

Northern Rock Shareholders Action Group – Update No. 72

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UK Shareholders Association

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The Upper Tribunal – Decision Issued: Disappointment for Shareholders

Further to updates 70 and 71 in respect of Andrew Caldwell's final statement referring the valuation case to The Upper Tribunal, a full hearing was heard at the end of May 2011 that saw a significant number of representations (almost 400) made by the former small shareholders of Northern Rock.

The lead in the hearing against the Valuer was taken by an institutional investor, Harbinger. Chris Hulme, chairman of this group also appealed in support of the case made by Harbinger.

We now see the ruling of The Upper Tribunal that finds in favour of the Valuer, a ruling that is disappointing to all former small shareholders in Northern Rock.

A full reading of the document detailing the findings still leaves questions unanswered in how the valuation figure was arrived at mainly it seems in respect of real world application of events and theoretical application of events and which of these can be applied or not. We feel the choice of when to use real world and choice of when to use theory has been chosen to suit the valuers own application rather than there being any consistency of approach of one or the other.

For the institutional investors such as Harbinger, this ruling may not be the end of the line in this aspect but for the small shareholders, as much as there still seems to be a case to argue, the financial cost of taking any appeal further could be devastating and as such neither this group nor Chris Hulme will be taking any further action in The Upper Tribunal.

The private investors (who are the backbone of companies and markets whether investing directly or via institutions and fund managers) continue to be ridden over rough shod by the very agencies put in place to protect and serve them.

This ruling is yet another blow to the former shareholders of Northern Rock in their quest for fair and equal treatment – but they do not give up the fight!!

Should any individual shareholder still wish to continue in The Upper Tribunal, there is a limited amount of time available to lodge an appeal and they should contact The Upper Tribunal directly but more importantly take independent legal advice before taking any such action in their own right.

Please note, due to the limited numbers of volunteers in the Action Group, we are unlikely to be able to answer all of the letters, emails and phone calls and we would ask these be kept to a minimum but we will be updating the website further with information as it arises to keep you informed.

Additional information can also be found at the Valuers' website at:

<http://www.northernrockvaluer.org.uk/default.aspx>

And also at the Upper Tribunal website at:

www.judiciary.gov.uk/Resources/JCO/Documents/Judgments/northern-rock-tribunal-decision.pdf

We see little point in challenging further the conclusion of the Upper Tribunal given that it has no scope to assess the impact of massive Regulatory Failure, the Unfair and unrealistic terms of the Compensation Order, or the Discrimination accorded to Northern Rock shareholders relative to the £ 1 Trillion SLS/CGS and QE progressively implemented from April 2008. "Real world" projected values for the "good" and "bad" parts of Northern Rock are over £4 Billion!

The European Court of Human Rights Case – expected 2013

It would now seem the only way in which the feelings of private shareholders and all aspects of legality can be heard and ruled upon is in the European Court of Human Rights (ECHR). The case in the ECHR is the last stage of the proceedings commenced back in February 2008 and is expected to be heard by 2013. This lengthy timescale seems largely due to the high caseload of the ECHR.

Next Update

It is unlikely that there will be any further news or update before an announcement from the ECHR in 2013. We will let you know if there is any further news in the meantime.

Support, Funding and Donations:

The Northern Rock Shareholders Action Group is entirely run by unpaid volunteers and relies solely on donations however small to fairly represent all former Northern Rock small shareholders. Donations can be made directly to UKSA at the following link:

<http://www.uksapay.org.uk/donation.cfm>

Please Advise Address Changes

Please advise any postal or email address changes to northernrock@uksa.org.uk. 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 postal postcode and your name so we can identify you in our database when sending us such communications.

On behalf Northern Rock Shareholders Action Group

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