

Press Release 7 September 2010

MERAH CLUB LIMITED (In Administration)

Robert Derek Smailes and Stephen Blandford Ryman both of Shipleys LLP were appointed Joint Administrators of Merah Club Ltd on 12 August 2010.

The company operated the prestigious nightclub club Merah located at 78 Wells Street, just off Oxford Street in London's fashionable Fitzrovia. The venue has recently played host to events involving stars such as Alicia Keys, Rihanna, Boy George and P Diddy.

The directors recognised that the business was struggling as a result of difficult trading conditions and sought specialist corporate recovery advice. Because the company was unable to meet its liabilities as they fell due, a Notice of Intention to Appoint Administrators was filed on behalf of the directors at The High Court of Justice in The Strand on 10 August 2010.

Several operational reasons prevented the Company from being sold as a going concern. However, the assets of the business were independently valued and the Administrators were able to sell them quickly for the full valuation. As a result, all Merah's staff were taken on by the purchaser Exactfact Limited, and the Administrators hope to make a distribution to unsecured creditors. The alternative of a liquidation would have resulted in the loss of more than 30 jobs and would not have realised any proceeds for the benefit of creditors.

The Administrators are still receiving and reviewing claims from creditors and are unable to quantify the amount of any distribution to creditors at this stage.

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