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PO Box 62
Chislehurst
BR7 5YB

Phone: 0113-281-3941
Web: www.bbactiongroup.org
Email: dwwb@btinternet.com

Upper Tribunal Further Submission (Update No. 12)

THE NATIONALISATION OF BRADFORD & BINGLEY [B&B]

Whether due to Criminal Deception or Political Subterfuge, it is time for an Independent Inquiry.

The B&B Action Group [BBAG] campaign has replied to the Statement of Case of the Respondent, the independent valuer of the B&B Compensation Scheme Peter Clokey [PC], which was made in accordance with Schedule 3 to the Tribunal Procedure [Upper Tribunal] Rules 2008 and the directions made by the President of the Upper Tribunal.

This response is available on our website at www.bbaction.org/News.htm .

Our view and our legal advisers is that the Valuer's 'in administration' terms of reference specified by the previous Government ensured that a nil valuation was inevitable.

The responses of various government departments and the tripartite regulators to thousands of requests for information after the Nationalisation have been a mix of obfuscation and subterfuge. This and the information restrictions placed on the Compensation Order has prevented BBAG from properly exercising its rights of appeal. Just one example highlights the previous Government's desperate attempts to conceal the truth in the months prior to the General Election in May 2010. The Cabinet Office's reply to a request for details of the sequence of events pre and post the nationalisation under the Freedom of Information Act [FOI] was 'we have no files whatsoever'. This statement was untrue. On the 26th of September 2008 Gordon Brown in a telephone conversation with Alistair Darling made the decision to nationalise B&B which had a far stronger balance sheet than the Royal Bank of Scotland or Halifax Bank of Scotland who received over £60 billion of support just eight days after the B&B nationalisation. The following week the Conservative Party Conference was being held and there is little doubt that the Prime Minister's decision was motivated by fear of David Cameron's clean cut features interposed with queues of savers outside B&B branches on the TV screens of the nation.

All the evidence suggests that the reporting standards approved by the previous Government were flawed. How else were B&B's auditors able to sign off the 2007 Report & Accounts as a going concern and the Rights Issue, completed less than two months before the Nationalisation at a share price of 55p, be approved by the Financial Services Authority [FSA]. Standing in front of a well attended city analyst's meeting on the 29th August 2008, one month before the Nationalisation, the message of the B&B Chairman Rod Kent and the Chief Executive Richard Pym was:

"THE RECENT FUNDRAISING REINFORCES OUR POSITION AS ONE OF THE BEST CAPITALISED BANKS IN THE UK. WE ARE WELL CAPABLE OF RIDING OUT THE CURRENT STORM"

This message was repeated in a B&B board press release on the 25/09/08 and by Rod Kent to the Treasury Select Committee on the 18/11/08 which was in stark contrast with the briefings by Treasury officials to Robert Peston of the BBC whose comments in the media and the press caused a run on the B&B savings book and a false market in its shares and bonds. In paragraph 25, section 15 in Peter Clokey's statement to the Tribunal he does not accept the accuracy of these assertions, so who has been telling the truth in all of this?

The failure of the previous Government and the tripartite regulatory system resulted in a flawed decision made in haste for political reasons by Gordon Brown. We have urged the Tribunal to recommend to the present Government that a full and independent inquiry be established to find where the truth lies and recommend measures to properly protect private investors from any further debacles of this nature.

SHARESOC

On the 20th May 2010 we advised you of a new legal entity, B&B Action Ltd, formed as a company limited by guarantee so as to continue the fight for B&B shareholders. This initiative was taken so that BBAG could take whatever action it was felt necessary and so that it could be focused on the interests of B&B investors alone and would have better control over administrative costs (as opposed to relying on a third party which we had done previously). Since then a new not for profit organisation, "Sharesoc" otherwise known as the "UK Individual Shareholders Society", has been formed to promote the wider interests of shareholders in UK registered public companies. I am a board member of this new organisation and the chairman is Roger Lawson who is also a director of BBAG. Their website is www.sharesoc.org . I recommend you visit that website and apply for associate membership which is free of charge if you have a wider interest in stock market affairs other than just in Bradford & Bingley.

David Blundell
Chairman