

Extended bankruptcy restrictions for horse racing syndicate owner

Michael John Stanley recently received a 14-year Bankruptcy Restriction Order (BRO) from the court. He is now banned from running limited companies and must disclose his status when he attempts to secure £500 or more in credit.

The court heard that for 9 years between January 2010 and February 2019 Michael Stanley, from Maidstone Kent, operated a betting syndicate, which started out as a hobby, under the trading name Layezy Betting Syndicate.

The syndicate's original members were family and friends and the scheme would bet on their behalf, earning profits on horses identified by Michael Stanley's system.

In 2012, the scheme expanded to accept more members beyond just family and friends and over the syndicate's lifespan, received at least £40.3 million from more than 6,000 members.

The syndicate used at least £1 million to place bets and of the remaining £39 million, Michael Stanley used £27.4 million to make payments to members so it would appear they were earning profits on the syndicate's success.

These payments, however, did not represent winnings but were made up of payments received by new members. Members were unaware of the deception as they received false information regarding their positions and this was despite Michael Stanley operating a portal allowing members to view their accounts and deposits were performing.

Michael Stanley used various bank accounts he had set-up to collect syndicate members' money to purchase 23 horses totalling £1.6 million. He also caused the syndicate to make payments totalling at least £780,000 to third parties.

The syndicate suddenly closed in February 2019 following reports in the media and Michael Stanley's misconduct was uncovered by the Official Receiver after he applied for his own bankruptcy.

Creditors in Michael Stanley's bankruptcy have made claims which total £53.4 million in respect of monies they have paid over to the syndicate, and £158.7 million on a reported profit basis.

Due to the size of Michael Stanley's debts and the risk he posed to creditors, the Official Receiver applied to increase the period of his bankruptcy restrictions.

On Tuesday 8 September, ICC Judge Prentis handed down the 14-year BRO to Michael Stanley. He did not attend the hearing at the High Court.

Deputy Official Receiver Barry Gould said:

Throughout the syndicate's existence, Michael Stanley acted in a duplicitous manner. For nearly a decade, he duped his members into thinking they were making profits on their bets but in reality, the money received was secured from new members joining the syndicate and not on the scheme's success.

The court recognised the severity of Michael Stanley's misconduct and he will now have to comply with 14 more years of bankruptcy restrictions, which will not only severely curtail his activities but also protect members of the public and lenders in the future.

Philip Duffy and Allan Graham of Duff and Phelps have been appointed as Michael Stanley's trustees in bankruptcy. People who have invested in the Layezy Racing Owners Club should contact the trustees via Layezyinvestors@duffandphelps.com to register as a creditor.

Michael Stanley is from Maidstone Kent and his September 1956.

Details of Michael Stanley's BR0 is available on the [Individual Insolvency Register](#).

Bankruptcy restrictions are wide ranging. The effects are the same whether you are subject to a bankruptcy restrictions order or to an undertaking. Guidance on the main statutory consequences flowing from a [bankruptcy restrictions order or undertaking](#).

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