

Press Release

For immediate release

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UKSA Northern Rock Shareholders' Action Group response to Northern Rock Directors fined by FSA *Vindication of the 'unfairness' claim of Small Shareholders*

Only two weeks after Andrew Caldwell valued the former shareholding in Northern Rock as worthless the small shareholders now find the information on which they based their investment decisions was flawed.

The FSA announced their fines of Mr Barclay and Mr Baker for their part in manipulating figures on the performance of Northern Rock's mortgage book but as yet we have to hear the involvement of Mr Applegarth. So far, Mr Applegarth has been legally 'gagged' and prevented from commenting on this or any matter in connection with events at the Rock.

The question arises: did Mr Applegarth and his fellow Directors also know about this manipulation or were Mr Barclay and Mr Baker really alone in this decision-making?

It is clear that as a result of the gagging order, the small shareholders have been totally deprived of any opportunity whatsoever to question the Directors of the Rock as to their actions and the propriety of them, and as to what other parties contributed to the downfall and then nationalisation of this company and consequently their investment losses.

Where were the regulators in analysing their information? Or have we forgotten the regulators involvement, or lack of, in the lead up to the financial crisis. Or the legislators, including Gordon Brown, who as Chancellor changed the limits applicable to the borrowing capacities of banks and building societies 12 years ago.

Where 'fairness' now appears to be a political buzzword in campaigning, the small shareholders would like to see evidence of fairness in practice, not just in a manifesto for votes.

It would seem that the government would lay the blame solely at the door of 'greedy bankers'. Whilst this may be true in part, the outgoing Government bred the said greed in pedigree conditions.

These fines fully vindicate the small shareholders claims of ill treatment not only by the governance and regulatory framework but also by the institutions in which they invested. Such governance turned a blind eye and failed miserably to protect the rights of investors large and small.

Whilst we continue to support the small shareholders who are progressing their case in the European Court of Human Rights, it would not surprise us if those shareholders were also to take legal advice concerning action against the former Directors of Northern Rock for misleading them.

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