

## **Northern Rock Shareholders Action Group – Update No. 70**

07 March 2011

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### **The Upper Tribunal – Preliminary Hearing 24<sup>th</sup> of February 2011**

Further to updates 68 and 69 in respect of Andrew Caldwell's final statement referring the valuation case to The Upper Tribunal a significant number of representations (almost 400) have been made by the former small shareholders of Northern Rock.

Considerable and weighty legal documents ensued from the Valuers' legal teams at Mayer Brown and the NRSAG Committee considered these with advice from David Green at Edwin Coe solicitors.

As The Upper Tribunal had advised us in October, a preliminary hearing was held on Thursday the 24<sup>th</sup> of February to determine whether The Upper Tribunal can consider the representations made by the small shareholders in a full hearing along with hearing representations made by an institutional investor, Harbinger.

A vast majority of the statements made by those who submitted Forms FTC-3 or FTC-31 appear to be outside the remit of The Upper Tribunal's jurisdiction as had been communicated by The Upper Tribunal as well as Mayer Brown, the Valuers' legal representative.

In the Case Management Order, the Upper Tribunal identified the representations to fall into one or more of five categories as below:

- a. Complaints about the Valuers' interpretation of the statutory assumptions.
- b. Complaints about the Valuers' application and implementation of the statutory assumptions (i.e., his valuation methods and conclusions).
- c. Complaints about the statutory assumptions themselves, including that they were unfair, unrealistic and in breach of human rights, that they compromised the Valuers' independence, and in particular that they resulted in the denial of compensation for confiscation of valuable private property by the Government.
- d. Complaints about the conduct of the Government (including the Prime Minister, the Chancellor of the Exchequer and the Treasury), of the Bank of England, of the Financial Services Authority, and of Parliament.
- e. Complaints about the conduct of directors and auditors of Northern Rock plc.

Of the categories above, the majority of the individual shareholders representations fell into categories c, d or e which whilst justified and with merit are predominantly outside of the remit of the Upper Tribunal.

The Upper Tribunal notes however that there has been significant financial hardship for us all and our strong feelings about the whole debacle of the loss of our shares.

As indicated in our updates nos. 68 and 69, the NRSAG led by Chris Hulme wished to ensure representations were made as fully as possible with personal views communicated in this process but these need to be within the guidelines and aspects that this court can consider and rule upon. With costs and timings in mind, the NRSAG and Chris Hulme have agreed to be the pivotal spokesperson on behalf of the small shareholders to avoid large numbers of people having to attend a hearing and also to eliminate duplication of representations.

To this end, Chris Hulme has been granted the opportunity by the Upper Tribunal to take further legal advice on the submissions already made and to follow up with those whose submissions fit within categories a and b above before the 23<sup>rd</sup> of March 2011.

At present, the NRSAG along with David Green are reviewing how the submissions made fit within the boundaries of the Upper Tribunal and will be making its decisions from there on how best to represent the small shareholders comments with the cost versus benefit aspects also in mind.

If we do not contact you directly on this matter, please don't be offended, your representations are gratefully received and acknowledged but we have to work within the realistic aspects that can be ruled upon by the court in question.

Please note, due to the limited numbers of volunteers in the Action Group, we are unlikely to be able to answer all of the letters, emails and phone calls and we would ask these be kept to a minimum but we will be updating the website further with information at the end of March to keep you informed.

Additional information can also be found at the Valuers' website at:

<http://www.northernrockvaluer.org.uk/default.aspx>

And also at the Upper Tribunal website at:

<http://www.tribunals.gov.uk/financeandtax/FormsGuidance.htm>

### **The European Court of Human Rights Case – expected 2013**

Given the representations made to the Upper Tribunal falling mainly within categories c, d and e above, which incidentally is what the European Case is all about, the only way in which these feelings and aspects of legality can be heard and ruled upon is in the European Court of Human Rights (ECHR). The case in the ECHR is the last stage of the proceedings commenced back in February 2008 and is expected to be heard by 2013. This lengthy timescale seems largely due to the high caseload of the ECHR.

### **Next Update**

It is unlikely that there will be any further news or update before the end of March. We will let you know if there is any further news in the meantime.

### **Support, Funding and Donations:**

The Northern Rock Shareholders Action Group is entirely run by unpaid volunteers and relies solely on donations however small to fairly represent all former Northern Rock small shareholders. Donations can be made directly to UKSA at the following link:

<http://www.uksapay.org.uk/donation.cfm>

### **Please Advise Address Changes**

Please advise any postal or email address changes to [northernrock@uksa.org.uk](mailto:northernrock@uksa.org.uk). It is particularly important to do so for email address changes otherwise we may lose touch with you altogether. And please include some other identification such as your postal postcode and your name so we can identify you in our database when sending us such communications.

### **On-Going Chairmanship**

Chris Hulme continues as chairman of this action group and his contact details are:

Tel: 07775 794 291

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On behalf Northern Rock Shareholders Action Group

*Note that all previous "Update" notes on Northern Rock that we have issued are present on the following web site page: [www.uksa.org.uk/NorthernRock.htm](http://www.uksa.org.uk/NorthernRock.htm)*