

Private and Confidential«NAME»
«A1»
«A2»
«A3»
«A4»
«A5»

28 June 2011

Your Ref «CREF»
Our Ref SEG/SFW/2287/A6Please ask for
Samantha Wood
0117 930 1518**To All Known Creditors and Shareholders**

Dear Sirs

LHP Law LLP - Company Voluntary Arrangement ("LHP")

It is with regret that I write to advise you that the Company Voluntary Arrangement ("CVA") entered into by LHP on 1 December 2009, has failed due to LHP's inability to pay its post-CVA liabilities as they fell due. I enclose a certificate of non-compliance for your records (sent to the members on receipt of notification of the proposed appointment of Liquidators on 15 June 2011).

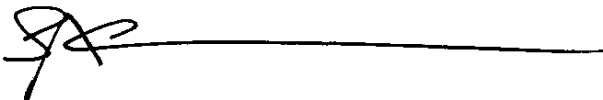
The members of the Partnership took immediate steps on realising that they would not be able to pay their post CVA liabilities as they fell due and sought advice from an independent insolvency practitioner at RSM Tenon Limited ("Tenon"). A notice convening a meeting of the creditors of LHP on 23 June 2011 pursuant to section 98 of the Insolvency Act was sent to creditors on 14 June 2011 in this regard. LHP was due to be placed into a Creditors Voluntary Liquidation at this meeting, the proposed liquidator is Nigel Ian Fox of Tenon, Highfield Court, Eastleigh, SO53 3TZ.

You are eligible to lodge your claim in the Liquidation and should you wish to do so please contact Sarah Curtin at Tenon by telephone 02380 646 527 or email: sarah.curtin@rsmtenon.com.

Please also find enclosed a Final Notice of Termination of the CVA, together with my final report to creditors and receipts & payments account.

If you have any queries, please contact my colleague Samantha Wood on 0117 930 1518

Yours faithfully



Simon Girling
Joint Supervisor
Authorised by the Insolvency Practitioners Association

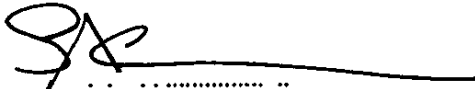


Certificate of Non Compliance

LHP Law LLP

I, Simon Edward Jex Girling, Joint Supervisor of the Company Voluntary Arrangement, (CVA) in accordance with Clause 6.7 of the Arrangement hereby issue this Certificate of Non Compliance with the terms of CVA due to a material breach of the terms of the Arrangement, as modified

Dated: 28 June 2011

A handwritten signature in black ink, consisting of stylized initials 'SJE' followed by a long horizontal line.

.....
Simon Edward Jex Girling
Joint Supervisor
Authorised by the Insolvency Practitioners Association



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Bristol BS1 6AA

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28 June 2011

Your Ref
Our Ref SEJG/SFW/2287/A6

Please ask for
Samantha Wood
0117 930 1518

To All Known Creditors and Shareholders

Dear Sirs

LHP Law LLP - Company Voluntary Arrangement ("LHP")

It is with regret that I write to advise you that the Company Voluntary Arrangement ("CVA") entered into by LHP on 1 December 2009 has failed.

Reasons for Failure

The CVA was initially successful and payments were received on time for over a year. However, during recent months the members realised that they were unable to pay post CVA liabilities as they fell due and have resolved to place LHP into liquidation.

Although the first year of the CVA was successful, the level of work billed was significantly lower than LHP had anticipated during early 2011. LHP implemented a series of cost cutting measures, including making several redundancies during this time. It soon became clear, however, to the members that these measures were not sufficient and they sought independent advice from RSM Tenon Limited.

It is stated at point 6.9 in the members' proposals that should the arrangement fail, it is the duty of the Supervisor to either petition for the winding up of LHP by the courts or to assist the members in placing LHP into liquidation. The first contribution to the CVA that went unpaid was due at the end of April 2011. As Supervisor, I did not have any grounds to fail the CVA until that contribution was 60 days overdue. In the meantime, the members having sought their own independent advice, convened meetings of creditors and members pursuant to section 98 of the Insolvency Act, at which LHP was to be placed into liquidation and Nigel Ian Fox of RSM Tenon Limited appointed liquidator.

Unsecured Creditors

Creditors will note from the attached receipts and payments account that £21,000 has been paid into the arrangement by LHP. Unfortunately, there will be insufficient funds available for a distribution to creditors after costs of the arrangement have been deducted from the balance held.

Receipts and Payments

I attach a statement showing my final receipts and payments since the date of my appointment to date, which is at Appendix I.



Supervisors' Remuneration

I attach at Appendix II a schedule summarising the time costs incurred to date totalling £33,514.95, which is 149.90 hours at an average rate of £213.49 per hour and indicates the work undertaken in that respect. The creditors have approved the Joint Supervisors' remuneration on a time cost basis and have drawn fees of £17,283.63 as shown on the attached receipts and payments account to discharge some of their time costs in this regard, all remaining time costs have been written off following the closure of the CVA.

The costs incurred were higher than initially anticipated due to the trading difficulties that LHP faced which meant that a regular dialogue with the members was required and my staff were more involved in reviewing cash flow and financial information than expected.

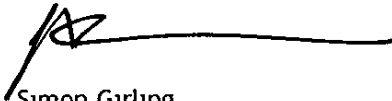
Supervisors' Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. I have drawn £17.95 in respect of direct postage charges, travel expenses and court fees.

Some Supervisors recharge expenses for, for example, general postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP is not to charge any category 2 disbursements.

If you have any queries regarding the CVA, please contact my colleague Samantha Wood on 0117 930 1518

Yours faithfully



Simon Girling
Joint Supervisor
Authorised by the Insolvency Practitioners Association

**LHP Law LLP
(Voluntary Arrangement)**

**Receipts and Payments Account
01 December 2009 to 28 June 2011**

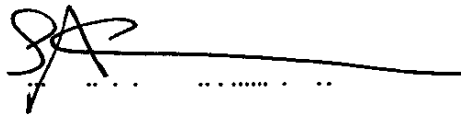
RECEIPTS	Total (£)
Bank Interest Gross	32.29
Income Contributions	21,000.00
	<hr/>
	21,032.29
PAYMENTS	
Bordereau	264 00
Supervisor's Fees	17,283.63
Supervisor's Disbursement	17.95
Corporation Tax	6.39
VAT Irrecoverable	3,460 32
	<hr/>
	21,032.29
Balance in hand	<hr/>
	0.00 <hr/>

**LHP Law LLP
Company Voluntary Arrangement**

Notice of Termination of the Arrangement

I, Simon Edward Jex Girling, Joint Supervisor of the above Company Voluntary Arrangement, in accordance with Rule 1.29 of the Insolvency Rules 1986, hereby give notice that the above arrangement terminated on 28 June 2011

Dated: 28 June 2011

A handwritten signature in black ink, consisting of stylized initials 'S' and 'J' followed by a long horizontal line.

Simon Edward Jex Girling
Joint Supervisor
Authorised by the Insolvency Practitioners Association