

Clarion

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CATTLES SHAREHOLDERS LAND SETTLEMENT IN £16M COMPENSATION CLAIM

Leeds law firm Clarion has helped to secure a settlement for over £16 million in compensation claims for a group of 60 former shareholders in Birstall based sub-prime lender Cattles plc from its subsidiary company Welcome Financial Services Limited.

The landmark settlement is believed to be the first time a subsidiary business has paid compensation to shareholders in the collapsed parent company. The shareholders, including private individuals and a number of charities, lost millions when the Cattles plc shares were suspended in April 2009.

The shareholders fought for three years to secure redress and a deal was agreed with the scheme supervisors of Welcome Financial Services at the eleventh hour this week, just ahead of appeal papers for the 60 claims, prepared by a team of lawyers at Clarion, being presented to the Companies Court in London.

Shareholder Barry Dearing, who led the shareholders in their actions, called in Clarion when it became apparent that it was going to be necessary to take court action to preserve the claims.



media relations and profile

Clarion partners Simon Young and Paul Burkinshaw assembled a five-strong team of Leeds lawyers to prepare the court papers for the claims in just three days. An agreement was reached with the scheme administrators on terms acceptable to the shareholders preventing the need for further court action.

Barry Dearing said “Clarion demonstrated great expertise and responsiveness by being able to call upon their resources to prepare all the necessary appeal claim documentation, on behalf of 60 shareholders spread throughout the world, in just three days in order to avoid any argument by the scheme administrators that the claims were time barred. The decisive and swift action ensured that a prompt settlement could be reached with the scheme administrators on behalf of the former shareholders.”

Simon Young of Clarion said: “As far as we are aware, this is the first time a subsidiary of a quoted plc has agreed to pay compensation for losses sustained by shareholders in a parent company. The settlement is welcome news for the shareholders after a long battle and should reduce the losses sustained by them to a slightly more bearable level.”

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Picture shows: Clarion partners, Simon Young (left) with Paul Burkinshaw