

Alpha Development Ltd et al v Barclays Wealth Trustees (Guernsey) Ltd et al

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Alpha brought proceedings alleging negligence and breach of duty against its former corporate administrator and directors in respect of a failed high specification property development in Chelsea. The loss of bank finance resulted in the failure of the development and it was alleged that it caused Alpha huge losses (pleaded at £79m). After nearly five years of complex litigation, the matter was settled on confidential terms just hours prior to the commencement of a seven-week trial which was due to take place in June/July 2015.

In 2014/15, there were numerous Court hearings of interlocutory applications covering at least ten Court days, including a reference to the Court of Appeal. These hearings resulted in five reported judgments which all made new Guernsey law on particular points, including letters of request, 'empechement d'agir', privacy orders and exceptions to without prejudice privilege.

The case is particularly important because it is one of the first Guernsey cases to have grappled with the Guernsey law of directors' duties and the application of indemnities and exemptions. Despite the importance of company administration and investment funds to the Guernsey economy, there is currently no case (or statute) which sets out exactly what a Guernsey director's duties are.

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