

## **NDF Administration Limited (in administration) ("NDF") and Defined Returns Limited (in administration) ("DRL")**

Andrew Hosking and Martin Ellis of Grant Thornton UK LLP were appointed Joint Administrators of NDF Administration Limited (in administration) ("NDF") and Defined Returns Limited (in administration) ("DRL") on Wednesday 14 October 2009.

### **1. How do I keep up to date?**

The Joint Administrators are reviewing the financial position of both NDF and DRL and will provide updates on this website when there is new information to report. Grant Thornton website <http://ndfa.creditorhelpline.co.uk>  
NDF and DRL telephone no: 0844 770 2203

### **2. Message from the Joint Administrators**

Following our appointment as Joint Administrators of NDF and DRL, we will work with the Financial Services Authority ("FSA"), the Financial Services Compensation Scheme ("FSCS") and other bodies to help protect investors' and creditors' interests as well as the assets of NDF and DRL.

Our priority is to confirm that investor funds have been segregated from those of NDF and DRL. Based on the limited information we have seen to date, we understand this to be the case, however we need to confirm that this is correct. In the short term, whilst we undertake our investigations, investor cheques will not be banked.

Furthermore, investors will not be able to redeem their investments and/or receive income payments under their respective product plans, until this investigation is complete. This is being conducted as a matter of urgency.

We will be writing to all investors shortly. Investors do not need to take any action at this stage.

### **3. What does this mean to the value of my investment?**

The appointment of the Joint Administrators should not affect the value of any investments made in NDF products or any insurance products which you may benefit from.

### **4. Will the administration of my investment be affected by the appointment of the Joint Administrators?**

The Joint Administrators have received assurances from Opal (the company administering the products) that they will comply with their current obligations into the new year.

The Joint Administrators are currently in discussions with Opal and the FSA to ensure the administration of the investments through to maturity.

### **5. What do NDF and DRL do?**

NDF provides own branded structured financial products, ISA mortgage products and pure insurance plans to investors, both through Independent Financial Advisors ("IFSs") and direct sales.

DRL is the plan manager for a number of third party branded structured financial products.

In both cases these products are invested through financial institutions. NDF and DRL deal with approximately 35,000 investors.

The administration of these products is undertaken by Outsourced Professional Administration Limited ("OPAL"), a company that continues to trade and is not part of the insolvency process of NDF and DRL.

## **6. What products did NDF and DRL distribute?**

A summary of all products distributed by NDF and DRL is set out below.

## **7. What if I have taken up an offer in a product which has yet to reach its investment date (i.e. the underlying security has not yet been purchased)?**

There is one NDF product, Defined Income Plan August 2009, which is closed for subscriptions but the funds have not yet been invested. The funds are due to be invested in the underlying securities on 16 October 2009.

The following NDF products remain "open". Investors have subscribed and the plans remain open for subscription, but no investment has yet been made in the underlying securities:

The Royal Deposit Plan

The Autopilot Plan

The Navigator Plan

The Skyline Plan

We understand that any money you have invested in these products has been placed in a client money account. This means it is held separately from NDF's own money.

## **8. Will the above plans be invested as per the application form and issue document?**

This is currently being considered as part of the Joint Administrators' assessment of the business.

The Joint Administrators are in discussions with the FSA and the issuer of the relevant securities to determine whether these investments will proceed in light of the appointment of the Joint Administrators. You will hear from the Joint Administrators prior to any investment proceeding.

## **9. Why did the directors place NDF and DRL into administration?**

The directors formed the view that both NDF and DRL were insolvent due to the substantial level of potential liabilities of the companies. Consequently, they appointed Joint Administrators to protect the assets of NDF and DRL, and investors. The Joint Administrators have assumed control of the company.

## **10. Are investor monies segregated from the companies assets?**

We understand that client accounts are maintained to hold investor monies. This means that investor monies are held separately from NDF and DRL's own money.

## **11. What action should investors in NDF and DRL products take?**

At this stage, investors do not need to take any action and the Joint Administrators will be writing to all investors shortly. However, investors should refer to this website for the most up to date information in relation to the administration.

We understand that there will be uncertainty among investors, but it is essential that we have time to stabilise the business.

**In relation to products where a regular monthly contribution is being made, you should be aware that stopping these payments will likely terminate any insurance cover under those plans. You may wish to take advice if you are considering doing so.**

## **12. What will happen to cheques not yet banked?**

If and when we are in a position to resume the banking of cheques, they will be paid into segregated client accounts.

## **13. Are NDF / DRL still open for new business?**

Our appointment has effectively suspended NDF's and DRL's business. This suspension is so that we can fully assess the situation and act in the best interests of all investors, creditors and employees whilst the assets are protected. It is the Joint Administrators' duty to preserve the value of the business and maximise realizations for the creditors of NDF and DRL. This may include the disposal of the business as a going concern.

## **14. What is the FSCS?**

The FSCS was set up under the Financial Services and Markets Act 2000 as the fund of last resort for authorised financial services firms. It exists to protect customers of authorised firms that are unable, or likely to be unable, to pay claims against them. This is usually because the firms are insolvent or have stopped trading. Relevant financial services firms are authorised by the UK's regulator, the Financial Services Authority (FSA). The FSCS is a non-profit making, independent organisation, funded by compulsory levies on authorised firms.

Further information about FSCS is available at: [www.fscs.org.uk](http://www.fscs.org.uk)

## **15. Is FSCS able to pay any compensation following the failures of NDF and DRL?**

The FSA determined NDF and DRL to be "in default" on 14 October 2009. This means that the FSCS can be satisfied the firms are unable, or likely to be unable, to pay claims against them. A determination of default opens the way for consumers to claim compensation from the FSCS.

The FSCS is liaising with both the Joint Administrators and the FSA to understand as much as possible about the activities of the firms which might give rise to valid claims for compensation.

It is too early for us to say which plans and which investors could be eligible for compensation. However, FSCS has commenced its investigations into certain

investment plans sold by the firms which were backed by the Lehman Brothers Group. FSCS's preliminary findings indicate that at least some of the marketing materials used by the firms may not comply with their regulatory obligations and may therefore give rise to valid claims. With the assistance of the FSA and the Administrators, FSCS's investigations and analysis into these plans is ongoing.

You do not need to contact FSCS at this stage. FSCS will work with the Administrators to identify investors who may have suffered a loss as a result of their dealings with the firm(s). If there is compensation to pay, FSCS and the Administrators will work together to ensure that these investors know what to do.

**16. I have an outstanding complaint with FOS, what should I do?**

Complaints that were being considered by the Financial Ombudsman Service at the time that NDF and DRL went into administration will be transferred to FSCS, and will be considered by the FSCS under their Rules and limits. The FOS will write to investors once these cases have been transferred to FSCS.

**17. My investment was in a non-Lehman backed structured product. What action should I take?**

Investors do not need to take action at this stage. The Joint Administrators will keep NDF and DRL investors updated on progress through the website and helpline set out above.

**18. My investment was in a Lehman Brothers backed structured product. What action I should take?**

The Joint Administrators are currently in discussions with the FSA and the FSCS in order to consider the implications of the insolvency for these investors.

The Joint Administrators will update investors impacted by the collapse of Lehman Brothers as soon as possible.

**19. What if my investment has recently matured, but I have not received the return of my capital?**

We understand that the proceeds of your investment will be held in an NDF client account. The Joint Administrators will write to investors shortly once their investigations into these accounts are complete.

**20. I have other plans with NDF and DRL. What action should I take?**

ISA's and insurance products are provided by third parties and NDF simply arranged these on your behalf. If the product you bought requires you to make regular payments to the insurer or provider you should continue to do so in order to maintain your benefits. The Joint Administrators will contact you shortly.

## NDF Closed Structured Products

Plan Name	Maturity Date	Income
20% Minimum Growth Plan	01 August 2009	No
Accelerated Growth Plan April 08	01 July 2014	No
Accelerated Growth Plan August 07	01 November 2013	No
Accelerated Growth Plan December 07	01 March 2014	No
Accelerated Growth Plan February 08	01 April 2014	No
Accelerated Growth Plan June 08	01 August 2014	No
Accelerated Growth Plan October 07	01 December 2013	No
Assured Growth Plan 5	01 May 2009	No
Assured Growth Plan 6	01 July 2009	No
Assured Growth Plan 7	01 August 2009	No
Assured Growth Plan 8	01 October 2009	No
Capital Secure Fixed Growth Plan August 08 - 3yr	01 November 2011	No
Capital Secure Fixed Growth Plan August 08 - 5yr	01 November 2014	No
Capital Secure Fixed Growth Plan July 08 - 3yr	01 October 2011	No
Capital Secure Fixed Growth Plan July 08 - 5yr	01 October 2013	No
Double Growth Plan 3	01 May 2009	No
Double Growth Plan 4	01 December 2009	No
Dynamic Growth Plan July 09	01 September 2013	No
Extra Growth Plan April 07	01 December 2012	No
Extra Growth Plan February 07	01 October 2012	No
Fixed Growth Deposit Plan June 09	01 August 2015	No
Fixed Rate Growth Plan 2	01 May 2009	No
Fixed Rate Growth Plan 3	01 July 2009	No
Fixed Rate Growth Plan 4	01 August 2009	No
Fixed Rate Growth Plan 5	01 October 2009	No
Growth Kick Out Plan April 07	01 June 2013	No
Growth Kick Out Plan August 07	01 November 2013	No
Growth Kick Out Plan December 08	01 March 2015	No
Growth Kick Out Plan February 07	01 April 2013	No
Growth Kick Out Plan January 07	01 March 2013	No
Growth Kick Out Plan January 09	01 April 2015	No
Growth Kick Out Plan June 07	01 August 2013	No
Growth Kick Out Plan November 06	01 January 2010	No
Growth Kick Out Plan November 08	01 December 2014	No
Growth Kick Out Plan October 07	01 December 2013	No
Growth Kick Out Plan October 08	01 November 2014	No
Growth Kick Out Plan September 06	01 November 2012	No
Growth Kick Out Plan September 08	01 November 2014	No
Growth Participation Plan March 06	01 May 2012	No
Growth Plan May 05	01 July 2011	No
Growth Plan November 05	01 February 2012	No
Growth Plus Plan 3	01 May 2009	No
Growth Selector Plan	01 July 2009	No
Premium Growth Plan	01 August 2010	No
Premium Growth Plan 2	01 September 2010	No
Premium Growth Plan 3	01 November 2010	No
Prime Growth Plan	01 April 2010	No
Secure Growth Account May 06	01 July 2012	No
Secure Growth Plus Plan July 06	01 September 2011	No
Secure UK Options Plan	01 February 2010	No
Super Growth Plan 3	01 May 2009	No
The Fixed Rate Bonus Plan	01 November 2009	No
The Fixed Return Plan	01 December 2010	No
The Secure Growth Plan 1 (6 year option)	01 November 2009	No
The Secure Growth Plan 2	01 January 2010	No
Twin Option Kick Out Plan April 08	01 June 2014	No
Twin Option Kick Out Plan December 07	01 March 2014	No
Twin Option Kick Out Plan June 08	01 August 2014	No
Twin Option Kick Out Plan March 08	01 May 2014	No
Two for One Growth Plan	01 May 2009	No

## NDF Closed Structured Products

Plan Name	Maturity Date	Income
7% Fixed Income Plan February 07	01 April 2012	Yes
7.25% Fixed Income Plan April 07	01 July 2012	Yes
7.25% Fixed Income Plan June 07	01 September 2012	Yes
7.5% Annual Income Plan October 06	01 December 2011	Yes
Defined Income Plan April 09	01 June 2014	Yes
Defined Income Plan June 09	01 August 2014	Yes
Defined Income Plan March 09	01 May 2014	Yes
Fixed Income or Growth Plan April 08	01 June 2013	Yes
Fixed Income Plan August 08	01 October 2013	Yes
Fixed Income Plan July 08	01 September 2013	Yes
Fixed Income Plan November 08	01 May 2014	Yes
Fixed Income Plan September 08	01 November 2013	Yes
Income & Growth Plan December 06	01 February 2012	Yes
Income Plan Feb 05	01 April 2011	Yes
Income Plan November 05	01 February 2010	Yes
Regular Fixed Income Plan April 08	01 December 2013	Yes
Regular Fixed Income Plan April 09	01 June 2014	Yes
Regular Fixed Income Plan December 08	01 August 2014	Yes
Regular Fixed Income Plan February 09	01 October 2014	Yes
Regular Fixed Income Plan July 08	01 March 2014	Yes
Regular Fixed Income Plan June 08	01 August 2013	Yes
Regular Fixed Income Plan March 09	01 May 2014	Yes
Regular Fixed Income Plan October 08	01 June 2014	Yes
Regular Fixed Income Plan September 08	01 May 2014	Yes

## NDF Open Structured Products

Name of Plan	Issuer	Income
Defined Income Plan August 09	Citigroup	Yes
The Royal Deposit Plan	RBS	
The Autopilot Plan	RBS	
The Navigator Plan	RBS	
The Skyline Plan	RBS	

## NDF Lehman Brothers Backed Structured Products

Plan Name	Issuer	Maturity date	Income
Fixed Income or Growth Plan February 08	Lehman Brothers	15 May 2013	Yes
Capital Secure Fixed Growth Plan March 08	Lehman Brothers	15 May 2013	No
Capital Secure Fixed Growth Plan April 08	Lehman Brothers	24 June 2013	No
Capital Secure Fixed Growth Plan June 08	Lehman Brothers	09 August 2013	No
Fixed Income Plan June 08	Lehman Brothers	01 August 2013	Yes

## NDF ISA Mortgages

Administered by OPAL	Fund Manager	Insurance Provider
Regular Premium Plans	Lump Sum Plans (all include new cash and transfer in options)	
DBS Mortgage Plan	DBS Single Premium	Aberdeen Asset Management Plc Prudential Assurance Company Limited for health benefits
Top Tracker Mortgage Plan		Baillie Gifford & Co
Homemaker (V1 and V2)		F&C Asset Management Limited Hamilton Insurance Company Limited provides unemployment insurance
Top Tracker PEP Plus* ISA Plus*	Top Tracker PEP Plus* ISA Plus*	Gartmore Investment Management Plc Henderson Global Investors Limited
Homemaker Regular Premium*	Homemaker Single Premium*	State Street Global Advisors
SFIA Education Plan	SFIA Single Premium	Investment Trusts are: F&C Asset Management plc Merrill Lynch OEICs are: Henderson Global Investors Limited Gartmore Investment Management Plc Prudential Assurance Company Limited for health benefits
Trustworthy Mortgage Plan	Trustworthy Single Premium	Same as Homemaker above Swiss Re for health benefits Hamilton Insurance Company Limited provides unemployment insurance
The Synergy Plan Series 1		Prudential Assurance Company Limited for health benefits
The Synergy Plan Series 2		
The Synergy Plan Series 3		Hamilton Insurance Company Limited provides unemployment insurance
The Synergy Plan Bradford & Bingley		
NDF Synergy Mortgage Plan (V1 and V2)		Newton Investment Management Limited
The Synergy Plan Regular Premium (top ups for when series 1-3 were sold)	The Synergy Plan Single Premium (from when series 1-3 were sold)	
NDF Synergy Regular Premium (all new top-ups since NDF Synergy Mortgage came in)	NDF Synergy Single Premium (since NDF Synergy Mortgage came in)	

\* Have all been processed under the same option, just the original literature would have differed - think all statements now refer to these plans as Homemaker

## NDF Home Insurance Plan

Name of Plan	Issuer	Insurer	Administration agreement
Home Protection	Prudential Assurance Company Limited for health benefits Prudential Insurance Company Limited provides unemployment insurance		Synergy - fees paid as they become due

## DRL closed structured products

Name of Plan	Issuer	Maturity date	Income
Global Income Plan	Morgan Stanley	01 May 2013	Yes
Capital Protected High Income Plan	BNP Paribas	01 March 2013	Yes

## DRL Lehman Brothers Backed Structured Products

Name of Plan	Issuer	Maturity date	Income
Enhanced Returns Plan Issue 1: 3 year fixed return	Lehman Brothers	01 January 2011	No
Enhanced Returns Plan Issue 1: 5 year fixed return	Lehman Brothers	01 January 2013	No
Enhanced Returns Plan Issue 1: 5 year growth return	Lehman Brothers	01 January 2013	No
Enhanced Returns Plan Issue 2: 3 year fixed return	Lehman Brothers	01 March 2011	No
Enhanced Returns Plan Issue 2: 5 year fixed return	Lehman Brothers	01 March 2013	No
Enhanced Returns Plan Issue 2: 5 year growth return	Lehman Brothers	01 March 2013	No
Enhanced Returns Plan Issue 3: 3 year fixed return	Lehman Brothers	01 May 2011	No
Enhanced Returns Plan Issue 3: 5 year fixed return	Lehman Brothers	01 May 2013	No
Enhanced Returns Plan Issue 4: 3 year fixed return	Lehman Brothers	01 June 2011	No
Enhanced Returns Plan Issue 4: 5 year fixed return	Lehman Brothers	01 June 2013	No
Enhanced Returns Plan Issue 4: 3 year fixed return	Lehman Brothers	01 August 2011	No
Enhanced Returns Plan Issue 4: 5 year fixed return	Lehman Brothers	01 August 2013	No
Kick Out Performance Plan Issue 1	Lehman Brothers	01 August 2014	No
Enhanced Emerging Markets Plan 3.5 year option	Lehman Brothers	01 December 2011	No
Enhanced Emerging Markets Plan 5 year option	Lehman Brothers	01 June 2013	No