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Even shareholders set to be paid following successful trading sale of insolvent taxi business

York's largest taxi firm had built up a loyal customer base before its managing director started selling shares to drivers and local business people. However, the business model did not allow for the inducements the director offered in return for buying the shares and the company started to run out of cash, which the director sought to replace by borrowing privately.

The shareholders began to raise concerns over the performance of the company and, not receiving adequate answers from the director, approached Rob Sadler to advise on their options.

A creditor of the company applied to Court for Rob to be appointed as Administrator and the business was traded whilst a buyer was found. The managing director was immediately dismissed.

Considerable interest was expressed, resulting in a sale of the business at a level sufficient to repay most of the creditors' claims and preserving the drivers' jobs. The Administrators also undertook an exercise to quantify the financial damage caused by the director's actions and the resulting claim should provide sufficient monies to pay creditors in full and give a return to the shareholders.

For further information:

Call Rob Sadler on 07867 787974 or email rob@sadlers.ltd.

Sadlers is an independent firm of licensed insolvency practitioners, based in York and undertaking appointments across the North of England and beyond.

Specialists in agriculture, with significant experience in corporate restructuring and personal insolvency, Sadlers provides a partner led service to its clients.



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Note that Rob Sadler undertook this appointment whilst a partner of Begbies Traynor (Central) LLP