and to companies associated with him was not appropriate considering the debts he had outstanding against him.
10. The Official Receiver considers that Mr Armstrong's behaviour in this respect fell short of the standards that could reasonably be expected and is therefore worth of a bankruptcy restrictions order.

#### **Brief Background**

11. Mr. Armstrong and his former wife Amanda Mary Flynn married in November 2000, after ten years of cohabitation. They first separated in 2015. In May 2016, they attempted a reconciliation and Ms. Flynn Armstrong moved into Carisbrook, a property

Mr. Armstrong had purchased for himself. In July 2016, their relationship broke down again and decree nisi was pronounced on Ms. Flynn's petition on 24 March 2017 AD61.

12. During the marriage the couple built a property investment portfolio of approximately 130 properties in Ms. Flynn's sole name, AD37 AD61.
13. Additional properties were also held in Sutherland Investment Property Ltd (now in Liquidation) a company setup for managing property development, for which Mr. Armstrong, and Ms. Flynn were both 50% shareholders AD37 AD92 AD93.
14. Mr. Armstrong reports that the separation meant he lost access to the rental income from the properties held in Ms. Flynn's sole name. This left him in a difficult financial position as this income had been used to fund bridging loans on 30 development properties owned by Sutherland Investment Property Ltd, for which he had provided personal guarantees. This left Mr. Armstrong with a monthly shortfall of £30,000 to £50,000 a month and caused Mr. Armstrong to come under pressure from his creditors AD37.
15. Mr. Armstrong states that because of the cashflow issues, the developments were slowed down and many of them were not completed in time and the company did not have enough money to repay investors. He therefore began seeking fresh investor monies and began repaying investors from this AD37.
16. On 31 October 2018, the Financial Conduct Authority (FCA) wrote to Mr Armstrong stating that they considered he had been engaging in regulated activity without proper authorisation (AD89 AD90) and on 11 December 2018, Mr. Armstrong through his solicitors agreed to undertake to the following:  
(a) *He will not enter into any future loan agreements without the prior written consent of the Authority, and*  
(b) *He has stopped all financial promotions of his and his companies' activities, which may be deemed as deposit taking activities (AD91).'*
17. The Official Receiver notes that the loans/investments criticised in this report were obtained by Mr Armstrong post his agreeing this undertaking.
18. In addition to the property portfolio, Mr. Armstrong ran a property investment training business since 2005 initially this was through G&A Property UK limited with his former wife Amada Flynn. On their separation in 2015, Mr Armstrong continued his training business through 'The Property Investment Training Company limited' (PICT). Mr. Armstrong states at its peak this company had a monthly turnover of £120,000 and a profit of £80,000 AD37. Accounts filed at Companies House show a deficit of £150,753 on PICT's balance sheet as of 31 March 2018 AD64.

#### **The bankruptcy petition, supporting creditors and outstanding debts**

19. On 21 November 2017, a statutory demand for £80,874.96 was made against Mr Armstrong AD2 and when this was not paid, on 9 April 2018, Anni Nakamura petitioned for Mr Armstrong's bankruptcy AD3.
20. By the time bankruptcy order was made by the High Court of Justice on 11 February 2021, 37 creditors had come forward to support the petition with debts totalling at least £4,763,987 AD69.

Creditor	Amount Claimed £
Josephine Ruth Olga French	61,132



Ashley Flight	68,022
Deborah Dixon	143,462
Juan Nogales	348,250
David Bogan	Not provided
Erdene ltd	140,819
Antony Waters	40,920
Dinah Pickering	112,400
Keith Roland Crossman	15,337
Kerry Tomlinson	26,664
Martinus Mocking and Lisa Mocking	66,000
Jon Raper	80,893
Roger Robinson	27,000
Sehjpal Sekhon	Not provided
Christopher James Mitchell	Not provided
Mr and Mrs Kevin Clynes	485,665
Amanda Mary Flynn	207,458
Sutherland Investment Property limited	504,029
G&A Property Trading Limited	70,682
Andrew William Hartley	126,840
Dr Fazlur Jaufeerally	62,725
Mr T J Baily TJ Bailey Ltd	10,848
Mrs Marica Turner	118,000
Jason Evangelista	117,460
Mr Metin Betas	7,000
Mr Ketan Shah and Ms Sonal Patel	146,000
Mrs Bernadette Hamilton	93,750
Dr Markella Mikkelsen	49,200
Mr Martyn Darby	192,364
Alan Kipping	436,682
Mr Paolo Donati	82,320
Mr Julian Collins	250,000
Miss Judy Utchanah and Mr Louis Burrows	8,400
Rodney Sheriff	96,934
Simon Renshaw as liquidator appointed to AMF Property Trading Limited (Formerly G&A Property Trading Limited)	Not provided
Novitas Loans Limited	537,830
Mr Noel Reilly	28,903
<b>Total</b>	<b>4,763,987</b>

21. Of the 37 creditors appearing, 14 provided statements in support. The Official Receiver has exhibited their statements along with some of the evidence they provided as follows:

Creditor	Approx date debts first due	Date of supporting statement	Statement/evidence in support	Amount Claimed £
<b>Pre-petition</b>				
Edward and Sonya Clynes	13 January 2016	Undated	AD49	485,665
Kerry Anne Tomlinson	25 June 2016	17 August 2020	AD52	26,664

Najma McVey for Dr Fazlur Jaurfeerally	10 April 2017	29 January 2021	AD56,78-86	62,725
Anthony Waters	17 May 2017	28 August 2020	AD47, AD65	40,920
Deborah Dixon	26 October 2017	30 August 2020	AD50,73	143,462
Ashley Flight	26 October 2017	1 September 2020	AD51, 67, 68,74-77	68,022
<b>Subtotal</b>				<b>827,458</b>
<b>Post-petition</b>				
Dinah Pickering	19 October 2018	31 August 2020	AD26	112,400
Marica Turner	8 December 2018	28 August 2020	AD 48,70,71,72	118,000
Martinus G A Mocking	12 September 2019	31 August 2020	AD36	66,000
Bernadetta Hamilton	June 2020	31 August 2020	AD11	93,750
Jason Evangelista	January 2020	25 September 2020	AD16	117,460
<b>Subtotal</b>				<b>507,610</b>
<b>Uncertain</b>				
Sutherland Investment Property limited	Uncertain	1 September 2020	AD53	504,029
Amanda Mary Flynn	Uncertain	1 September 2020	AD54	207,458
G&A Property Trading Limited (AMF Property Trading Limited)	Uncertain	1 September 2020	AD55	70,681
<b>Subtotal</b>				<b>782,168</b>
<b>Total</b>				<b>2,117,236</b>

22. From the 14 creditors who provided supporting statements, £827,458 of the amounts claimed was in respect of debts which first became due pre-petition (This figure also includes interest/penalties calculated post-petition).

23. In addition, Mr Armstrong had outstanding CCJs totalling £250,605 against him as is shown in the table below:

Number	Date of CCJ	Amount £
D0QZ84NW	21 March 2018	57,462
E58YX279	14 August 2018	24,509
F17YX882	1 April 2019	10,346
E8QZ9F7C	5 July 2019	83,935
F7QZ1X8N	17 October 2019	813
G4QZ967P	11 March 2020	73,540
<b>Total</b>		<b>250,605</b>

24. Mr Armstrong had significant outstanding liabilities as of the date of the bankruptcy petition and he was facing ongoing action and pressure from his creditors. He therefore should have been mindful of his position before obtaining further credit and before making any dispositions, particularly to parties associated with him.

#### **Loans/Investments obtained Post Petition through providing misleading information**

25. From 9 April 2018, post-petition Mr Armstrong continued to seek fresh monies from investors/lenders, providing information to them which he knew was misleading, about how their money would be used and when they could expect a return.
26. Often these promises related to the development of property which according to Mr Armstrong would lead to a large return to the investors/lenders. However, no repayments were ever made and, Mr Armstrong's bank statements show the monies were used for his own lifestyle and to make payments to parties/companies connect to him rather than for the purposes they were procured.
27. The Official Receiver has in this report set out four examples of lenders/investors who he misled to a total sum of £273,000:
- Mrs. Bernadette Hamilton (a loan of £50,000),
  - Mr. Jason Anthony Evangelista (an investment of £93,000),
  - Ms. Dinah Pickering (a loan of £80,000),
  - Mr. Martinus Gerardus Adrianus Mocking (a loan of £50,000).
28. In the Official Receiver's view, Mr Armstrong behaviour in the obtaining of and the use of these loans/investments, shows a lack of intention by Mr Armstrong to ever make repayment and this has been to the detriment the effected creditors.

#### **Mrs Bernadette Hamilton**

##### **Agrees verbal contract to loan to £50,000 to Glenn Armstrong**

29. Ms Hamilton joined Mr Glenn Armstrong's private membership program in mid/late 2018 for which she paid £22,000 AD11. Later, on 6 June 2019, during a telephone call Mrs Hamilton entered into a contract (AD12) with Mr Armstrong whereby she would loan him £50,000 for an investment which would be returned in approximately 3 weeks and Ms Hamilton duly transferred over the £50,000 to Mr Armstrong's RBS account 10983983 on 6 June 2019 (AD9).

##### **Heads of Term**

30. Mr Armstrong responded by email on 25 June 2019 with his 'heads of terms' for the investment (AD13) which are paraphrased below:
- Ms Hamilton had provided £50,000 to finish a project '*which already had a buyer and was going through a sales process*'.
  - The money was to be used to refurbish the main property and to get planning for four flats in the garden.
  - The £50,000 was to be returned on the sale of the property (42 Station Road)
  - A 12.5% share of the profit of the sale of 4 flats would be paid to Ms Hamilton. The total profit was estimated by Mr Armstrong to be between £350,000 and £400,000.

##### **Promotional Material Sent to Ms Hamilton**

31. Ms Hamilton was additionally sent promotional documentation in relation to the property refurbishment at 42 Station Road by an associate of Mr Armstrong. This describes stage one of the project as *'Refurbish current residence to very high standard: work in process'*
32. In a later section of the promotional material titled 'What you get' the following perks are listed:
- *'Shares in the company: 42stationroad apartments ltd'* (the Official Receiver notes there appears to be no trace of this company on Companies House).
  - *'Secured by the property with RX1 documentation'* (This does not appear to be the case and the Official Receiver can find no evidence that Mr Armstrong either directly or through a limited company held any restriction on the property) (AD14)

#### **Mr Armstrong disputes sending the promotional material**

33. When he was asked about this promotional material by the Official Receiver, Mr Armstrong stated, *'I did not send this material Gordon ended up doing this property deal without me'*AD34. The Official Receiver notes that despite Mr Armstrong protestations, the material seems consistent with the proposal he made Ms Hamilton.

#### **Failure to make repayment, promises of repayment from Mr Armstrong**

34. From July 2019, after her money was not returned Ms Hamilton sent Mr Armstrong various messages chasing repayment. A sample of the Mr Armstrong's response can be seen below (AD15):

30 July 2019 *'...I will have a solution for you in the next few weeks.'*

7 August 2019 *'...Give me 14 days and I will sort form somewhere else...'*

12 August 2019 *'...I will have you sorted within three weeks...'*

35. No repayment however was ever made to Ms Hamilton and she became a supporting creditor in the petition for Mr Armstrong's bankruptcy.

#### **Mr Armstrong's comments**

36. At interview on 16 June 2022, Mr Armstrong was asked for his comments on the loan. He stated: *'I initially borrowed the £50,000 for a separate project which I believe was Mithras Garden and upon the sale of this I was planning to pay her back from the profits. Which I was then going to use for the option at 42 Station Road along with a further £50,000 from Mrs Hamilton to pay for the refurb of 42 Station road which she never provided. I called up and asked for this, but she said she did not have it. Mr Powdrill stated he could not see reference to this in my email on the heads of term or in the transcript of my call with Mrs Hamilton. I believe there will be reference to this in my own files which I will endeavor to supply. From the telephone call to the heads of term there was a change to the proposal.'*
37. *Mithras Gardens was a property I had an option on which I could sell at any time. I paid the owner 12K upfront to pay off the mortgage arrears. The option was assignable which meant I didn't have to buy it to make the profit on the sale. There were a lot of problems with it as the paperwork went missing but we found this in the end. Mithras Gardens was assigned to some of my creditors. I will have to look for this information AD34.'*

#### **The Position of the Property – Land Registry**

38. The Official Receiver notes that Land Registry shows that David Raymond Allen has been the sole owner of 42 Station Road since 7 September 2009 and there are no charges in place or restrictions in favour of either Mr Armstrong or any limited companies he is associated with AD22.
39. The Official Receiver wrote to Mr Allen on 27 May 2022 to request his comments on the position and whether he had an agreement with Mr Armstrong for the property's development. Mr Allen replied on 21 June 2022: *'I have never had any agreement either directly or through a limited company with Mr. Armstrong for anything to do with my property'* AD44.
40. It therefore appears that Mr Armstrong was not ever in a position to develop the property and that he gave misleading information to Ms Hamilton for the purposes of procuring the loan from her.

#### **Mr Armstrong's use of Ms Hamilton Loan**

41. The Official Receiver notes that from the promotion materials sent to Ms Hamilton (AD14), (which Mr Armstrong denies sending) the refurbishment of 42 Station Road was to be through the company that does not appear to exist, 42stationroad apartments ltd. However, the bank account Mr Armstrong requested the £50,000 paid into was his RBS personal account 10983983. Prior to the £50,000 being transferred into the account on 6 June 2010, the account was overdrawn by £490.39. On receipt of the £50,000 Mr Armstrong made the following transfers/payments AD9):
42. 7 June 2019 - £596.61 - Transferred to PICT. Who Mr Armstrong has identified as The Property Investment Training Company (PICT). A company Mr Armstrong was the sole director of until 15 February 2021. Mr Armstrong has stated no properties were developed through this company and it was solely a vehicle for him to provide his training services (AD45).
  - 7 June 2019 - £4,568.90 - Transferred to PICT
  - 7 June 2019 - £11,048.38 - Transferred to Together Finance, which Mr Armstrong has identified as the mortgage on his previous family home at Carisbrook House
  - 7 June 2019 - £1,800 – Paid off Mr Armstrong RBS Credit Card
  - 7 June 2019 - £14,000 - Transferred to Charlotte Geneva Mr Armstrong's wife (AD45).
  - 7 June 2019 - £800.04 - Transferred to a Simon Doward
  - 7 June 2019 - £500- Transferred to PICT
  - 7 June 2019 - £3,000- Transferred to PICT
  - 7 June 2019 - £3,500- Paid off Mr Armstrong RBS Credit Card
  - 7 June 2019 – 11 June 2019 - £1,042.21 Spent on general expenditure including the Savoy Grill, Waitrose and Deliveroo
  - 7 June 2019 – 11 June 2019 - £1,215 spent on designer brands including Gucci and Selfridges
  - 10 June 2019 – £3,296 - Paid to Travel Unravel Holiday Southall
  - 10 June 2019 - £1,000 - Transferred to PICT
  - 10 June 2019 - £500 - Transferred to Mr Armstrong's HSBC account

10 June 2019 - £858- Transferred to PICT

By 11 June 2019 Mr Armstrong's RBS account was again overdrawn this time by £134.01.

43. Ms Hamilton was led to believe the monies she loaned Mr Armstrong were to be used for the refurbishment/development of a property which would be sold allowing her to profit. As can be seen from the analysis of Mr Armstrong's bank statements this was not the case. Instead, Mr Armstrong used the monies he borrowed to fund his own lavish lifestyle, as well as making transfers to companies and third parties associated with him and not associated in any way with property development.
44. It is unclear how or if Mr Armstrong ever intended to make repayment to Ms Hamilton considering this and while he has referred to a separate property development, he has provided no evidence for this or how Ms Hamilton was to receive monies from the project. To date the Trustee has made no recovery from any of the companies or parties associated with Mr Armstrong AD18.
45. The Official Receiver notes that Mr Armstrong was asked about the loan from Ms Hamilton in his divorce proceedings. With District Judge Duddridge stating:

*'...he paused for a long time before explaining what that money related to and what he had spent it on, but he did admit that he had used it to pay his personal outgoings rather than the Joint Venture with which it is associated. He thus revealed himself to be capable of behaviour which I would regard as unethical and I consider that he is financially untrustworthy'AD61.*

#### **Mr Jason Anthony Evangelista**

46. Mr Jason Anthony Evangelista and his brother Gary Evangelista (the Brothers) joined Mr Glenn Armstrong's private membership program around 26 February 2019 at a cost of £24,260, being told that this would be a small price to pay for the gains it would bring. They were encouraged to look for deals to invest in, with money being no object as they had Mr Armstrong and his club behind them. However, despite bringing several deals to Mr Armstrong's attention the brothers were told that these were unfeasible for various reasons (AD16).

#### **£70,000 Investment agreed with Glenn Armstrong**

47. In June 2019, Mr Armstrong proposed an investment opportunity to the brothers to renovate a property at 42 Station Road, Frimley, Camberley, GU16 7HF and thereafter be part of a development of flats to be built in the garden (AD16) (AD17) (AD86). The brothers quickly agreed and transferred £50,000 to Mr Armstrong's RBS account 10983983 (AD9) on 12 June 2019, the terms of the investment are paraphrased out below:
  - The brothers were to provide £70,000 to fund 50% of the project
  - In return for a 12.5% share of the profit of the sale of 4 flats
  - The £70,000 was to be returned on the sale of 42 Station Road (estimated timescale 7 months)
  - 12.5% profits to be paid on sale of the flats, with estimate timescale of 18 months and an estimated profit of £37,500 (AD17).
48. The Official Receiver notes that the brothers state £70,000 in total was transferred (AD16). The Official Receiver can only see £50,000 transferred to Mr Armstrong's RBS account however from the correspondence between the brothers and Mr Armstrong it appears he received the whole sum.

### **Additional £23,300 Invested**

49. In August 2019, the Brothers received an email from Mr Armstrong saying that he was upgrading the quality of the refurbishment of the flats and asked the Brothers for an additional £23,300 stating that he would place a restriction on the property for the full amount AD19. The brothers agreed and paid the monies into his RBS account 10983983 on 2 August 2019. However, no restriction was ever placed by Mr Armstrong.

### **Failure to place a Restriction on property**

50. Mr Armstrong was asked why a restriction had not been placed, he was also asked if he had the right to place restriction on the property as he did not own it. He stated '*I cannot remember without looking at my messages and communication from them*'.

### **The Ownership of 42 Station Road**

51. Over the following months the brothers attempted to get updates from Mr Armstrong on the progress of their investment however this was not forthcoming AD16. Until in May 2020 Mr Jason Evangelista visited the property and spoke to the owner who told him that Mr Armstrong had discussed an option to develop the property but never signed it and was not involved in the property's development AD16.
52. Land registry shows that David Raymond Allen has been the sole owner of 42 Station Road since 7 September 2009 and there are no charges in place or restrictions in favour of either Mr Armstrong or any limited companies, he is associated with AD22.

### **Comments by the Owner of 42 Station Road - David Raymond Allen**

53. The Official Receiver spoke to Mr Allen on 21 June 2022, and he made the following comment:
54. *'I owned the property at 42 Station Road. It has a large piece of land attached to it and I have plans to develop it. I met Mr Armstrong and he told me that he developed property in quite flowery language and was trying to sell what he did to me, but to me it was all talk I only met him one time and did not take it seriously. He sent me an agreement however I didn't sign it or agree to it and I had no intention of doing so. I think he offered me £400,000 for an option on the property but I didn't want to deal with him. I did start developing the property myself, after I was doing this for about a year, someone showed up and said they wanted to check on their investment and I was like what do you mean? He then explained he had made an agreement with Mr Armstrong to develop the property and I said I knew nothing about it, and you have to take that up with him. I certainly never had any deal with Mr Armstrong to develop my property. AD46'*

### **Summary**

55. It therefore appears that Mr Armstrong was never in a position to develop the property or to place a restriction on it and the information he gave the brothers to obtain the investment monies were incorrect and appear to have been given solely to obtain monies from the brothers with no intention of ever making repayment to them.
56. The brothers never received any monies back from Mr Armstrong and became supporting creditors the petition for his bankruptcy.

### **Mr Armstrong's use of the Brother's investment Monies**

#### **The £50,000 Transferred in June**

57. Prior to the initial £50,000 being transferred into Mr Armstrong's RBS account on 12 June 2019 the balance of the account was £368.18. On receipt of the monies Mr Armstrong made the following transfers/payments in June largely with the Brother's monies (AD9).

12 June 2019 - £3,000 - Transferred to DS Law limited who have acted for Mr Armstrong in his divorce

12 June 2019 - £3,600 - Transferred to Charlotte Geneva. Mr Armstrong's wife

12 June 2019 - £3,000 - Transferred to an Ian Lawson an associate of Mr Armstrong's

12 June 2019 - £1,020 - Transferred to a Roger Robinson

12 June 2019 - £1,384.11 - Transferred to a Roger Robinson

12 June 2019 - 28 June 2019 - £3,983.52 - Spent on general expenditure including taxis, iTunes and Waitrose

13 June 2019 - £5,000 - Transferred to PICT a company associated with Mr Armstrong

13 June 2019 - 14 June 2019 - £1,289.17 Spent at designer outlets including Selfridges and Hugo Boss

17 June 2019 - £1,987.87 - Paid to Jets Marter (This appears to be mobile application for private jet users)

17 June 2019 - £416.66 - Paid to Jets Marter

20 June 2019 - £6,509 - Spent on personal medical expenses

21 June 2019 - £700 - Transferred to Black Swallow Production which Mr Armstrong has identified as being for video production completed by BLACK SWALLOW PRODUCTIONS LTD. This is a company of which Mr Armstrong's wife Charlotte, Lady Armstrong is the sole director and operates out of Mr Armstrong's previous family home AD37 AD45).

24 June 2019 - £5,130 - Spent at the Four Seasons Beverley Hills

#### **The £23,300 transferred in August**

58. A similar pattern follows in August 2019 when the Brothers paid Mr Armstrong the final £23,300.

59. At the time the payment was made into Mr Armstrong's RBS account his account was over drawn by -£180.80. On receipt of the monies Mr Armstrong made the following transfers/payments in June largely the Brother's monies (AD20).

2 August 2019 - £5,000 - Transferred to PICT

2 August 2019 - £1,500 - Transferred to Black Swallow Productions.

2-12 August 2019 - £1,115 on general expenditure/utilities including the Savoy Hotel, Waitrose and Nobu

5 August 2019 - £11,048 to Together Commerica (Mr Armstrong has identified this as the mortgage on his previous family home at the time AD37 AD45)

5 August 2019 - £415 - Transferred to Black Swallow Productions.

5 August 2019 - £1,000 to pay off his RBS Black Credit Card



5 August 2019 -£1,000 to an RBS Worldwide account

60. It therefore appears that the brother's money was not used for the purpose it was procured and they were misled by Mr Armstrong who used significant amounts of the money to maintain his lifestyle rather than for the investment the brothers were promised.

### **Ms Dinah Pickering**

#### **Agrees £80,000 loan to G&A Property Trading Ltd**

61. On 20 July 2018, Ms Pickering entered into a loan agreement with G&A PROPERTY TRADING LTD (CRN 06524086) now called AMF PROPERTY TRADING LTD. At the time of the issuing of the contract Mr Armstrong was a director of the company (AD24) and under the terms of the contract Mr Armstrong agreed to act as guarantor of the loan. The terms of the Loan are set out below:

- Ms Pickering to provide £80,000 to G&A PROPERTY TRADING LTD
- In return for a 1.5% interest per calendar month
- The £80,000 plus interest was to be repaid within 3 months
- G&A PROPERTY TRADING LTD were to place a restriction on 135a Rochfords Coffee Hall, Milton Keynes, MK6 5DN in her favour.
- Mr Armstrong unconditionally guaranteed that if G&A PROPERTY TRADING LTD failed to repay all sums due under the loan agreement he would fully indemnify Ms Pickering.

#### **Restriction Fails to be Placed by Mr Armstrong**

62. Although the restriction was supposed to be registered by Mr Armstrong's secretary (AD25) it was not for 7 months, until Ms Pickering applied herself in February 2019 to register her restriction against the property (AD26) (AD27). Mr Armstrong was interviewed by the Official Receiver on 16 June 2022 and was asked why he had not registered the restriction as agreed. He stated *'I have no idea why my secretary did not register the restriction. I had instructed her to do so'* (AD34).

#### **Loan paid into Mr Armstrong's personal account rather than the company's bank account**

63. Ms Pickering later became aware that the HSBC bank account she had been instructed to pay the loan into 80092894 was not a company bank account but was a personal account of Mr Armstrong (AD26) (AD4). Mr Armstrong was interviewed by the Official Receiver on 16 June 2022 and was asked why he had the loan paid into his personal bank account. He stated, *'I do not why I had this paid into my personal bank account I think I took a directors loan from memory'* (AD34)

#### **G&A Property Trading Ltd deny knowledge of the loan**

64. On 14 February 2019 Ms Pickering wrote to the sole remaining director of G&A PROPERTY TRADING LTD Amanda Mary Flynn (Mr Armstrong's estranged wife) serving notice and requesting full payment of the loan (AD28).

65. Ms Amanda Flynn wrote to Ms Pickering by return on 8 March 2019 stating that she was not aware of any money being lent on the property and G&A PROPERTY TRADING LTD did not accept responsibly *'for the money that you loaned Mr Glenn Armstrong'* (AD29).

66. This led to Ms Pickering sending a letter before action to G&A PROPERTY TRADING LTD on 29 April 2020 through Bradley Haynes Solicitors (AD30).
67. Ms Amanda Flynn responded through PGS Law on 15 May 2020 stating:
68. *'The sole shareholder and director of the company is Amanda Flynn (formerly Armstrong). Her estranged husband, Mr Glen Armstrong, was previously a director but his appointment was terminated in September 2018 for malfeasance. Divorce proceedings are currently ongoing.*
69. *It is now apparent that Mr Armstrong entered into the loan agreement on 20th July 2018, shortly before his termination as director, purportedly on behalf of the company. Mr Armstrong had no authority to enter into any documentation on the company's behalf. Moreover, the company procedures were not observed in connection with this loan nor were any loan monies paid into the company's bank account. (AD31)'*

#### **Mr Armstrong's comments**

70. Mr Armstrong was interviewed by the Official Receiver on 16 June 2022 and was asked to comment on this letter and stated: *'I spoke to the company accountant at the time and he put it down as a directors loan. I would need to speak to him and to clarify this. I thought as a director of the company I was entitled to take this action. The accountant was John Goodenson (sic) of Cloud CO. He was both my personal accountant as well as the company accountant. Mr Powdrill asked me if I brought this loan up at any board meetings or raised it with the other directors of the company. I will see if I did AD34'.*
71. *'The director loan from Dinah Pickering was dealt with in my divorce and my ex-wife has no right chasing me for money after the divorce settlement. The director's loan and the shares in the company will be listed in my divorce schedule. I understand Ms Pickering was paid from the sale of the property' AD34.*

#### **Comments by John Goodinson – Accountant for Mr Armstrong and G&A Property Trading Ltd**

72. When the Official Receiver wrote to Mr Goodinson on 17 June 2022, he stated he was: *'unaware of the loan to Dinah Pickering until it was brought to our attention by the other director. No advice on the loan and the implications were sought by Mr Armstrong or given to him by us. Had we known of the arrangement and how the money was to be paid we would have informed the directors that the money paid into Mr Armstrong's personal account would be treated as either remuneration, dividends or a loan to a director, and taxed accordingly. We would also have made sure that the liability was recorded on the balance sheet and interest accounted for in line with the loan agreement. By not informing us of the loan we were not able to record it correctly in the accounts. So no, it is not the regular way to go about a transaction of this type' AD35.*

#### **Claims made in the Bankruptcy by Dinah Pickering and AMF PROPERTY TRADING LTD**

73. Ms Pickering became a supporting creditor in Mr Armstrong's bankruptcy as did AMF PROPERTY TRADING LTD (Previously G&A PROPERTY TRADING LTD) after issuing a statutory demand AD32 with Ms Flynn stating in her witness statement in support of the bankruptcy petition that:
74. *'AMF PROPERTY TRADING LTD owned a property that Mr Glenn Antony Armstrong used to secure a personal loan on.*

- a. *Mr Glenn Anthony Armstrong had the personal loan funds paid directly into his personal bank account'(AD33)*

### **Summary**

75. The Official Receiver notes that despite Mr Armstrong's comments, Mr Armstrong borrowed money against a company asset and had the money paid into his own bank account, making no record of the loan in the company records and did not inform the company accountant of the transaction.
76. Both Dinah Pickering and AMF PROPERTY TRADING LTD have made claims in the bankruptcy in respect of Dinah Pickering's loan and it does not appear to have been satisfied. In addition, regardless if this debt was included in Mr Armstrong's divorce settlement, his behaviour in having the loan paid into his personal bank account, failing to secure the loan as agreed and failing to notify the company's accountant and the other directors of the loan was not appropriate.

### **Mr Armstrong's use of Ms Pickering investment Monies**

77. As instructed by Mr Armstrong, Ms Pickering transferred £80,000 into Mr Armstrong's personal HSBC bank account 80092894. This was done by two payments of £30,000 one on 23 July 2018 and the other on 24 July 2018. A final payment of £20,000 was made on 25 July 2018
78. Prior to the initial £30,000 being transferred into Mr Armstrong's HSBC account on 23 July 2018 the balance of the account was £96.61. On receipt of the monies Mr Armstrong made the following transfers/payments (AD4).

### **HSBC Account**

- 23 July 2018 -£10,000 - Transferred to Mr Armstrong's RBS account 10983983
- 23 July 2018 -£5,000 Property Investmen – Who Mr Armstrong has identified as The Property Investment Training Company (PICT). A company Mr Armstrong was the sole director of until 15 February 2021. Mr Armstrong has stated no properties were developed through this company and it was solely a vehicle for him to provide his training services (AD45).
- 23 July 2018 -£1,500 - Transferred to Mr Armstrong's Nationwide account
- 24 July 2018 -£4,000 - Transferred to Mr Armstrong's RBS account 10983983
- 25 July 2018 -£3,500 - Transferred to Glenmac. Identified by Mr Armstrong as GLENNMAC PROPERTY LTD a company for whom Mr Armstrong was director until 28 July 2020.
- 25 July 2018 -£3,500 - Transferred to S Mates reference expenses
- 26 July 2018 -£4,000 - Transferred to John Lewis FS LTD Mr Armstrong's credit card
- 27 July 2018 -£10,000 - Transferred to Property Investmen - (PICT).
- 30 July 2018 -£500 – Transferred to Natwest VISA DD which appears to be a credit card
- 31 July 2018 -£12,000 - Transferred to Mr Armstrong's RBS account 10983983
- 1 August 2018 -£388 -Paid to David Lloyd Leisure
- 2 August 2018 -£382.09 – Paid to Birmingham Midshires
- 2 August 2018 -£3,000 - Transferred to Mr Armstrong's RBS account 10983983

3 August 2018 -£4,000 - Transferred to London Healthcare Charlotte Geneva Mr Armstrong's wife

3 August 2018- £525 -Transferred to a Maria Tarabasa

3 August 2018- £500 -Transferred to a D Pledger

6 August 2018- £1,000 -Transferred to a D Pledger

10 August 2018- £525 -Transferred to a Maria Tarabasa

10 August 2018- £500 -Transferred to a D Pledger

10 August 2018- £2,000 -Transferred to Property Investmen -refence Director's loan

13 August 2018- £4,000 -Transferred to Property Investmen -refence Director's loan

14 August 2018- £2,000 to a Barclaycard which appear to be a payment off a credit card

14 August 2018- £1,800-Transferred to FB-ADS-TX which appears to be for Facebook advertisements

### **Mr Martinus Gerardus Adrianus Mocking £50,000 loan**

Mr Mocking and his wife Lisa Mocking signed up to Mr Armstrong's 1 year property mentorship program 'Glen Armstrong's Property Millionaire Academy' in April 2019, paying £10,500 for the privilege (AD36) (AD38).

79. The program included monthly meetings in Mr Armstrong's home and a one-on-one meeting with Mr Armstrong during which their financial situation was discussed and how their money should be invested. This gave Mr Armstrong a detailed knowledge of the Mocking's financial situation and the monies they had available for investment (AD36).

### **The terms of the loan**

80. Mr Armstrong then approached the Mockings in July 2019 with a loan for a property investment. The loan was for £50,000 over an 8-week period with a total return of £53,000.
81. Mr Mocking states he initially declined this opportunity as they needed the money for projects of their own however he felt under pressure from Mr Armstrong as he had spent a large amount of money to join his programme (AD36). He therefore agreed to the loan with Mr Armstrong on a reduced period of 2 weeks and signed a loan agreement with him on 29 August 2019 (AD39). The £50,000 can then be seen transferred into Mr Armstrong's RBS account 10983983 on 30 August 2019, in two payments of £20,000 and one payment of £10,000 AD20. The terms of the loan agreement are paraphrased below:
- o The Mockings were to loan Mr Armstrong £50,000
  - o Mr Armstrong was to use all sums borrowed for the refurbishment of a property in the UK
  - o The loan was to bear interest of 3% per seven consecutive Calendar days.
  - o The full amount including interest £53,000 was to be repaid on 12 September 2019

### **Failure to make repayment**

82. 3 Days prior to the repayment due day the Mockings sent a reminder (AD41) and again on the repayment due day however Mr Armstrong did not return the monies as agreed.

83. Post the repayment due date, 12 September 2019 the Mockings sent Mr Armstrong various messages through WhatsApp, email and first class post chasing repayment. By iMessage Mr Armstrong replied that he was attempting to sell a property which appears to be 100 Mithras Gardens to free up the monies to make repayment. The Mockings questioned this as Mr Armstrong did not appear to own the property and were told by Mr Armstrong *'I have controlled and been paying the mortgage for 8 years.'* A sample of Mr Armstrong's comments on repayment have been included below:

18 October 2019 *'By next week the new solicitors will be able to speak with the new lender and explain the option and how that works and do the undertaking to pay (the Mockings) from the proceeds of sale.'*

*'I am trying to speed things up for you by borrowing against the property to repay you'*

21 October 2019 *'I have an option to buy at the mortgage value which is 104. I also have to pay the owner 12K. I have sold the property for 260.'*

21 October 2019 *'Someone is lending me 50K subject to solicitors giving an undertaking that he will be paid from the sale of the property. The property I have an option to buy and the property of attorney to act. I will repay you from that (AD41)'*

84. The Official Receiver notes that 100 Mithras Gardens was listed by Mr Armstrong in a spreadsheet he provided to the Official Receiver on his creditors with the following comment:

85. *'The Applicant (Mr Armstrong) has an option to purchase this property until 31 July 2020 for the sum required to redeem the mortgage on the property plus £12,000. The Applicant has not exercised or assigned this option and therefore has no interest in the property at this time.'*(AD42)

86. The Official Receiver notes that this being the position, it does not appear that Mr Armstrong's various statements regarding making repayment to the Mockings were accurate.

87. Mr Armstrong did not settle the loan and the Mockings became supporting creditors the petition for Mr Armstrong's bankruptcy.

#### **Mr Armstrong's use of the Mockings' investment Monies**

88. Prior to the Mockings' £50,000 being transferred into Mr Armstrong's RBS account on 30 August 2019 the account was overdrawn by -£7.99. On receipt of the monies Mr Armstrong made the following transfers/payments in August 2019 with the Mockings' monies (AD20).

30 August 2019 - £10,250 - Transferred to Charlotte Geneva, Mr Armstrong's wife

30 August 2019 -£6,600 - Transferred to Black Swallow Productions. This is a company of which Mr Armstrong's wife Charlotte Lady Armstrong is the sole director and operates out of Mr Armstrong's previous family home. Mr Armstrong has stated transfers to this company were for video production of marketing material for his property investment training company.

30 August 2019 - £16,000 - Transferred to PICT

30 August 2019 - £10,000 - Transferred to Charlotte Geneva. Mr Armstrong's wife

89. The Official Receiver notes that the loan agreement that Mr Armstrong signed stated that all the monies borrowed were to be used for the refurbishment of a property in the UK and this was clearly not the case. It therefore appears that Mr Armstrong's use of

funds was a breach of contract and judged by his behaviour in the spending the investments monies it seems likely he never any intention of using the monies for the reasons they were procured or to make repayment to the Mockings

### Post-petition dispositions

90. From 9 April 2018, the date of the petition for Mr Armstrong's bankruptcy, he made post-petition dispositions totalling £2,680,807. This includes £2,063,539 from his RBS Black Account 109883983 and £617,268 from his HSBC Premier Account 80092894. Of the dispositions at least £1,072,515 was to parties, or companies associated with Mr Armstrong with a deficit of £458,737, when credit sums received from the parties are considered. A summary of the transfers to the parties/companies associated with Mr Armstrong rounded to the nearest pound has been listed below.

<b>Transfers from RBS Account 10983983</b>			
<b>Party Transfers Made to</b>	<b>Amount Transferred £</b>	<b>Amount Received £</b>	<b>Deficit £</b>
The Property Investment Training Company	571,331	562,832	8,500
Lady Charlotte Armstrong	166,168	0	166,168
Black Swallow Productions Ltd	174,905	0	174,905
<b>Transfers from HSBC 80092894</b>			
The Property Investment Training Company	137,913	50,945	86,968
Too Glam to Give a Damm Ltd	10,097	0	10,097
Glennmac Property Ltd	12,100	0	12,100
<b>Total</b>	<b>1,072,515</b>	<b>613,777</b>	<b>458,738</b>

91. The parties were identified by Mr Armstrong from his bank statements. His reasons for the transfers are discussed in the following section along with commentary from the Official Receiver on the appropriateness of the transfers.

### Transfers from RBS Account 10983983

#### **The Property Investment Training Company (PICT) - £8,499.57 Deficit**

92. £571,331.98 - Transferred to PICT between 14 September 2018 and 29 January 2021 in 107 transactions AD58 AD59.

93. Mr Armstrong has identified this party as The Property investment training Company (PICT). Mr Armstrong has not been able to provide clarity on the reasons for these payments but has referred to intercompany transfers AD45. He has identified payments into his RBS account from the Property Co as transfers from PICT (£562,832.41) taking this into account there is a deficit of £8,499.57 in payments made to the company.

94. In the Official Receiver's' view Mr Armstrong's payments to a company which he was the sole director and shareholder of until 15 February 2021 was not appropriate in light of the petition debt and was to the detriment of his general body of his creditors.

#### **Lady Charlotte Armstrong (Mr Armstrong's Wife) - £166,168 Deficit**

95. £62,263 - Transferred to Charlotte Geneva between 5 October 2018 and 18 September 2019 over 30 transactions AD58 AD59.
96. £68,905 - Transferred to C Armstrong between 22 September 2020 and 11 February 2021 over 30 transactions AD58 AD59.
97. Mr Armstrong has identified both parties as Lady Charlotte Armstrong his wife. When asked about the transfers he stated:
98. *'I made payments to her mainly as household contributions. Things like paying the nanny and the house keeper (Sic), for the weekly food shop, towards the rent of the property she rented that I lived in with her.'* AD45
99. *'We have now separated since August 2021. The property which she rented was 242 Blackfriars, I think the rent was £6,000 the nanny was £1,000 a week. I also gave her £30,000 from one of my bank accounts to pay the deposit when she moved in'*
100. *'my wife also gave birth to our three children in a private hospital which each time cost about £20,000. Alfie was born September 2018. Charlotte was born September 2019 and Aspen was born November 2020. I might have paid the hospitals on occasion on my credit cards or on other occasions I would give her the money to pay'* (AD37).
101. Mr Armstrong additionally transferred £40,000 to Time 4 Diamonds London between 26 May 2020 and 10 August 2020 over 3 transactions AD58 AD59. Mr Armstrong has stated the transaction were for the purchase of two luxury watches which were later sold back to Time 4 Diamonds for approximately £35,000
102. *'These were sold to Time 4 Diamonds for cash for about £35,000 and I used the money for company expenses I am unsure which company. £14,000 would have been paid to a PR company'* AD37
103. In additional comments, regarding the payments, made to the Trustee Mr Armstrong stated:
104. *'I received it in cash. I gave Charlottes company 15k to pay for our monthly PR cost that were in arrears and 9k for one month's rental for one blackfriars (Mr Armstrong's wife's home address). She put it into her companies bank account. I spent some of the cash purchasing baby clothes and equipment for our third child and the balance was spent on outgoings. I do not have any evidence to support this although I believe Charlotte will have details of the PR payment and the rent payment as she made the payments'* AD57.
105. In the Official Receiver's view, the level of payments made by Mr Armstrong to his wife were to the detriment of the general body of his creditors and were not appropriate considering this was at a time he had an outstanding bankruptcy petition and considerable outstanding debts against him.

#### **Black Swallow Productions Ltd - £174,905 Deficit**

106. £174,905 Transferred to Black Swallow Prod between 6 March 2019 and 2 February 2021 over 63 transactions AD58 AD59. Mr Armstrong has identified this party as Black Swallow Productions Ltd. This is a company of which Mr Armstrong's wife Charlotte Lady Armstrong is the sole director, and the company operates out of Mr Armstrong's previous family home. Mr Armstrong has stated the reason for the transfer was as follows:

107. *'they produced mainly videos of me chatting about property which I posted regularly on my PITC Youtube channel. They also produced marketing videos for my Pitc courses. They were engaged for several days every week. These transactions were invoiced and copies of the invoices can be obtained from her' AD45*

108. The Official Receiver has requested copies of the invoices however Mr Armstrong has not supplied these Mr Armstrong has provided no evidence for the reasons for the transfers and his behaviour in paying his wife's company over the petition debt and other creditors was not appropriate and was to their detriment.

#### **Transfers from HSBC 80092894**

##### **The Property Investment Training Company (PICT) - £86,968 Deficit**

109. £137,913.13 -Transferred to Property Investment between 9 April 2018 and 21 May 2019 over 36 transactions (AD60). Mr Armstrong has identified this party as The Property investment training Company (PICT). Mr Armstrong has not been able to provide clarity on the reasons for these payments but has referred to intercompany transfers. He has identified payments into this account from the Prop Co as transfers from PICT (£50,945) taking this into account there is a deficit of £86,968

110. In the Official Receiver's' view Mr Armstrong's payments to a company which he was the sole director and shareholder of until 15 February 2021 was not appropriate in light of the petition debt.

##### **Too Glam to Give a Damm Ltd - £10,097 Deficit**

111. £10,097 -Transferred to Too Glam to Give a between 7 September 2020 and 26 October 2020 over 15 transactions (AD60). When he was asked for his explanation for the payment Mr Armstrong has stated, *'Too Glam is my wife's company and these payments at her request that were due to black Swallow were paid to her other company instead' AD45*

##### **Glenmac Property Ltd - £12,100 Deficit**

112. £12,100 -Transferred to Glenmac between 24 April 2018 and 25 July 2019 over 4 transactions (AD60). Mr Armstrong stated about the transfers:

113. *'glenmac was a company I co-owned that had 2 development projects. there were several inter company / to me payments made and my previous account had the balances. These could have been repayments of directors loans' AD45*

#### **The Official Receiver's view on the Dispositions**

114. From 9 April 2018, when Anni Nakamura petitioned for Mr Armstrong's bankruptcy, it should have been clear to him that he was facing serious legal action that could and did end in his bankruptcy.

115. From this date Mr Armstrong made significant dissipations to his wife and companies associated totalling £1,072,515 with a net negative transfer balance of £458,738. Mr Armstrong's actions disadvantaged his creditors and were not appropriate considering the outstanding debts against him. To date the Trustee has made no recovery from the parties connected to Mr Armstrong.

#### **Explanation of conduct provided by Mr Armstrong**

116. At interview on 16 June 2022 Mr Armstrong gave the following explanation:



**117.** 'I was previously married to Amanda Flynn. We finally fully separated in summer 2016. At the time we were both living at Carisbrook House and Stone Hill which is where I lived prior to buying Carisbrook House. Divorce proceedings were instigated by her in the approx. autumn of 2015 (we had previously had another separation. I believed that I would receive 50% of the divorce settlement which I estimated to be in region of £12M to £14M. There were about 8 to 10 hearings I was awarded 50% of the value of properties in September 2019 after this I was also due rental income from the properties I was awarded which was about £20,000 a month rental profit and is now considerably more. She got the ones with the best rental income and I got the ones with the best development potential i.e a property called Redhouse which sat in a portfolio of £350,000 value approx. This would have achieved planning permission to build 16 to 20 flats with a potential profit well in excess of 1M. I would like to clarify the numbers in divorce settlement will be lower however this was because the properties were undervalued and the development potential wasn't taken into account.

**118.** I do not believe my actual bankruptcy debts will be the £8m approx. I understand some creditors have put in claims for amounts they have already been paid as well as interest post-bankruptcy. In addition, the HMRC tax bill was due to be paid from my wife's half of the divorce settlement. If I had not been made bankrupt, there would have been sufficient money available to repay my creditors. This is taking into account the undervalue of the properties and the development potential as well as the over inflated bankruptcy debts.

**119.** I ran a training business since 2005 initially this was through G&A Property UK limited with my former wife. On the separation in 2015 I started a new company 'The Property Investment Training Company limited' (PICT) I was advised to not expand this by my solicitors because it would complicate the divorce's financial settlement. However, after the settlement in September 2019 I expanded the company, and it was turning over about £120,000 a month and growing every month and about £80,000 of this was profit. I had started paying some of my debts through it.

**120.** Mr Powdrill asked me why I did not pay the petition debt and other CCJs against me considering the income I had available. I had a number of other expenses to pay such as the mortgage on Carisbrook which was £19,000 a month. I did pay the petitioning creditor £20,000 and I made an agreement to pay the rest. This was for £10,000 a month I believe I paid this twice for £20,000 in total. There were also a number of other statutory demands that I had to consider. I did not pay these either.

**121.** My ex-wife Amanda Flynn owned approx. 130 properties which had a rental profit of £30,000 to £50,000 a month which prior to separated we used to fund the bridging loans on 30 development properties owned by Sutherland Property Limited. Of which me and my ex-wife were both directors and 50/50 shareholders. After the separation in 2016 she stopped providing the finance for the bridging loans and the refurbishments. This left me with a £30,000 to £50,000 shortfall to make up every month as I provided PGs to the personal loans. To clarify there were both bridging loans owed by the company and personal loans to the company secured against the properties and these personal loans are the ones I provided the PGs for. I also took loans from individuals on my personally owned properties to repay the PG secured loans to Sutherland. My ex-wife on the other hand who all the income made no effort to repay the loans/investors. If she had cooperated and paid her fair share, I believe I would have been able to pay all my creditors.

**122.** Because of the cashflow issue the developments were slowed down. This meant many of them were not completed by the time the bridging loans became due. This had significant costs with each renewal was costing approx. £12K in renewal fees which meant there was not enough money to pay back some investors.

**123.** During this process from approx. 2016-2018 for the main, to protect my reputation and to pay my investors back in a timely fashion, when a loan became due, and a property project hadn't finished I began paying the investors their capital back without interest using fresh

investor monies. For example, if I owed you £100,000 plus £20,000 in interest and the project hadn't completed on time and you were due your money back. I would borrow £100,000 from another investor attempting to get this on more favourable terms and would give you the fresh investor's £100,000 to avoid default rates. I then reached a point my ex-wife would not sign this off as she was a director. I believe this might have been the type of investment which the FCA advised me not to do and led to me signing the undertaking. I was asked by the FCA to not operate in a certain way I do not remember the specifics.

### The Official Receiver's Comments on Mr Armstrong's Explanation

124. Mr Armstrong defence appears to be that he believed that he would have had sufficient resources from his divorce settlement to pay his creditors in full.

125. The Official Receiver considers this assertion is unrealistic for the following reasons.

126. District Judge Duddridge handed down his reserved judgement on 14 October 2019, following the final hearing of Mr Armstrong's application for financial remedies under the Matrimonial Causes Act 1973. This judgment took into account the total assets and liabilities of Mr Armstrong and Ms Flynn based on their representations of their finances to him AD61 AD62.

127. District Judge Duddridge found the total net equity between them to be £1,769,866. However, as he further remarked that figure did not fully take into account capital gains tax (CGT) which would result on the sale/transfer of the matrimonial properties, when this was considered it would reduce the total net equity, to £18,681. While it was suggested to the Judge, by Mr Armstrong solicitors the CGT could be deferred by transferring the properties to a limited company in exchange for shares in that company, it is unclear if this strategy would have been successful AD61.

128. Even setting aside the CGT issue and assuming Mr Armstrong expected to be fully successful in his application, as District Judge Duddridge remarked: '*under (Mr Armstrong's) proposals, he will have a substantial deficit of liabilities over assets after distribution. Including his Novitas loan, that deficit will be in the region of £1.2 million. AD61*'

129. The Official Receiver additionally notes that the total liabilities disclosed by Mr Armstrong in his application for financial remedies was £8,011,265 whereas the claimed unadjudicated debts in Mr Armstrong's bankruptcy total £13,595,574 AD63, more than 7 times the value of the net marital assets which were declared to the family court by Mr Armstrong and Ms Flynn. Even considering that all claims may not be accepted or accepted fully, it is not realistic for Mr Armstrong to assert that his divorce settlement would have been sufficient to satisfy all his creditors.

130. Mr Armstrong did not pay his debts as and when they fell due. He was aware that he had a bankruptcy petition against him and was under pressure from his creditors when he made misleading statements to investors/lenders to obtain credit from them. Mr Armstrong has not adequately explained his comments/statements to investors/lenders and in the Official Receiver's view he misled creditors and dissipated the monies to the detriment of the general body of his creditors.

### Conclusion

131. Mr Armstrong continued to seek out new credit post-petition and made various misleading statements to obtain further loans/investments from third parties. When his use of the monies is considered, it appears doubtful, he ever had any intention of repaying the

lenders/investors. Mr Armstrong's behaviour in this regard was not appropriate and was to the detriment of the effected creditors.

**132.** As such the Official Receiver considers that the circumstances of this bankruptcy and the conduct of Mr Armstrong as detailed warrant a bankruptcy restrictions order.

Dated this 27 day of July 2022

Signed



Alan Draycott

**Deputy Official Receiver**

**Enclosures**

The following documents are provided with this report in support of the report above:

No	Description	Date
AD1	Letter Before Action (LBA) of Anni Nakamura	23 May 2017
AD2	Statutory Demand of Anni Nakamura	16 September 2017
AD3	Bankruptcy Petition of Anni Nakamura	9 April 2018
AD4	Bank Statements HSBC 80092894	July 2018
AD5	Equifax Report	15 February 2021
AD6	CCJ Erdene	21 March 2018
AD7	CCJ Erdene	8 July 2019
AD8	Bankruptcy Order	11 February 2021
AD9	RBS Statements 10983983	June 2019
AD10	Email from CCBC on CCJs	4 March 2021
AD11	Statement of B Hamilton	31 August 2020
AD12	Call Transcript B Hamilton/G Armstrong	6 June 2019
AD13	Email from G Armstrong	25 June 2019
AD14	Promotional Material on 42 Station Road	Undated
AD15	Text messages between Hamilton and Armstrong	Various dates
AD16	Statement of J.A Evangelista	25 September 2020

AD17	Email of G Armstrong	11 June 2019
AD18	Email with Trustee Anne Marie Harding	1 June 2022
AD19	Emails between Armstrong and G Evangelista	1 and 2 August 2019
AD20	RBS Bank Statements 10983983	August 2019
AD21	Option Agreement, 42 Station Road, Unsigned	27 June 2019
AD22	Land registry 42 Station Road	7 September 2009
AD23	Pickering - Loan Agreement 20 July 2018	20 July 2018
AD24	AMF Property Trading Ltd - Officers	Undated
AD25	Email Armstrong on registering restriction	19 July 2018
AD26	Statement of Dinah Pickering	31 August 2020
AD27	Dinah Pickering RX1	Undated
AD28	Email Dinah Pickering	14 February 2019
AD29	Letter Amanda Flynn to Dinah Pickering	8 March 2019
AD30	LBA	28 April 2020.
AD31	PGS Law Email	15 May 2020
AD32	Statutory Demand	14 February 2020.
AD33	Statement of Amanda Flynn	1 September 2020
AD34	PRENAR 2 of 2	16 June 2022
AD35	Emails John Goodinson and OR	17 June 2022
AD36	Statement of Martinus G Mockings	31 August 2020
AD37	PRENAR 1 of 2	16 June 2022
AD38	Invoice 15	15 April 2019
AD39	Loan Agreement Mocking	29 August 2019
AD40	Text Messages Armstrong - Mocking 1 of 2	Various dates
AD41	Text Messages Armstrong - Mocking 2 of 2	Various dates
AD42	Spreadsheet Armstrong	Undated
AD43	Letter to David Allen	27 May 2022
AD44	Email David Allen	21 June 2022

AD45	Comments from Mr Armstrong on transfers	Undated
AD46	Summary of Call with David Allen	21 June 2022
AD47	Statement of A Waters	28 August 2020
AD48	Statement of M Turner	28 August 2020
AD49	Statement of Edward and Sonya Clynes	Undated
AD50	Statement of Deborah Dixon	30 August 2020
AD51	Statement of Ashley Flight	1 September 2020
AD52	Statement of K Tomlinson	28 August 2020
AD53	Statement of Sutherland Investment Property limited	1 September 2020
AD54	Statement of A Flynn	1 September 2020
AD55	AD55 Statement of AMF Property Trading	1 September 2020
AD56	AD56 Statement of Najma McVey	29 January 2021
AD57	Glenn Armstrong comments on Trustee Letter	19 April 2022
AD58	RBS Bank Statements 15 June 2018 1 April 2019	15 June 2018 1 April 2019
AD59	RBS Bank Statements 1 April 2019 to 11 February 2020	1 April 2019 to 11 February 2020
AD60	HSBC Bank Statements	April 2019 to March 2021
AD61	DUDDRIDGE Judgment	14 October 2019
AD62	Schedule with Findings relating to Judgment of 14 October 2019	14 October 2019
AD63	Creditor Claims Summary Report	30 June 2022
AD64	PICT Accounts	31 March 2018
AD65	Glennmac Property LTD A Waters Loan Agreement	18 May 2016
AD66	Armstrong Turner Loan Agreement	18 May 2016
AD67	Flight - Glennmac loan agreement	26 June 2017
AD68	Flight - Sutherland loan agreement 26 June 2017	26 June 2017
AD69	List of Appearances 11 February 2021	11 February 2021

AD70	Cheque Turner	5 December 2017
AD71	RX1 Turner	Undated
AD72	Loan Agreement Turner July 2017	July 2017
AD73	Loan Agreement Dixon	26 July 2017
AD74	Email Flight	15 June 2017
AD75	Flight messages	Various dates
AD76	Flight notices of repayment	13-14 September 2017
AD77	Flight letters regarding repayment	various dates
AD78	McVey Summary Loan Agreement	2 June 2011
AD79	McVey email and rx1	14 May 2011
AD80	McVey letter with RX1 and loan agreement	28 May 2012
AD81	McVey letters requiring repayment	25 March 2017
AD82	McVey Statutory demand and correspondence	various dates
AD83	McVey LBA and schedule of loans	26 June 2018
AD84	McVey Armstrong Letter	23 June 2019
AD85	McVey Schedule	undated
AD86	Interview Gary Evangelista	31 May 2022
AD87	SOD Barber Order	18 May 2022
AD88	Durrige Final Form Financial Remedies Order	14 October 2019
AD89	FCA Email	25 July 2022
AD90	FCA letter	31 October 2018
AD91	Armstrong letter to FCA	11 December 2018
AD92	Sutherland Investment Property Ltd Shareholders	19 February 2015
AD93	Sutherland Investment Property Ltd Accounts	27 October 2020