Northern Rock Shareholders Action Group – Update No. 38
and Notice of Meetings for Shareholders

Meetings for Shareholders

We have arranged two meetings for Northern Rock shareholders:

On Thursday the 17th July commencing at 6.30 p.m. at the Banqueting Suite, Newcastle Civic Centre, Barras Bridge, NE99 1RD - next to the Haymarket Metro and Bus Stations. Note that parking is available in the council’s car park in Sandyford Road after 6.0 pm, and in nearby public car parks.

On Saturday the 26th July at 10.30 am at St.Columba’s Church, Pont Street, London, SW1X 0BD. The nearest tube stations are Knightsbridge or Sloane Square which are less than 10 minutes walk away. There is an NCP car park in Cadogan Place, SW1X 9SA, which about 5 minutes away.

All shareholders are welcome, but if you plan to attend either venue then please let us know by sending an email to uksa@uksa.org.uk so we can get some idea of likely numbers of attendees (make sure you advise which venue/date).

These meetings will contain a briefing and explanation on what we have been doing on your behalf and the status on the legal action. They will also enable you to ask questions of course. We hope to have a representative of one of the large institutional shareholders in Northern Rock speaking at the Newcastle meeting.

These are the first meetings we have held for shareholders since last November so please come along if you can – there is no charge of course. Press and other media are also welcome. Incidentally if you can’t make these dates, we are planning a further meeting in London on November 15th so you may care to note that in your diary.

Northern Rock Looks into the Conduct of Former Directors

Several newspapers reported that Ron Sandler, the new executive Chairman of Northern Rock, had asked lawyers to look into the conduct of the previous board to see if action should be taken against the former executives. Our view is that this is simply “hot air” as there is no obvious ground for legal action under English law. Certainly on the evidence publicly available, and we have examined this of course, there are no apparent grounds for alleging breach of duty by former directors.
However much shareholders and the public might wish to raise the alleged failings of the former board, English law makes such cases very difficult to pursue so long as the directors acted in good faith and to the best of their abilities. Unless clear examples of fraud or malicious intent can be discovered, they are unlikely to succeed.

This seems more likely to be an attempt to divert attention away from the failings of the Government in handling the Northern Rock crisis, and the moral disgrace of the nationalisation without fair compensation, than a realistic attempt to achieve anything. As we have said before, the over-emphasis on the possible mistakes of the former board detracts from an examination of the main causes of the downfall of Northern Rock.

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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