

**Note to DAG : please attach the ukxi 2674 document with your correspondence, this can be found at this link:
<http://www.ksfiomdepositors.org/members-page/ukxi-2674-081008>**

Dear: (MP/MEP/PPC/Ambassador)

The UK Government passed emergency legislation on 8th October 2008 which seemingly prevents KSFION assets from being returned to its rightful owner without HM Treasury approval (relevant extract see bold text below).

Moratorium on payment to related companies

27.—(1) Kaupthing shall not make any payment, dispose of any property or modify or release any right or liability to or for the benefit of a related party without the prior consent of the

Treasury, and any such purported payment, disposal, modification or release shall be void.

(2) No related party shall exercise any right of set-off or combination of accounts in respect of any debt owing by Kaupthing without the consent of the Treasury, and any such purported exercise shall be void.

(3) In this article, “related party” means any member of the same group as Kaupthing that is not a subsidiary undertaking of Kaupthing.

(4) In paragraph (1), if Kaupthing is in administration, the reference to Kaupthing is to be treated as a reference to the administrator.

(5) In paragraph (3), “group” has the meaning given by section 421 of the 2000 Act.

We hope you will be interested in pursuing this avenue for me, your constituent, who has been badly affected by this debacle, particularly in light of the answers given to questions at the Treasury Select Committee on 3rd November 2008:

Q131 Mr Brady: *“Chancellor, do you accept the responsibility on the British Government to return that £550 million to the Isle of Man savers”*

Mr Darling: *“It does not belong to the British Government.”* No BUT the British Government has given itself authority over the return of assets to KSFION (a related party as defined in clause 27).

On Monday at the KSFUK liquidator hearing in London, KSFION was revealed as the second largest creditor with approximately £600m owing – yet failed to get representation on the KSFUK creditor's committee.

You can understand why members of the KSFION Depositors Action Group are beginning to think they have become embroiled not just in a banking disaster, but in a political conspiracy.

Please make resolution of this crisis a priority and help make sure over 10,800 depositors, the majority British citizens, are not penalised so severely when a sensible solution involving no UK Government bailout is available.

Yours sincerely