

To Northern Rock Shareholders

07 October 2009

UK Shareholders Association
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Northern Rock Shareholders Action Group – Update No. 62

Further Appeal Filed

A further appeal of the Judicial Review judgement on the challenge to the terms of reference for the valuation laid down by the Compensation Order and the Nationalisation Act has been filed with the Supreme Court. Note that the Supreme Court has very recently taken over from the House of Lords as the final court of appeal in the UK. However, there would likely be the chance of a further appeal to the European Court of Human Rights if this step also fails. We will of course try to keep you informed on the progress of the case.

Valuation Status

Many of our supporters are wondering why the independent valuer, Mr Caldwell, has not published his valuation, and so are we. It is now over a year since he was appointed, and most company valuations would not normally be expected to take longer than a few weeks, let alone months. Even the legal action that has challenged the valuation assumptions is not a justification for delay because Mr Caldwell indicated that this would not stop him from publishing a figure. So we recently sent him a letter asking when we might get a result and what the reasons are for any delay. You can see a copy of it here:

www.uksa.org.uk/Caldwell_Letter_Sept2009.pdf

A reply has been received which states that the valuer is "*continuing to make progress*", but that he is "*not currently able to estimate when the outcome of the valuation will be announced*". No specific reasons are given for this extended timescale and delay. You may care to write to your Member of Parliament and request the Government encourages the valuer to expedite the matter. It is really totally unreasonable that it should be taking so long.

Re-mutualisation of Northern Rock

The Building Societies Association have promoted the idea of "converting failed financial institutions into mutual organisations" via a document that was recently published. See www.bsa.org.uk/docs/presspdfs/remutualisation.pdf. It's an interesting idea, whereby control of such companies as Northern Rock might be returned to the "members" who hold accounts with the organisation, but the assets would not be returned. It covers the situation of Northern Rock at length, but it of course does not attempt to explain why the company should not simply be returned to the former shareholders who were "members" of the company. The main merit in this proposal seems to be the claim that it would provide for more financial stability, more prudent financial policies and more diversity of control.

Daily Mail Article

The Daily Mail have included an article on their "Thisismoney" website making the case for fair compensation for the shareholders in Northern Rock. This is by Dennis Grainger, the lead small shareholder claimant. It can be found online at: **<http://tinyurl.com/m7mtj4>**

It's certainly worth reading, plus the comments already posted on it (all 784 of them at the last count), if you have not already done so, and please add your own views in the Comment section at the bottom.

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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