

Neutral Citation: [2017] NIMaster 3

Ref: 2017NIMASTER3

Judgment: approved by the Court for handing down
(subject to editorial corrections)

Delivered: 07/04/17

2016/072232

IN THE HIGH COURT OF JUSTICE IN NORTHERN IRELAND
CHANCERY DIVISION (BANKRUPTCY)

BETWEEN:

PETER DARRAGH QUINN

Applicant:

and

1. IRISH BANK RESOLUTION CORPORATION LIMITED
(IN SPECIAL LIQUIDATION)
2. QUINN INVESTMENTS SWEDEN AB
3. LEIF BAECKLUND

Respondents:

MASTER KELLY

[1] By application filed on 15th August 2016, Peter Darragh Quinn ("the applicant") *inter alia* seeks the following directions:

- "1. A declaration that the causes of action asserted by the Respondents against the Applicant in proceedings under record number 2011/5843P ("the Liabilities") are bankruptcy debts of the Applicant;
2. A declaration that the Respondents enjoy no remedy in respect of the Liabilities against the Applicant's property or his person;

3. A declaration that the Applicant has since his discharge from bankruptcy been released from the Liabilities;

4. A declaration that the law of Northern Ireland determines the conditions and effects of the closure of insolvency proceedings and the rights of creditors after the closure of insolvency proceedings in every Member State of the European Union other than Denmark.”

[2] Mr Gowdy appeared for the applicant and Mr Dunlop for the respondents. I would like to express my gratitude to both for their oral and written submissions in the matter.

[3] The background to the application is as follows.

On 26th June 2014 the first respondent presented a bankruptcy petition against the applicant for a judgment debt of USD\$188,000,000. That judgment was entered against the applicant by the High Court of Ireland on 14th May 2013 (perfected on 29th July 2013) and subsequently registered in the Queen’s Bench Division of the High Court in Northern Ireland. Accordingly, that judgment is recognised in this jurisdiction. The petition was returnable for 8th September 2014, and on that date the first respondent sought and obtained a bankruptcy order against the applicant. The applicant received his statutory discharge from bankruptcy one year later.

[4] What prompted the applicant to make this application? It is his belief that the first respondent is still pursuing him for recovery of its bankruptcy debt, despite the applicant’s discharge from bankruptcy. The source of this belief is the continuing correspondence from a receiver (“the Receiver”) appointed by the High Court in the Republic of Ireland in the proceedings which led to his bankruptcy. In this correspondence, the Receiver regularly enquires into the applicant’s financial dealings and affairs.

[5] It is now clear that the first respondent is not corresponding with the applicant in pursuit of recovery of the bankruptcy debt. The first respondent is fully aware of the statutory legal provisions regarding that. Nor is the first respondent attempting to prevent the applicant from legitimately acquiring assets post-discharge. The first respondent is also clear about that. The purpose of the correspondence is to keep the applicant under the scrutiny of the High Court in the Republic of Ireland, to ensure that he does not attempt to acquire assets that are protected by Court orders made there between 27th June 2011 and 14th May 2013, now that he is discharged from bankruptcy. Those orders were made in the course of proceedings relating to *inter alia* conspiracy on the part of the applicant (and allegedly others) to put assets beyond the reach of the respondents as part of an asset-stripping scheme (“the Scheme”) by or on behalf of the International Property Group Ltd (“IPG”) - a group of companies Sean Quinn Senior established for the benefit of his children - over

which the first Respondent holds security. The above named respondents are the plaintiffs in those Conspiracy proceedings, and the orders made therein remain in force.

[6] Included in those orders is an order made by Ms Justice Dunne on 26th June 2012 whereby she found the applicant guilty of contempt of Court. The reason for the finding was that the applicant breached the terms of Mareva-type orders granted on 27th June 2011 and 20th July 2011 relating to the Scheme, and assets contained within the Scheme.

[7] Committal proceedings followed the contempt finding, and the applicant was ultimately sentenced to 3 months imprisonment *in absentia*. The applicant remains in contempt of Court.

[8] For the present purposes, an order made by Ms Justice Dunne on 29th June 2012 is particularly relevant for two reasons. Firstly, the order compelled the applicant to make full disclosure on oath of details of the Scheme and the whereabouts of its assets, as well as to take steps to undo the Scheme. Secondly, Ms Justice Dunne's order appointed a Receiver over the applicant's assets as a means by which to protect and preserve the assets contained within the Scheme pending trial of the Conspiracy proceedings. By virtue of the order, the Receiver is empowered *inter alia* to:

“...take possession and control of and to secure and to collect all assets, including but not limited to shareholdings, of Peter Darragh Quinn...”

The Receiver is therefore empowered to request whatever information from the applicant he considers necessary and appropriate to discharge his duty to the Court. These orders have also been registered in this jurisdiction and are therefore recognised here.

[9] The orders made in the Conspiracy proceedings, insofar as they relate to the applicant, conclude with the order of Mr Justice Kelly of 14th May 2013 which entered judgment against the applicant for the USD\$188,000,000 which formed the basis of the petition debt. However, the judgment debt only formed part of the order. The order also made permanent a number of injunctions already in place against the applicant, and includes declarations that the applicant unlawfully conspired to misappropriate IPG assets to put those assets beyond the reach of the first respondent. As stated earlier, that order was registered in Northern Ireland and is recognised here.

[10] That is effectively the end of the matter as far as this application is concerned – apart from the separate question of whether the bankruptcy order in Northern Ireland cancels any of the Court orders made in the Republic of Ireland, either wholly or partially.

The answer to that question is no. Firstly, the orders made in the Conspiracy proceedings are registered in this jurisdiction and have therefore been given recognition here. Secondly, they act only *in personam*. Thus, they are not nullified by the applicant's bankruptcy in Northern Ireland or by his discharge.

[11] While the applicant remained an undischarged bankrupt, there was little need for scrutiny, since he was legally prohibited from acquiring any assets during this time. However, once the applicant received his discharge, he was at liberty to acquire assets again. This seems to be the reason for the Receiver's increased vigilance.

[12] In conclusion therefore, the applicant remains bound by the terms of the orders. If he wishes to challenge the actions of the Receiver, or have any of those orders varied or discharged, he must bring an appropriate application in the Court in which they were made.

[13] For these reasons, it is not necessary to grant any relief to the applicant. I will now hear counsel on the issue of costs.