



**First-tier Tribunal
(General Regulatory Chamber)
Charity**

Appeal Reference: CA/2015/0007

**Decided without a hearing
On 17 February 2017**

Before

JUDGE J HOLBROOK

Between

MR KEVIN GREGORY

Appellant

and

**THE CHARITY COMMISSION
FOR ENGLAND AND WALES**

Respondent

DECISION AND REASONS

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DECISION

Mr Gregory's application to lift the current stay of proceedings is refused.

The Charity Commission is directed to provide a written update on the status of the insolvency proceedings relating to Legal Action by 31 May 2017, and thereafter to do so at regular intervals of no more than three months.

REASONS

1. On 7 September 2015 Mr Gregory appealed against a decision made by the Charity Commission to refuse to remove Legal Action ("the Charity") from the register of charities. The outcome which Mr Gregory seeks from this appeal is an order for the de-registration of the Charity.

2. On 23 May 2016 I granted the Charity Commission's application for an indefinite stay of proceedings. Interim managers of the Charity had filed a petition for its winding up in the High Court and I accepted that there was a real possibility that this petition would ultimately lead to the de-registration of the Charity. In order to avoid wasting costs and resources, it was therefore appropriate for the present appeal to be stayed pending the outcome of the proceedings in the High Court.

3. Mr Gregory has now applied for the stay to be lifted. He points out that the Charity's name still appears in the register of charities and argues that the Tribunal should therefore lift the stay and make an immediate order allowing the appeal and directing the Charity Commission to de-register the Charity. The Charity Commission opposes this application.

4. I understand that a winding up order was made in respect of the Charity on 9 June 2016 and that an investigation and liquidation of the Charity is still ongoing. Once this process has been completed, the Charity Commission intends to remove the Charity from the register of charities. In these circumstances, I consider it appropriate for the stay to continue. There is no merit in Mr Gregory's argument that the Tribunal would now somehow be bound to allow the appeal once the stay is lifted: that is clearly not the case. If the stay were to be lifted, the parties would need to prepare their cases for determination in the usual way. That would doubtless cause each of them significant work and expense. On the other hand, it now seems even more likely that the Charity will in due course be de-registered for other reasons, without the need for the appeal to be determined.

5. I am conscious that the stay has already been in place for almost nine months, and I have not been given an indication of the likely timescale for completion of the investigation and liquidation process. It is generally undesirable for tribunal proceedings to remain in limbo for lengthy periods, or indefinitely. Nevertheless, given the Charity's situation, I cannot see how a continuation of the stay would cause any real prejudice to Mr Gregory. On the other hand, lifting the stay and requiring

the parties to prepare for a potentially unnecessary determination would have obvious disadvantages for both of them, and thus a continuation of the stay appears to me to be the proportionate approach at the moment.

6. I am concerned, though, that more should be done to keep the Tribunal appraised of relevant developments and to enable it to monitor whether it continues to be appropriate to maintain the stay. I am therefore making a direction requiring the Charity Commission to provide regular updates from now on.

Signed

J W HOLBROOK

Judge of the First-tier Tribunal

Date: 17 February 2017