

NEWSLETTER (UPDATED 08/12/2008)

The present situation of the Action Group, is having been formed on 10th October 2008, teams have been set up in London (mainly Media and Legal) and Isle of Man (mainly Action). Their main functions have been to ensure our cause is kept in the public domain via press, radio and TV and to hold discussions with officials of the IOM Government and Financial Services Commission. Basically there are 3 main groups involved, they are direct individual depositors, indirect depositors via Bonds with Insurance companies and those who had accounts with the Derbyshire Building Society that was taken over by KSF in November 2007 and their 'accounts' moved to the IOM. Additionally, there are some small businesses with their working capital frozen.

It is important to understand that the IOM relies heavily on its finance industry as a major source of revenue to the island, and the potential fallout from this situation will affect them severely. This has been exacerbated by the UK Government's apparent dislike of "offshore tax havens" ie IOM and the Channel Islands. Iceland is in a similar position in that, from its geographical location and low population numbers, industries like finance are an important source of national income.

We must also understand that there are the depositors who through their Independent Financial Advisors (IFA's) have more to potentially lose, because under the compensation scheme a group of depositors in a wrapped bond are seen as one depositor and the maximum payout to all within the wrapper would be £20,000. To counteract this they are looking to possible legal action against the IFA Association, and the Insurance companies involved in what has become known as "wrappers". The companies we know to date are Royal Skandia, AXA, Prudential, Norwich Union, Friends Provident, Aegon Scottish Equitable and Hansard

The Action Group appointed an IOM Advocate to represent the Group at the Court Hearing (on the IOM) 27th November 2008.

Ernst and Young - administrators for KSF UK have issued their initial report, the situation regarding KSFIOM monies though appeared to be still unclear as to whether or not it was secure or unsecured. A Creditors meeting was held in London on 1st Dec 2008. The result of which showed that the KSFIOM money in KSF UK is unsecured.

The first update (see 10 b) is available from the Group's legal representative based on the Isle of Man. The second update has become available this afternoon (see 10 c)

Our plight continues to be highlighted, in various sections of the Media, specifically on the BBC's Politics Show (23/11/2008), with potentially other future opportunities. BBC Radio 4 (PM programme presented by Eddie Mair) have interviewed members and are now going to be broadcasting a topic concerning problems experienced by UK expatriates.

The IOM Government debated the KSFIOM problem in the House of Keys (25/11/2008) the debate centred on adjourning the Court Hearing on the 27th Nov to allow further options for the bank to be properly considered. In conclusion they have not just a bank to rescue, they have international relationships at stake

Political wrangling continues between the UK and IOM Governments in the light of Mr Darling's remarks in the Treasury Select Committee Meeting (03/11/2008) and his pre budget speech (23/11/2008) regarding the tax haven status of Crown Dependencies

It is proposed that the Group will use overspill from the legal representation (IOM) account to go towards acquiring legal representation in London.

The second Hearing to wind up the bank took place on 27th November 2008, and the result was that the decision has been adjourned, for 60 days until 29th January 2009 for developments that are in the pipeline to hopefully reach a state of fruition. To this end Alix & Co have been appointed by the IOM FSC to look at various options other than liquidation

Useful links:

1. **New/Infrequent Members**

<http://chat.ksfiomdepositors.org/blog-entry/new-members-depositors-please-read>

2. **How to Navigate around the Site**

<http://chat.ksfiomdepositors.org/page/help-faq>

3. **Where we came from**

<http://www.ksfiomdepositors.org/public-page/questions-answers>

4. **Your/Our Stories**

<http://www.ksfiomdepositors.org/category/10/673/688>

5. **Polls for Registered Users of the Site**

<http://chat.ksfiomdepositors.org/poll>

Polls we need to vote in (if you already have please do not vote again)

a) Age Group of Depositors <http://chat.ksfiomdepositors.org/poll/age-group-depositors>

b) Distribution of Depositors by Citizenship & Residency
<http://chat.ksfiomdepositors.org/poll/age-group-depositors>

c) How much have you lost or stand to lose
<http://chat.ksfiomdepositors.org/poll/how-much-have-we-lost-or-stand-lose>

6. **Depositor Status**

<http://chat.ksfiomdepositors.org/blog-entry/all-registered-members-your-action-required>

7. **Groups that you can Join for like minded situations, (Geographical, Amount Invested, etc)** <http://chat.ksfiomdepositors.org/og>

8. **News Items from Worldwide Press Sources**

http://chat.ksfiomdepositors.org/view/news_items

9. Statement on Legal Representation

- a.) Initial Group Requirements <http://www.ksfiomdepositors.org/members-page/appointing-legal-representation-iom>
- b.) 1st Update <http://www.ksfiomdepositors.org/members-page/1st-update-iom-legal-representation>
- c.) 2nd Update <http://www.ksfiomdepositors.org/members-page/2nd-update-iom-legal-representation>
- d.) London Legal Representation Appointment
<http://www.ksfiomdepositors.org/members-page/edwin-coe-llp-appointment>
- e.) London legal update

10. How to donate, if you agree, to the Legal Representation Fund

<http://www.ksfiomdepositors.org/category/10/668/679/681>

11. Income Tax Reference Links

- a) Blog entry <http://chat.ksfiomdepositors.org/blog-entry/income-tax-real-situation>
- b) Public page <http://www.ksfiomdepositors.org/category/10/666/746>

12. Time Line of Events

<http://www.ksfiomdepositors.org/category/10/666/705>