



Grand Court Delivers 366 Page Judgment in In Re Torchlight Fund L.P.

Yesterday the Grand Court of the Cayman Islands delivered its long awaited judgment in the winding up proceedings brought against the Torchlight Fund L.P. (“Torchlight”). Conyers is Cayman counsel for Torchlight.

The 366 page judgment of the Honourable Justice McMillan notes that at around the time the judgment was substantially completed, but not yet circulated, the parties informed the Court that they had reached settlement on a confidential basis. Nevertheless, the Learned Judge chose to deliver the judgment, notwithstanding a late attempt by the Petitioners to suppress its publication.

A petition was presented against Torchlight on 21 June 2015, seeking a winding up order on a just and equitable basis. However, the Petitioners’ reasons for winding up Torchlight changed fundamentally during the course of the proceedings. It is noted that Torchlight was and continues to be a highly profitable partnership; a point that was ultimately not in dispute in the proceedings.

Following a multitude of interlocutory hearings, the trial of the Petition took place over the course of 2017, ultimately totaling over 41 days in Court, which may be the longest running trial of a just and equitable winding up petition in history.

The lengthy judgment dismissed the wide ranging allegations of mismanagement made against Torchlight and its General Partner. The Learned Judge agreed with Torchlight’s consistently held position that the Petition had been brought for an ‘improper purpose’, ultimately concluding that, had the parties failed to settle matters, the Petition would have been dismissed as an ‘abuse of process of the Court’.

The judgment criticises the Petitioners’ evidence, which is in contrast to the Learned Judge’s compliments on the evidence given by both Mr. Kerr and Mr. Naylor, the chief witnesses of Torchlight. The judgment also makes clear that both Mr. Kerr and Mr. Naylor have been exonerated by the Court, and that they and the public are entitled to know this, which was the main basis for publication.

Conyers’ Partner Ben Hobden said, “We are delighted that notwithstanding the late attempts by the Petitioners to prevent publication, the Learned Judge has decided to release this judgment. It is not only of importance to Torchlight, but to the jurisdiction. This result is testament to the hard work of both the global legal team and the client, and I am pleased that the judgment exonerates Mr. Kerr and Mr. Naylor.”

A copy of the judgment can be found [here](#).

Partner Ben Hobden led the Conyers team, which also included Partner and Head of Cayman Islands Litigation & Restructuring, Paul Smith, and Associates Erik Bodden and Jordan McErlean.

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