

17 October 2009

**UK Shareholders Association**  
Chislehurst Business Centre  
1 Bromley Lane  
Chislehurst  
BR7 6LH  
Phone: 020-8468-1027  
Email: [uksa1@btconnect.com](mailto:uksa1@btconnect.com)  
Web: [www.uksa.org.uk](http://www.uksa.org.uk)

## Bradford & Bingley Action Group – Meeting Report

A public meeting for Bradford & Bingley shareholders was held on the 10<sup>th</sup> October 2009 in London, organised by the B&B Shareholders Action Group (BBAG) and UKSA. About 150 share and bondholders attended. Some photographs taken at the meeting are on this web page: [www.uksa.org.uk/B&B\\_Meeting.htm](http://www.uksa.org.uk/B&B_Meeting.htm)

Peter Clokey, the independent valuer appointed by the Government, commenced the meeting by describing the valuation process and his responsibilities in calculating the value of the shares. He confirmed that he was a specialist in providing valuations of companies in contentious circumstances and was appointed by statute to determine what compensation, if any, is due to shareholders and he will be undertaking a valuation exercise in performance of this role. Mr Clokey is a valuation partner of PriceWaterhouseCoopers and will draw on his extensive experience and that of his valuation team, as an independent statutory office holder with the duty of acting impartially and obtaining for himself all the information he needs to carry out the valuation which he will be prepared to justify to the parties involved and if necessary to the Financial Services & Markets Tribunal. Mr Clokey has statutory powers to secure documents from all relevant parties including the Treasury. He confirmed that the latter were paying for the valuation and that he hoped to complete his valuation within twelve months of his appointment, in other words by June 2010. He is keen to receive submissions from share/bond holders not just the Government and its various agencies. The action group committee believe the appointment of Peter Clokey is positive news and we will cooperate in every way possible with him and his team subject to any constraints caused by information given to us in confidence.

Susan Kramer the Liberal Democrat MP for Richmond Park provided a welcome political dimension to our meeting. The Liberal Democrats are the only party to have given effective support to our campaign, John Thurso the Liberal Democrat MP for Caithness introduced an Early Day Motion, no 1956, in July 2009, signed by her and she said that she hoped to persuade more of her parliamentary colleagues to support this. She raised the question of the regulators role in the banking crisis and drew a comparison with the Equitable Life scandal the resolution of which is still hindered by government inaction. Her other area of concern was Peter Clokey's terms of reference including the date on which his valuation was to be based. Despite dozens of approaches MP's of the other two parties have not been nearly as cooperative with the exception of Philip Davies, the Conservative MP for Shipley, of which Bingley forms part, who spoke at our first public meeting at Bingley. Susan Kramer also made the strong point that the Government will delay and obfuscate in the hope that the problem just fades away, her advice was for B&B employees and share/bond holders to continue to press Government departments and their MPs as only in this way would it be forced ultimately to take action.

Roger Lawson then spoke. He is Communications Director of the UK Shareholders Association (UKSA) , which has supported several recent campaigns in the banking sector including those on Bradford & Bingley, Northern Rock and Lloyds Bank. He gave an overview of what UKSA does and also covered some of the background to the banking crisis and how it affected other banks. He described UKSA's development since its formation in 1992 and its current structure, the campaigning and educational activities including visits to Plc's and the papers and submissions made to the Government on how to improve corporate governance. This included the development and main highlights of the campaign since the formation of BBAG in November 2008 and the continuing need for funds as the campaign relied on voluntary contributions. He also gave reasons for BBAG not taking legal action or commissioning an independent valuation of B&B at this time as it was felt the best route forward was to await the result of the independent valuation. A copy of his presentation material is present in this document: [www.uksa.org.uk/UKSA\\_Bradford&Bingley\\_London.pdf](http://www.uksa.org.uk/UKSA_Bradford&Bingley_London.pdf)

David Blundell, the chairman of BBAG, provided further details of the campaign and the progress to date. He had fielded several hundred telephone calls, emails and letters from employees, former share and current bondholders whose sense of outrage at the nationalisation of their company was palpable, phrases such as 'legalised theft and criminal deception' abounded. He described meetings and discussions with leading institutional shareholders, the Serious Fraud Office and the Government's responses to the letters asking for an explanation of why B&B was nationalised which, with the exception of the appointment of Peter Clokey, has been a mix of delay, obfuscation and failure to reply. BBAG's view on the fair value of the company is to await the outcome of Peter Clokey's valuation, however it considers that the quoted price of 20p on the last trading day before nationalisation is irrelevant as it was artificially depressed by Treasury leaks to Robert Peston which was the catalyst for the run on the bank. Furthermore it is felt that any commercial valuation should be based on a willing buyer and willing seller in normal market conditions.

Callum Stewart addressed the meeting on behalf of bondholders. He joined BBAG and became a member of the committee on behalf of bondholders and was aghast at both the nationalisation and the non payment of interest on the bonds. His MP Sir Malcolm Rifkind had asked the Treasury all the relevant questions on behalf of the bondholders without any satisfactory answers. He agreed with Susan Kramer that share and bond holders interests were aligned but made the point that in the event of compensation being paid the bondholders would have precedence over shareholders. He asked for a show of hands and was pleased to see that about one third of those attending were bondholders. He assured the meeting that bondholders would continue to be appraised of progress via the website.

A considerable amount of time was then taken up with questions from the audience. Charles Fussell raised the issue of whether all the information on which the valuation is to be based would be disclosed so that we could review it. He received a somewhat ambiguous answer from Mr Clokey.

David Blundell then asked the attendees to show their appreciation for Peter Clokey and Susan Kramer's attendance with the traditional show of hands and then opened the meeting to questions from the floor.

David Blundell  
B&B Shareholders Action Group Chairman