

# Court orders winding up of Gartlett

26 Mar 2009

The Securities and Futures Commission (SFC) has successfully obtained orders in the Court of First Instance to wind up Gartlett Investments Ltd (Gartlett).

This action follows an SFC investigation into unlicensed futures trading by Gartlett which began last year. The SFC alleged that Gartlett was conducting an unlicensed futures dealing business on behalf of approximately 200 clients, mainly in commodity futures contracts traded on the London Metals Exchange.

Last September, the SFC successfully applied to the Court, on an urgent basis, to appoint Mr Rod Sutton and Mr Desmond Chiong of Ferrier Hodgson as interim administrators (Note 1). They have been in control of Gartlett's affairs since then and the Court appointed the Official Receiver to act as the liquidator of Gartlett.

The SFC had alleged that Gartlett executed approximately US\$950 million in commodity futures contracts in a two week period in August 2008. The SFC's action was designed to stop ongoing misconduct and safeguard the assets of innocent customers.

Information from the interim administrators has shown that Gartlett is insolvent and the company's affairs need to be subject to formal administration by an insolvency expert who can trace assets and return money to creditors. The SFC therefore sought orders from the court to wind up Gartlett.

End

Notes:

1. On 12 September 2008, the SFC made an urgent application in the High Court seeking the appointment of administrators over Gartlett. The SFC alleged that Gartlett had been conducting an unlicensed business in dealing in futures contracts on behalf of approximately 200 clients. Upon the application of the SFC, Mr Sutton and Mr Chiong of Ferrier Hodgson were appointed joint and several administrators of Gartlett. (See SFC press releases dated [12 September 2008](#) and [19 September 2008](#)).

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