

To Northern Rock Shareholders

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## Northern Rock Shareholders Action Group – Update No. 48

### Court Case & Public Demonstrations

We issued a press release recently which gives a summary of the judicial review and information on the public demonstration in the coming week. It also gives the legal teams that are representing the various parties in the court case. It can be obtained from our web site by clicking on: [www.uksa.org.uk/UKSA\\_Press075\\_NRK\\_Judicial\\_Review.pdf](http://www.uksa.org.uk/UKSA_Press075_NRK_Judicial_Review.pdf) . A photograph of some of the claimants, and some of our committee members that was taken recently has been added to this page of our web site:  
<http://www.uksa.org.uk/NorthernRockPhotos.htm>

Note that the representative claimants on behalf of the private shareholders are Dennis Grainger, Dennis & Doreen Shannon, Mary Warner, Anne Dawson, Anne & Robert Wallace, Irving Struel, Graham Rigby, Stanley Schweitzer, Adrian Shilton and Ian Stroud. Our most grateful thanks go to those people for stepping forward and accepting this responsibility.

For those people planning to attend the public demonstration on Tuesday (12.00 am outside the High Court in the Strand), please ignore the comments in one newspaper that suggested that shareholders might be “storming the barricades” or that we were planning a “noisy” demonstration. No chanting or noisy demonstrations are permitted outside the High Court. Do NOT bring any megaphones for example. The demonstration needs to be orderly and to show that shareholders respect the law. Anything else will not help our case.

Note also that there are not that many people who expressed an interest in attending the court hearings themselves and we could do with a few more people attending on the later days of the week to show that there is significant public interest in the case. Our counsel is likely to be speaking on Thursday and the Friday will also be an interesting day. You don't need to stay all the time if you can only spare an hour or so. The court sessions are open to anyone to attend in the public gallery so all you need to do is turn up whenever convenient.

### Lords Considers the B&B Compensation Order

On the 15<sup>th</sup> December 2008, a “Grand Committee” of the House of Lords considered the Bradford & Bingley Compensation Order. Baroness Noakes said that it was rather odd that it seemed Bradford & Bingley was to be valued as a “going concern” when it was not apparently trading (the branch network and deposits have been transferred to someone else and it is no longer offering new mortgages), while Northern Rock was to be valued as “not a going concern” because of the Compensation Order put in place for it, when it apparently was. A good question indeed! Lord Myners who was speaking on behalf of the Government did not give a response in the House to this point.

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## **Panorama Analysis of the Credit Crunch**

Just before Christmas the BBC's Panorama programme covered the recent banking crisis. This was billed as an analysis of the events leading to recapitalisation of the UK banking system but turned out to mainly a puff for the BBC's Business Editor, Robert Peston. As a result it was somewhat short of detail, but at least they did include one interview that criticised Mr Peston's keen desire to publish "scoops" which resulted in the release of confidential information about the affairs of Northern Rock, Bradford & Bingley and other banks, with resulting financial turmoil.

Alistair Darling was interviewed and said that Royal Bank of Scotland "*needed an awful lot of money*", and explained briefly how he gave them an ultimatum to accept the Government's terms overnight, but no details were provided. The Deputy Governor of the Bank of England, Sir John Gieve, spoke on the programme and made it clear that the Government effectively dictated to the banks what was going to happen. Fred Goodwin has said about this process that "*you know it's more a drive-by shooting than a negotiation*".

The best comment on the year's events is probably that of the Telegraph's cartoonist "Matt". He shows a fortune-teller saying to her client: "*You will keep seeing a tall, dark stranger next year – Robert Peston will be on TV all the time*".

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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](http://www.uksa.org.uk/NorthernRock.htm)*