

The official receiver v Timothy Laurence Ireland, Roger Ayton Hutchison, Michael Anthony Sonn

This was a case where the official receiver made an application for disqualification against the director of a limited company. There were various transactions which had taken place following the re-organisation of the company which were done following advice from company solicitors.

The director stated that because he was relying upon his solicitors advice, he should not be disqualified. The court said that the fact that he had professional advisers who failed to draw attention to the fact that the transactions were improper might mitigate a finding upon fitness or be a mitigating factor. In this case however the director exercised no independent judgement but mainly did what he was told. The disqualification order was therefore made.

This is a case which shows that directors cannot claim their own shortcomings on the fact that advisers told what to do and that they went ahead in did it. A director must use his own judgement.