

To Northern Rock Shareholders

19 January 2010

UK Shareholders Association
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Northern Rock Shareholders Action Group – Update No. 65

Update on Legal Case: Application to European Court of Human Rights (ECHR)

The Supreme Court recently announced it would not be accepting the application made by Northern Rock shareholders to appeal the earlier decision of the High Court which ruled in favour of the Government's Compensation Order on Northern Rock. This decision was made on the grounds that there was "no arguable point of law to be tested".

The announcement represents mixed news for Northern Rock shareholders. On the one hand, it is negative insofar as it entails that the former shareholders in Northern Rock will be deprived of an opportunity to have the case heard by the highest court in the land. However, on the other hand, it is also positive insofar as the exclusion from the UK Supreme Court means that the shareholders' case will be heard at the European Court of Human Rights in Strasbourg at least six months sooner than would have otherwise been the case. It also means that the small shareholders will be spared the costs of fighting a case in a country where the courts have twice demonstrated a pusillanimous unwillingness to challenge the will of the parliament on a law that was passed with near-zero parliamentary debate that we believe violates the human rights of every shareholder in Britain.

The submission to the ECHR will be made over the next two months although it could take up to 3 years for the case to be heard and a decision known.

We will continue to support the small shareholders, headed by lead plaintiff Dennis Grainger, who are now to progress their case to Strasbourg, arguing the case "afresh" (as opposed to an appeal), in a court where the judges have historically had no compunction in making EU-member governments accountable for the violations of the human rights of EU citizens.

Note that as this will be a lengthy process, you may receive less frequent newsletters in future from us.

Update on the outcome of the valuation process:

After more than fourteen months since the date of his appointment, and over £4.5 million of taxpayer-funded fees, the government's appointed valuer, Mr Andrew Caldwell announced in December that his view was that there was a nil valuation given the terms of reference and hence shareholders should receive nothing. It's worth pointing out that Roger Lawson representing Northern Rock shareholders suggested this would likely be the result in an interview he gave on BBC television the day after the announcement of the nationalisation. Mr Darling evidently misled people by saying there would be "fair compensation" at the time.

What action can you take?

It is important to recognise that, on a more positive note, this news completely vindicates our assertion that the terms of the compensation order were manifestly unfair, and the fact that this valuation has finally been released will remove much of the uncertainty that the government and its lawyers have hidden behind in their (now demonstrably false) allegations that the terms of their compensation order adequately allows for the payment of fair compensation to shareholders.

To this end, former shareholders should write to Mr Caldwell as he has invited them to do so, by the 29th of January 2010. Former shareholders should also make representations to their MPs who sanctioned the legislation that brought about the demise of our assets.

To assist, we have prepared template letters for both the valuer and your MP that can be found on the website at: www.uksa.org.uk/valuerletter.htm

These letters are only suggested templates however feel free to add your own comments, thoughts and feelings. Letters should ideally be posted to the Valuer and your MP although your letters can also be emailed to Mr Caldwell at: northern.rock@bdo.co.uk

You can locate the contact details for your MP at: www.findyourmp.parliament.uk

Two-Year Anniversary Demonstrations

On the 21st of February, it will be two years since the Government seized our property in Northern Rock. Whilst this campaign and the legal teams have been vocal in the Courts as well as the media over this time, it would appear that the Government still fails to acknowledge that its actions have deeply affected individuals whose savings and nest eggs have been demolished.

To this end, a demonstration is to be planned in London and we would like to invite supporters of this campaign and anyone whose property has been stolen by the nationalisation of Northern Rock.

For more information or to register your interest in attending such demonstration please contact Jason Fellner:

Tel: 07538 077 057

Email: jasonfellner@googlemail.com

Support, Funding and Donations:

Thank you to all those supporters who have donated to support this campaign. We are very grateful for their financial help that not only helps fight the legal battle but also covers some of the costs of keeping you informed of progress.

There are many former shareholders that we haven't yet been able to reach. To this end, we would ask that you forward on this update to any friends, family and work colleagues who you feel may have an interest in the case or may know someone who would.

Donations can be made directly to UKSA at the following link where you can also find all of the updates on this case: www.uksa.org.uk/NorthernRock.htm

We will provide our next update as further news and useful information arises. Due to funding restraints, we will be unable to send out further updates by post. As such, we would urge supporters to follow the campaign further at: www.uksa.org.uk/NorthernRock.htm

Until then, thank you once again for your support.

Please Advise Address Changes

Please advise any postal or email address changes to UKSA3@btconnect.com (telephone 0208-468-1027). It is particularly important to do so for email address changes otherwise we may lose touch with you altogether. And please include some other identification such as your postcode and your name so we can identify you in our database when sending us such communications.

On-Going Chairmanship

We are pleased to report that Roger Lawson has made a good recovery from his illness but he is unlikely to resume the Chairmanship of this group. However he will still be supporting us as a member of the Committee that runs this group. Chris Hulme and Shum Ghumman will act as co-chairman for the present.

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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