

## Press Release

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### **UKSA Deplores the Nationalisation of Northern Rock as a Direct Attack on the Property Rights of Shareholders**

The UK Shareholders Association (UKSA) represents the 100,000 and more individuals who are shareholders in Northern Rock. They have seen their investment damaged by the actions and inactions of the Government and the Bank of England, and now they are going to have their property confiscated by the Government.

How can that be justified when there were two alternatives on the table to ensure the recovery of Northern Rock and to protect the interests of other stakeholders? It seems the only reason that the Government has chosen nationalisation is because "it offers better value to the taxpayers". This is equivalent to a thief telling you it offers better value to him to steal from you, than to enter into a commercial transaction with you.

Note that the Government has already made it clear that shareholders will receive no compensation for the value of their shares as they have set the terms of reference for an independent valuation to be on the basis that the Government loans have been withdrawn. In that case Northern Rock would clearly not be a going concern and hence would have no value. Why the Chancellor did not make this plain in his statement today is unclear.

UKSA intends to pursue any legal options available to it to thwart the nationalisation process and to ensure that fair and reasonable compensation is paid. We will not accept the transfer of this company to a third party after some temporary nationalisation from which that third party will subsequently make substantial profits.

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Apart from legal action, making political representations or withdrawing their deposits from Northern Rock there seems little else shareholders can do in protest.

**For further information, please contact:**

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More information on the history of events at Northern Rock and our comments on them is available on this page of our web site: [www.uksa.org.uk/NorthernRock.htm](http://www.uksa.org.uk/NorthernRock.htm)

**About the UK Shareholders Association (UKSA)**

UKSA is the leading independent organisation which represents the interests of private shareholders in the United Kingdom. We campaign to protect the rights of shareholders in public companies, and to promote improved standards of corporate governance. Our educational activities, regular regional meetings, company "analyst" meetings and the resources of our web site, help to inform the public on investment management. UKSA is a "not for profit" organisation which is financially supported primarily by its individual members.