

Lloyds Bank BSU

A criminal business model

Presented by
Paul Carlier



I need to make it clear that:

a) I never make an allegation or complaint unless I believe that I am right

and

b) I never make an allegation or complaint unless I believe that I have the evidence to demonstrate or prove it

That applies to this presentation.

If I am expressing an 'opinion' or a conclusion, then I will establish that, and the grounds and/or evidence for drawing that conclusion.



Stephen Pegge BBRS Board Member concerns

Stephen Pegge is a former Director of Lloyds Banking Group's SME Markets business unit. The single worst business unit I've seen in a 28 year career for fraud and misleading practises against SME's, and is on the BBRS Board.

I have recently had reason to watch the BBC Panorama episode produced by Andy Verity in 2014, called

"Did the bank wreck my business?"

You can watch the episode via this YouTube link

<https://www.youtube.com/watch?v=-9TXsnpHvYg>

How many false, incorrect or misleading representations does Mr Pegge make in this programme?

It is truly disturbing to watch now, against today's backdrop given the evidence we now have in respect to what was truly going on within the Lloyds Bank BSU's, HBOS Reading, RBS GRG etc. before and at the time this programme and these statements were made.

Pegge states in this video ***“if we undervalue a property, and indeed if a property is sold for less than its worth, we’d just be increasing the losses eventually on that particular situation for the bank.”***

FALSE and he must have known this when making this representation.
Or if he did not know this was false, then he should not have been making a declaration for the public record having not checked his facts.

It is an entirely incorrect representation, whether made falsely or through lack of knowledge.

The bank is rather like a magician, creating an illusion. They get you to focus on their left hand, so that you don’t look at, or notice, what their right hand is doing.

Take the **Ashwell Property Group** (APG). In 2007 this business had several subsidiaries and overall assets valued at over £300mio, with net assets versus net liabilities/debts position of positive £114.6mio. These assets included a development landbank with estimated £2bio valuations upon completion of developments.

Step forward in 2009 David Crawshaw & KPMG, instructed by Lloyds Banking Group to conduct Independent Business Review of this business. Despite the obvious health of this business and value of its assets. (Yes, the same David Crawshaw and KPMG referenced in multiple reports and findings in respect to the HBOS Reading fraud.)

In no time Mr Crawshaw and KPMG saw to it that these assets were 'down valued'. Indeed, the documentary record shows that the value of the APG property portfolio was slashed by 50% in 2009. This included placing a valuation of £0 on a huge development site owned by APG adjacent to Cambridge station. A site with an industry accepted valuation of £800mio at that time upon completion.

Forced into administration by Crawshaw and LBG BSU. Crawshaw appointed administrator. Crawshaw sold the entire group to Brookgate Limited for just £3mio in first week of administration.

Brookgate Limited was a newly established vehicle. It was 92% owned by..... Lloyds.

Lloyds sold their stake three years later for a profit of just under £300mio.

The sale of Ashwell Property Group to Brookgate will have registered a 'loss' for the bank if we only look where the bank and Mr Pegge want you to look.

The bank books a 'loss' on the one hand that it and Mr Pegge shows you, and that Mr Pegge refers to in his interview, and tries to make you believe under valuations and sales at under valuations, incur a loss for the bank and are not good business sense.

WHEREAS at the same time, the bank and Mr Pegge are holding the huge profit in their other hand conveniently held behind their backs, and concealed from you, proving that under valuations and sales at under valuations are incredibly profitable for the bank.

Smoke and mirrors. It's the Lloyd's Banking Group way.

Either Mr Pegge was lying to Andy Verity and the public when making his claim, or he did not know, and therefore was not qualified to make statements on this subject and for the public record. In which case bank CEO or Board members should have corrected his representations. They did not. Therefore, reasonable to presume the bank intended for the false representations to be broadcast.

Indeed, the evidence that 'under valuations' are very much a lucrative business practise for the bank can be found in internal bank documents specific to BSU. Perhaps Mr Pegge is also unaware of these?

Incidentally, the law firm that represents Brookgate Ltd? Herbert Smith Freehills

Or what about the **Easter Group**, another property business customer of Lloyds Bank?

A highly profitable and experienced group & executives with prime property assets. A desirable target for the BSU.

Forced into BSU, the bank forced them to accept our 'Trojan Horse' friends David Crawshaw & KPMG as consultants, and pay their fees.

The bank and Crawshaw made one claim after another as to the viability of the business and raised concern after concern. The business fought back and challenged each and presented a solution for each. The bank simply kept changing the question or concern.

Eventually Easter Group brokered a deal with Schroder Property Fund whereby the fund would purchase a prime industrial estate from Easter Group for £23.5mio, but and importantly, allow Easter Group to retain ownership of development land that was within the title, and offered Easter Group a lucrative management contract to manage the estate. Easter proposed to use the proceeds to pay down their Lloyds debt, solve all alleged issue and free them to walk away from LBG. WIN/WIN/WIN.

However, because of rights the bank had sought to 'engineer', they needed Lloyds and Crawshaw to agree. They took an age to respond and eventually refused to sanction the deal. Easter Group were forced into administration and this same Industrial Estate was sold by Crawshaw, who had naturally been appointed to the role of administrator, for £18mio including the development land.

Incidentally, the law firm that represents the new owners of that Estate? Herbert Smith Freehills.

Documents that I have seen from 2008 and 2009 reveal Chris Packham's "***Business plan for the expansion of the BSU Investment Team in Support of the Unit's three year plan***". (I imagine he used a small font for this title when producing it)

In it Mr Packham outlines key objectives:

- "***doubling income***"

- "***moving from defenders to strikers***" a reference to seeking means to pro-actively profit as opposed to defend and nurture these customers.

The documents go on to say that there was "***a core remit being to develop and implement a strategy for driving value from the increasing number of investment (equity) stakes held in BSU relationships.***"

Mr Packham explains how they propose to achieve this and who they propose to 'recruit' or partner with in this drive for profit ***"...considerable external referencing with a variety of professionals"*** including ***"partner level accountants and various turnaround professionals."***

To be clear, this 'partnership' is in reference to revenue generation for the bank, not the interests of their customers, all of whom would be forced to pay the fees levied by these 'trusted partners' and turnaround professionals, all of whom were little more than Trojan horses acting on behalf of the bank in this revenue drive.

The documents reveal Packham's desperation and intent to drive this initiative forward, and these strategic partnerships ***"building a network of trusted turnaround partners"*** and see to it that ***"marketing literature is adapted/developed in order to outline the core offering to the market and BSU's desire to participate in shareholder turnaround situations"***.

Turnaround and value 'situations' that were 'optimal' for the bank, not the business customers that they had targeted.

Indeed, these documents detail the explicit narrative as to how they are going to achieve this, all of which seriously questions the integrity and/or honesty and/or competence and/or knowledge of Mr Pegge when making those statements to Andy Verity and the public.

The documents reveal that a bonus system was to be introduced for BSU Investment Team employees that was an ***“additional pot at a fixed percentage of equity gains”***, and ***“would be fixed at 10% of any investment gain”*** and be for ***“distribution between the Investment Team and any BSU Relationship Managers closely involved in the generation of associated value”***.

It stressed that a benefit of such an approach and expansion of the BSU Investment Team was that ***“opportunities to take investment instruments will not be missed”*** and that ***“the further embedding of a private equity approach to BSU will result in new equity stakes that otherwise would not be taken, and potentially the realisation of value (to the bank) that might otherwise be lost.”***

Documents dated July 2008 state that the BSU Investment Team now has ***“a regular dialogue with both LDC and ECM”*** (Lloyds Development Capital and Equity Capital Markets).

Both are Lloyds Banking Group units not dissimilar to RBS’s West Register.

But perhaps most damning for the bank and Mr Pegge, given his statements to Andy Verity, is a BSU Investment team presentation from June 2008. This details the following:

The teams goals are to take ***“ownership and management of BSU’s equity investment portfolio to obtain value on ultimate disposal/exit”***

That a key performance metric for the BSU Investment Team was how many investment stakes it held and that the goal was to ***“ensure that the bank is able to share in the successful turnaround in businesses via investment stakes as a rule rather than an exception.”***

And most damning is this.....

Training the BSU management teams to make them ***“aware of how to generate value thereby increasing the equity value of the business and impacting the profitability of our stakes in the business”*** and particularly by way of ***“entry pricing – buying the business at a low value”***.

In other words all BSU’s up and down the country had been trained in engineering the down/under valuation of a business and its assets so as to generate maximum value for the bank.

The documents further reveal that numerous potential investment opportunities had already been identified from within the Lloyds Bank customer database, and that this was an ongoing practise.

A practise that required down/under valuation of a customer and/or the customer assets to achieve its clearly defined goals.

Perhaps Mr Pegge would care to revisit his statements to Andy Verity, intended for the public? And better yet, perhaps he and the BBRS can explain how he can possibly hold a position on the BBRS Board?

Angel Group

Serious Fraud Office probes Lloyds Bank property claims

The Serious Fraud Office has begun interviewing witnesses and is weighing up whether to launch a formal criminal investigation

By Michael O'Dwyer
7 March 2020 · 9:30pm

Related Topics
Serious Fraud Office, Banks and Finance, KPMG, Lloyds Banking Group

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It was claimed in Parliament that before it went into administration, property company Angel Group had enough money to pay its bills but this was used to pay advisers instead. | CREDIT: Paul Hackett/REUTERS

Investigators at the Serious Fraud Office are examining allegations that Lloyds Banking Group and KPMG conspired to force the collapse of a property company by loading it with fees.

It had enough cash to pay but this was instead used to pay advisers' bills, said Mr Hollinrake, who described Lloyds' and KPMG's conduct as "outrageous".

Two years after her business account was transferred to the bank's business support unit in 2009, Ms Davey was told to hire Baronsmead Consulting, a third-party turnaround company, who charged £644,000 for 10 months' work, Jim Fitzpatrick, a former Labour MP, told Parliament in 2018. It is claimed advisers were paid more than £6m in fees.

A whistleblower raised the alarm over Lloyds and Baronsmead's conduct in 2013, Mr Fitzpatrick said. Deloitte was appointed to liquidate Angel Group in 2015.

The SFO's inquiries come after police [launched a fresh review](#) of allegations Lloyds committed fraud against a small business. The case threatens to engulf the bank's chief executive, António Horta-Osório, who in 2014 told Sir Vince Cable, the former business secretary, he had looked into the matter personally. The bank denies wrongdoing.

[KPMG](#) could also face scrutiny over its dealings with Lloyds and [Ms Davey](#). David Crawshaw, a former partner at KPMG, conducted a review of the business and also acted as an adviser and later as administrator, raising allegations of a conflict of interest.

At the end of this article are statements made by a Lloyds Spokesman. He states on behalf of the bank and Board, including Antonio Horta Osorio:

“Ms Davey’s companies had significant debts that had expired or been in default for more than two years and a restructuring was attempted.”

A FALSE representation.

In 2009, Angel Group had an LTV of 53%, had never missed a payment or breached any covenants. It’s credit facility was maturing end of September 2009. HBOS colluded with Lloyds, still operating under two separate banking licenses to obstruct & delay the offer of a new facility or extension.

Two days prior to the existing facility expiring, the relationship manager, Philip Simpson says on a recorded call that he is going to arrange a three month extension whilst they discuss a new facility:

Phillip: What I’m trying to do, xxxxxxxxx is I’m going to, (inaudible) the intention I’ve got is simply to fix a, probably a three month extension on the present basis because I think the valuation exercise is going to take –

Phillip: So that’s my intention anyway. That’s fine. Everything will just carry on as normal.

The business is entitled to rely upon the word of their bank. Having made this assurance, Angel Group struggle to reach Simpson despite repeated attempts, having had no formal confirmation of the extension. Only on November 5th 2009, do they finally get hold of him. He now has a very different story, and tells the business:

Phillip: (Inaudible) migrating. Responsibility for the Angel connection is going to pass out of my hands to the real estate team based in London.

ANGEL: The Lloyds real estate team or the HBOS real estate team?

Phillip: Lloyds in fact.

ANGEL: Right.

Phillip: I believe and this will be coming in effect, that the Lloyds, what they call their Business Support Team will be taking responsibility for the whole side of the relationship.

The BSU then claimed that the extension had been denied by credit, and this meant Angel Group was in default as of October 1st, and this default was being used by BSU and later by Kitts in his statement to the Telegraph, to justify the forcing of Angel Group into BSU.

Fraud by false representation, abuse of position and withholding information. Because an internal LBG document we obtained dated September 23rd 2010, almost a year later, produced by Jo Heywood of BSU and other senior BSU executives states:

"Angel's facility has been extended internallyThe extension of Angel's facility has not been documented with the company, which remains in default."

The Angel facility had been extended. LBG BSU lied when claiming it had not been, and did so with intent to force the business into BSU and set it on the path to its destruction. **They faked the default!**

The Lloyds spokesperson also stated in that article:

“A High Court judgment in 2018 concluded that the company’s management must have believed Angel Group was at risk of immediate insolvency from at least June 2011.”

Another false representation.

The judgement in question was in respect to a claim brought by Deloitte’s (who have so far been funded to the tune of over £13mio to pursue Julia Davey with vexatious litigation after vexatious litigation). They claimed that an £11mio dividend taken by Ms Davey, largely in the form of property and some of which she had personally funded the purchase of anyway, in June 2011 was entirely because she knew that her business was insolvent or on the verge of insolvency.

False, and knowingly false claims. But the judgement was obtained because the Judge denied her the chance to present evidence in her defence. A fact that Deloitte’s and their lawyers knew, and took advantage of, and despite knowing the claim was false.

Deloitte’s and Lloyds both had the following evidence which they knew rendered their claim as false and perverting of the course of justice.

The evidence proves an altogether different truth.

In January 2010 Ms Davey's and Angel Group's new accountants send her by email the following professional advice included in a report. A report that confirms she was eligible to take her substantial dividend at this time.

"Extracting cash now by way of remuneration or dividend involves higher rate income tax liabilities payable by Julia. Similarly, extracting the properties now via a dividend in specie involves higher rate income tax liabilities for Julia. These liabilities increase with effect from 6 April 2010 when the highest rate of income tax increases to 50%."

*"For technical reasons (associated with 'split year treatment' for UK taxes) it is strongly recommended that no dividends are declared until after 5 April 2010, so that they fall into the next tax year. **Ideally, dividends should not be declared until Julia has established non-resident status with HMRC**"*

Her accountants advised her not to take the dividend in January 2010, until her tax domicile had been established.

It is not until October 1st 2010 that the accountants write .

I am delighted to attach a PDF of a letter received today from the Residence High Net Worth Unit of the Revenue, in which they agree that you ceased to be UK resident and ordinarily resident on 31 December 2009. This is clearly excellent news.

However, he goes on to offer this professional advice:

"In order to be doubly safe, it is best to wait until the next tax year, 2010/11 (which started on 6 April 2010) before actually declaring / paying any dividends."

It is on this advice from certified professional accounts that she delayed the taking of a dividend that she was entitled to take in January 2010, and for prior tax years, until June 2011.

This had zero to do with her companies or the state of her companies, and notwithstanding that she never once believed, even in 2012, that her businesses were anything but strong and viable. Why would she, they were incredibly cash generative.

Deloitte's and their lawyers knew all of this evidence existed and knew she had only ever acted upon this professional advice. But let's consider who these certified professionals were..... McBrides. A firm that evolved from the demise of Vantis. Vantis were a firm that had found itself in BSU, and whilst in BSU appears to have undertaken some rather 'questionable' work on behalf of the bank.

It was this falsely acquired judgement that gave the bank the largest single creditor position, that it was to use, via Deloitte's, to force the appointment of a Trustee in Bankruptcy on Ms Davey.

The Trustees appointed were Grant Thornton partners, Kevin Hellard and Amanda Wade. They promptly declared for a high court document that they were independent and free from any conflict of interest that might prevent them from executing the obligations of their role.

One of the first tasks they executed was to obtain a £5mio settlement from McBrides for the same dividend claim that they had brought against Ms Davey. Therefore confirming that they knew she was never personally liable. She could never be personally liable for acting entirely upon the professional advice given by certified professional advisers.

Evidence that we have proves that Hellard and Wade made false representations for the purpose of this High court document, as to their being no conflict of interest that might impact on their independence and impartial execution of their duties.

Representations that have been repeated by their lawyers Moonbeever and particularly by Moonbeever partner Frances Coulson, and that they have sought to compound by way of making unlawful, unfounded and malicious threats against me with intent to pervert the course of justice.

From: [REDACTED]@baronsmeadconsulting.com]
Sent: 30 November 2011 12:20
To: Robinson, Paul (CB); Simpson, Russell (Contractor - Business Support L&SE 5, Wholesale BSU)
Cc: Ian Benjamin; [REDACTED]
Subject: STCF

Please find attached the latest STCF

From: Simpson, Russell (Contractor - Business Support L&SE 5, Wholesale BSU)
Sent: 30 November 2011 17:15
To: Robinson, Paul (CB); [REDACTED]
Cc: Laurie, Dugald (BSU)
Subject: FW: STCF

Paul,

I have made a number of observations from last week's STCFF to this week's. A number of headings have changed so direct comparisons have been made more difficult.

The STCFF has not been extended, so still only covers the period to 26/2/12. As the 'bonus' receipts (e.g. vehicle sales and increased historic debtor collections) are not received in the second half of the STCFF, I would estimate that the cash position may deteriorate further going forward.

The business customer being ‘worked’ on in these emails was “Mild Professional Homes Limited”

So, who was Russell Simpson?

Kind regards

Russell

Russell Simpson
Grant Thornton Seconded
Business Support Unit

Lloyds Banking Group
Lloyds Bank Corporate Markets | 3rd Floor | Princes House | 1 Suffolk Lane | London | EC4R 0AX
T 020 7357 4286 | M 07585 402 200 | F 020 7357 3988 | E russell.simpson@lloydsbanking.com

Simpson, was a Grant Thornton secondee was working in the same Lloyds BSU office in Suffolk Lane, London and with the same Trojan Horse turnaround company that was forced upon Angel Group, Baronsmead, that conspired with Lloyds BSU to destroy Angel Group.

What happened to “Mild Professional Homes”?

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192 of the Insolvency Act 1986

To the Registrar of Companies

Company Number

04103257

Name of Company

Mild Professional Homes Limited

I / We

David J Dunckley
30 Finsbury Square
London
EC2P 2YU

Daniel R W Smith
30 Finsbury Square
London
EC2P 2YU

the liquidator(s) of the company attach a copy of my/our Progress Report under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 07/02/2013 to 06/02/2014

Signed

Date 7/4/14

Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU



They were forced into administration, just as Angel were.

And just as with Angel and Kash Shabir's Case in Bristol, it was the accountancy firm that was brought in by BSU to act as "adviser", but in reality executioner, that was handed the incredibly lucrative role of 'Administrator'.

In this case it was Grant Thornton of course that were awarded this lucrative role.

But not just anyone at Grant Thornton, but the current Grant Thornton UK CEO David Dunckley.

Companies House records show that David Dunckley and Grant Thornton UK agreed to take this role for a fixed fee of a staggering £1.5mio.

4 Joint liquidators' remuneration and expenses

4.1 My fee for acting as joint administrator was agreed by the Bank and fixed at £1.5 million, split equally between the Company and TPP

Kevin Hellard is head of Insolvency at Grant Thornton and reports directly to Dunckley.

Julia Davey as a bankrupt had a cause of actions against Lloyds BSU, KPMG and Baronsmead. Hellard forced upon her as her 'independent' Trustee in Bankruptcy by Deloitte's, funded by Lloyds, became solely responsible for pursuing these claims.

Was he going to pursue claims against Lloyds BSU, KPMG and Baronsmead, when those claims would expose his employer and his ultimate boss for being a party to the same conduct?

Of course he wasn't, and he hasn't. Because it is unquestionable that he was and is entirely conflicted.

Incredibly, he, and his lawyer Frances Coulson of Moonbeever are adamant that this does not represent a conflict of interest.



12 Endeavour Square
London
E20 1JN

Tel: +44 (0)20 7066 1000
Fax: +44 (0)20 7066 1099
www.fca.org.uk

Jim Fitzpatrick MP
House of Commons
London
SW1A 0AA

23 January 2019

Dear Mr Fitzpatrick

Our ref: 181220A

Your ref: ZA30120/RM

RE: Ms Julie Anne Davey

Thank you for following up on your previous correspondence of 20 December 2018 and for the extensive additional information you have supplied.

We welcome all the information provided by both you and Ms Davey. As I advised in my letter of 14 December 2018, we consider all the information we receive in developing our approach to the regulation of firms within our remit.

Our assessment of intelligence we receive about firms can result in a broad range of actions, deploying a range of investigative and supervisory tools as appropriate to the circumstance. We will, of course, consider the information you have provided in so far as it relates to potential misconduct by regulated firms. Unfortunately, legal considerations associated with the fair exercise of our powers, prevent me from setting out in detail what those next steps may be in Ms Davey's particular case.

In the interests of being fully transparent, I should also clarify that a number of the issues you have raised are in relation to firms and/or activities that are not regulated by the Financial Conduct Authority. For example, we do not regulate Baronsmead and, while we do regulate KPMG for certain activities, our remit does not stretch to their activities as insolvency practitioners. Likewise, we regulate many, but not all, of Lloyds Banking Group's activities. As I am sure you are aware, much of their commercial lending and banking activity lies outside of our jurisdiction. As such, we lack the power to investigate the full extent of these matters. That said, we maintain an open dialogue with other regulatory and law enforcement bodies and we often share information we think may be more appropriately handled by one of these agencies. Of course, in the event that information we receive indicates relevant misconduct by a regulated firm or individual we will consider carefully the appropriate action for us to take.

Thank you again for bringing these matters to our attention.

*Yours Sincerely
Andrew Bailey*

Andrew Bailey
Chief Executive

1. Having 'faked' a default in September 2009 to justify the transfer of Angel Group to the BSU.
2. Lloyds unlawfully, and in breach of FCA & PRA regulations and AML legislation, did divert approximately £2mio of the businesses monies resulting from property sales to an Internal Lloyds 'Wash' account known as an MOA (Management Obligations Account). A type of account used in the HBOS Reading fraud.
3. whereas, the terms of a 2012 overdraft agreement specifically stated that the first £1.2mio of these property sales proceeds MUST be used to repay the overdraft on the regular business account.
4. In October 2012 Lloyds & KPMG forced the business into administration claiming it could no longer meet its payment obligations when they fell due. FALSE.

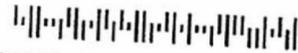
The day prior to when a £100,000 payment to British Gas had to be paid, the bank and its partners took £196,000 to settle multiple invoices. Internal emails prove that they had been feverishly getting everyone to submit invoices so as to take this money, leaving the business just short of the £100,000 required to pay British Gas.

Your account statement
 Statement sheet number: 45
 Issue date: 15 October 2012
 Page: 1 of 3



ANGEL GROUP LTD
 47 COLD HARBOUR
 ISLE OF DOGS
 LONDON
 E14 9NS

Write to us at:
 Bank of Scotland
 PO Box 1000
 BX2 1LB



L361827/PJ08137 1670 319/1/001218

Call us on: 0845 300 0268 (from UK)
 +44 131 549 8724 (from Overseas)

Visit us online: www.bankofscotland.co.uk

Your branch: 33 OLD BROAD STREET, LONDON
 Sort code: 12-08-83
 Account number: 06030181
 BIC: BOFSGB21257
 IBAN: GB69 BOFS 1208 8306 0301 81

CORP CURR ACC
 ANGEL GROUP LTD

Account Summary

Balance On 9 October 2012	
Total Paid In	£1,159,991.75 OD
Total Paid Out	£0.00
Balance On 12 October 2012	£196,313.53
	£1,356,305.28 OD

Account Activity

Date	Payment type	Details	Transactions (£)	Balance (£)
9 Oct 12		BALANCE BROUGHT FORWARD		
11 Oct 12	Transfer	F/FLOW CMS CAMERON		1,159,991.75 OD
11 Oct 12	Transfer	F/FLOW PAYMENT FEE	31,223.96 DR	1,191,215.71 OD
11 Oct 12	Transfer	F/FLOW KPMG LLP FE	20.00 DR	1,191,235.71 OD
11 Oct 12	Transfer	F/FLOW PAYMENT FEE	27,865.20 DR	1,219,100.91 OD
11 Oct 12	Transfer	F/FLOW BARONSMEAD - UNTITLED INVOICE	20.00 DR	1,219,120.91 OD
11 Oct 12	Transfer	F/FLOW PAYMENT FEE	29,415.67 DR	1,248,536.58 OD
11 Oct 12	Transfer	F/FLOW CMS CAMERON	20.00 DR	1,248,556.58 OD
11 Oct 12	Transfer	F/FLOW PAYMENT FEE	18,820.29 DR	1,267,376.87 OD
11 Oct 12	Transfer	F/FLOW CMS CAMERON	20.00 DR	1,267,396.87 OD
12 Oct 12	Transfer	F/FLOW CMS CAMERON	88,908.41 DR	1,356,305.28 OD

5. This left the business just short of the available funds required to pay the £100,000 to British Gas.

6. However, and more importantly, the bank knew there was £947,000 of monies belonging to the business in the internal wash account to where it had been **unlawfully diverted**.

 **BANK OF SCOTLAND**
Select Statement - 12088306060516

BOS RE ANGEL GROUP LTD
FAO MS JO HEYWOOD
LLOYDS BANKING GROUP
PRINCESS HOUSE
1 SUFFOLK LANE STREET
LONDON
EC4R 0AX

Branch Name: LEEDS
Sort Code: 120883
Account no: 06060516

account statement
BUSINESS ACCOUNT
BOS RE ANGEL GROUP LTD

Sheet: 12 Of 13
Date issued: 10/05/2013

Date	Activity	Paid out	Paid in	Balance
29Jun12				947,806.96
09Jul12	INTEREST (GROSS)		360.56	948,167.52
24Jul12	TFR F/FLOW CAMERON MCK	605,424.00		1,553,591.52
30Jul12	TFR F/FLOW CAMERON MCK	230,582.00		1,784,173.52
09Aug12	INTEREST (GROSS)		578.38	1,784,751.90
15Aug12	TFR F/FLOW CAMERON MCK	50,972.00		1,835,723.90
15Aug12	TFR F/FLOW CAMERON MCK	216,373.65		2,052,097.55
10Sep12	INTEREST (GROSS)		881.24	2,052,978.79

Fig 2. Non-redacted statements for the MOA, INTERNAL Wash account

The evidence to prove multiple counts of fraud, conspiracy to defraud and money laundering is overwhelming.

The bank, and Herbert Smith Freehills have engineered entirely false representations so as to deny.

The FCA on behalf of both itself and Andrew Bailey have produced positions and representations that are entirely misleading and/or false in an effort to defend the banks actions, and also made extraordinary efforts to claim that deposit taking and other regulated activities are beyond its perimeter.

Martin Kuzmicki of the Executive Complaints team that act on behalf of the CEO, in January of this year wrote, in an attempt to legitimize the banks actions in diverting the monies to the wash account:

“a bank may use funds held in an account with the bank to pay off debt if the account holder has agreed to it, or the terms of the account permits it.”

Indeed, however, the facts and evidence we have and have presented to the FCA, PROVES that the only agreement that existed, determined that these monies MUST be credited to the Angel Group business account.

Kuzmicki was desperate to justify the banks actions, but he has inadvertently confirmed that the actions were unlawful and breach of FCA codes.

From: Crawshaw, David
Sent: 29 June 2012 10:03
To: Cooper, Sorrelle; Berkovi, Paul; Croxen, Rob; Sheppard, Chris
Subject: RE: Press release for review

Guys – are we right in stating

“Unfortunately the company no longer has the cash to make payments as they fall due, necessitating the appointment of administrators or receivers. We are working with employees to stabilise the business and will now be exploring options to sell the properties.”

I thought it was currently cash generative – ish – we need to be careful what we say here – this lady is most litigious

What defaults are we using – LTV ? we will be more correct to say that following a covenant breach the Bank enforced its security to take control of the assets secured by the Bank's charges.

From: Cooper, Sorrelle
Sent: 29 June 2012 10:08
To: Crawshaw, David; Berkovi, Paul; Croxen, Rob; Sheppard, Chris
Subject: RE: Press release for review

The challenge is we need to come up with a reason for the administration for the media (if we don't, we will just receive a load of calls) but we don't normally make any reference to the bank in our press release.

Could we say something like: "Unfortunately the business had not kept up with debt obligations as they fell due, triggering the appointment of administrators or receivers. We will now be exploring options to sell the properties."

From: Croxen, Rob <Rob.Croxen@KPMG.co.uk>
Sent: 29 June 2012 10:24
To: Cooper, Sorrelle; Crawshaw, David; Berkovi, Paul; Sheppard, Chris
Subject: RE: Press release for review

We need two versions depending on whether she cooperates or not – however unlikely – I will send something through shortly for consideration.

Cheers

Rob Croxen
Partner
KPMG LLP

8 Salisbury Square, London EC4Y 8BB

Tel. 020 7694 3830
Mobile 07899 912 465
Email rob.croxen@kpmg.co.uk



Administrators and receivers appointed to Angel property companies

Monday 2nd July 2012

Rob Croxen and David Crawshaw of KPMG were appointed joint administrators to 8 Angel Group-related companies today and appointed as joint receivers to 10 properties owned by associated companies and individuals. The companies own and operate around 700 residential properties, which are predominantly let out to private tenants. The companies employ around 90 staff, based at four offices in London, Newcastle, Glasgow and Leeds.

There are 24 companies within the Angel Group which do not form part of today's administrations or receiverships.

Rob Croxen, joint administrator and restructuring partner at KPMG, commented:

“Unfortunately the company no longer has the cash to make payments as they fall due, necessitating the appointment of administrators or receivers. We are working with employees to stabilise the business and will now be exploring options to sell the properties.”

On February 23rd 2012, some eight months after Deloitte's and Lloyds claimed in Court that Julia Davey knew her business was insolvent or at risk of insolvency, Julia's call recording software captured a call between the Director of Baronsmead Consulting, the Trojan Horse Business Turnaround Company forced upon Angel Group at a cost of £4,500 per day to Angel Group, and a Baronsmead accountant working out of Angel Group's offices. They are talking about an earlier conversation where Julia's manager had challenged the accountant as to why they were there, and why they had to pay their fees.

Baronsmead Director – *“Yeah I’m I’m just intellectually I’m intrigued to know where we have a conflict of interest we have him as a client..”*

Baronsmead Accountant – *“.....I think he is proceeding the Bank will have given the money on the back of his reputation nothing to do with you, nothing to do with Baronsmead nothing to do with anything else it's the back of his reputation, xxxxxxxxxxxx's reputation and um Julia's reputation and they've never thought otherwise. It's all everything else is bullshit that was quote. Alright?”*

The response to that from the Baronsmead Director speaks volumes in terms of demonstrating Julia and the business saw no risk of insolvency, but also that he knew there was a plan to force the business into administration and was under orders not to share that information with Angel Group.

Baronsmead Director - *“I wish he knew how close he was to being in administration that's, I mean you can't tell him.”*

We all know that if there is a risk of something, and you wish to avoid something, then you make them aware of said risk. Enough said.

NYDFS (New York Department of Financial Services) Press Release May 20th 2015.

Additional Efforts to Cheat Barclays Clients

On numerous occasions, from at least 2008 to 2014, Barclays employees on the FX Sales team engaged in misleading sales practices with clients. Sales employees applied “hard mark-ups” to the prices that traders gave them without their clients’ knowledge. A hard mark-up represents the difference between the price the trader gives a salesperson and the price the salesperson shows to the client.

As one FX Sales employee wrote in a chat to an employee at another bank on December 30, 2009, **“hard mark up is key . . . but i was taught early . . . u dont have clients . . . u dont make money . . . so dont be stupid.”**

The practice of certain FX Sales Employees would allow Sales employees to add mark-up without the client’s knowledge

Continued on next slide

Mark-ups represented a key revenue source for Barclays and generating mark-ups was a high priority for Sales managers. As the future Co-Head of UK FX Hedge Fund Sales (who was then a Vice President in the New York Branch) wrote in a November 5, 2010 chat:

*“markup is making sure you make the right decision on price . . . which is **whats the worst price i can put on this where the customers decision to trade with me or give me future business doesn’t change . . . if you aint cheating, you aint trying.”***

Barclays were fined \$2.5bio for these and other FX wrongdoing, and forced to plead guilty to criminal charges in respect to them.

This is precisely what sales persons at Lloyds were encouraged to do, and it was written into a formal policy, and in respect to ALL products including IRHP’s.

Fraud.

- (c) Paul's concerns about pricing and margins did not form part of his grievance appeal. They were investigated as part of Paul's whistleblowing complaint by Group Investigations. I was not therefore reviewing pricing and margin issues as part of the appeal. As an aside, I note that Paul would not have been aware that our Pricing Framework is shared with regulators and subject to monthly testing. Paul is entitled to his opinion however he would not have visibility of the cost allocation methodology within our pricing framework nor the level of visibility it has with our regulator.