

THE LEVESON INQUIRY INTO THE CULTURE, PRACTICES
AND ETHICS OF THE PRESS

EXHIBIT SB1



Leveson Inquiry Team
The Royal Courts of Justice,
London WC2A 2LL
Solicitor.LevesonInquiry@tsol.gsi.gov.uk

By Post and by Email

28 September 2011

Dear Lord Leveson

Re: Public Inquiry into Phone Hacking and Media Regulation

We have reviewed the terms of reference issued by Downing Street for the public inquiry into phone hacking and media regulation. We believe there are strong grounds for the conduct of the authorities and representatives of the press to be investigated in relation to our client Mr Vincent Tchenguiz, Chairman of Vincos Ltd (trading as Consensus Business Group).

Mr Tchenguiz was arrested at his Mayfair home on the morning of Wednesday, 9 March 2011, following a dawn raid carried out by City of London police officers in conjunction with Serious Fraud Office investigators. Mr Tchenguiz was released the same day without charge.

At the same time, the offices of Vincos Ltd (trading as Consensus Business Group) at 35 Park Lane were raided by the Serious Fraud Office (the "SFO") together with the City of London Police and with the assistance of Icelandic investigators.

On the morning of Wednesday, 9 March 2011, Mr Elsa of the SFO appeared before Judge Worsley in Chambers to seek, under oath, a further warrant relating to the raids. The extract below shows that a reporter from the Daily Mail was present when the SFO arrived that morning at the offices of 35 Park Lane.

F A. Before, however, your Lordship makes a decision,
there is a disclosure that I do need to make in
relation to matters as they occurred this morning.
As my Lord will recall, we made -- we detailed --
in as much detail as we could in the information of
G a number of matters that your Lordship may wish to
consider, one of which was the media position and
any possible intrusions that might cause.

H Now, this morning when we attended at the premises of
CBG, or Conservative Business Group, the second of



3
Vincos Ltd
trading as Consensus Business Group
35 Park Lane, London, W1K 1RB
Tel +44 (0)20 7355 7777 Fax +44 (0)20 7409 2304
Email info@consensusbusiness.com
Web www.consensusbusiness.com

A

the business premises for which a warrant was granted, we attended and found that there was reporters from the Daily Mail newspaper. Now, that is a matter that has been taken very, very seriously by the Serious Fraud Office and the head of the press office has been called to (Inaudible) operations team and has been discussed there.

B

C

At the moment there is no information that this is, in fact, or that there is any information that has come from the SFO or any of our partners but it has been raised to senior civil service and a member of the executive board. The SFO has now been notified and is looking at the matter. If it requires an internal inquiry in terms of any information that may or may not have come from our office then we will look at that and also be taking it up with our partners in terms of the police and the investigators overseas as to where and how this could have come about.

D

E

F

We enclose correspondence between Stephen Pollard, Mr Tchenguiz' lawyer, and the SFO, which also highlights that someone from The Mail was present when the SFO arrived at 35 Park Lane and states that *"Following the range of enquiries that have been made within the Office, with City of London Police and the Special Prosecutor's Office, I [the SFO] can confirm that no authorised briefings took place that may have placed information regarding the search by these agencies"*.

We also enclose the newspaper articles that appeared following the raid.

We are not able to determine further if and how any information allowed for a media presence on the morning of 9 March 2011 prior to the execution of the search warrants.

Following an extensive examination of the evidence, which we have summarised above we have serious concerns about the conduct of the SFO, City of London Police and Associated Newspapers relating to the various communications between the named organisations both prior to and on the morning of Mr Tchenguiz' arrest.



Vincos Ltd
Trading as Consensus Business Group
35 Park Lane, London, W1K 1RB
Tel +44 (0)20 7355 7777 Fax +44 (0)20 7409 2304
Email info@consensusbusiness.com
Web www.consensusbusiness.com



Accordingly, we believe our client is a victim of unethical and improper conduct by the named authorities and Associated Newspapers, which has contributed substantially to the personal, professional and financial detriment of our client and warrants consideration by your committee.

Our client's circumstances fall under your committee's remit. It, therefore, warrants examination under the following sections:

- Part 1, B: To inquire into the cultural practices, and ethics of the press, including the relationship between the press and the police.
- Part 2: To inquire into the extent of unlawful or improper conduct within News International and other newspaper organisations.

We understand and appreciate that you have pressing priorities as part of the public inquiry. We would however be grateful if our case is submitted for review by your committee.

Should you or colleagues need to ask us any questions relating to this matter, please do not hesitate to contact us.

Yours sincerely,

Clarissa Coleman
Senior Litigation Counsel
Consensus Business Group

encs.



Vincos Ltd

trading as Consensus Business Group

35 Park Lane, London, W1K 1RB

Tel +44 (0)20 7355 7777 Fax +44 (0)20 7409 2304

Email info@consensusbusiness.com

Web www.consensusbusiness.com

grayling

Source: Daily Mail (Main)
 Edition:
 Country: UK
 Date: Thursday 10, March 2011
 Page: 9
 Area: 556 sq. cm
 Circulation: ABC 2136568 Daily
 BRAD info: page rate £32,608.00, sec rate £129.00
 Phone: 020 7938 6000
 Keyword: Tchenguiz

> durrants

Billionaire brothers held on Iceland bank collapse

By Chris Greenwood
 Crime Reporter

TWO of Britain's most flamboyant tycoons were arrested yesterday by investigators probing the collapse of an Icelandic bank.

Billionaire brothers Robert and Vincent Tchenguiz were held during simultaneous dawn raids in London and Reykjavik amid claims they withdrew vast sums of cash just days before the crisis broke.

Even as police knocked on their doors yesterday morning they were preparing to stage a champagne party on their super-yacht at a prestigious French trade fair in Cannes tonight.

The high-rolling businessmen - once ranked among the richest in Britain - were questioned over the collapse of Kaupthing in October 2008.

They built up a £4billion empire specialising in property and leisure that rode the crest of the boom wave. And they continued to live a jet-set lifestyle despite losing £1billion in just 24 hours as three Icelandic banks failed at the height of the credit crunch.

Investigators at the Serious Fraud Office (SFO) want to know what happened immediately before the demise of Kaupthing.

Questions remain over how some were able to withdraw funds in the days before the bank's catastrophic collapse.

Investigators are also looking at why some clients were able to take large loans backed with minimal collateral and deferred interest payments. Among them is Robert who borrowed around £1.25billion which he used to buy stakes in Sainsbury and pub group Mitchells & Butlers.

The Iranian-born brothers were arrested as part of an international operation involving the SFO and

City of London Police. More than two dozen investigators poured into their multi-million pound offices in Curzon Street, Mayfair, shortly before 1am.

A stream of smartly-dressed employees was turned away as offi-

cial carrying cutting equipment, video cameras and evidence bags gathered inside.

One search focused on the fifth floor of Leconfield House, the base of investment vehicle R20, set up

by Robert. The second took place a stone's throw away at Vincent's Consensus Group, housed in a block sandwiched between Curzon Street and Park Lane.

Forensic experts spent most of the day creating a copy of all the information held on computer servers at the two businesses.

Five other men aged between 42 and 54 were arrested in London. A further two suspects aged 42 and 43 were held in Reykjavik. The

brothers are thought to have been left heavily exposed to the failure of Kaupthing as they were among the bank's largest clients. They are seeking to get a £2billion lawsuit filed against the bank and to be recognised as creditors, despite owing it millions in loans.

Kaupthing had a significant operation in Britain and its collapse left a string of creditors owed money, including councils, police forces and charities. The Tchenguiz

brothers said they were 'co-operating fully', adding they were confident of being 'cleared of any allegation of wrong-doing'.

In a statement, the pair said they were being questioned over 'matters relating to our relationship' with the bank.

An SFO spokesman said: 'This is a complex investigation. We have been working closely with the Icelandic special prosecutor's office to ensure that comprehensive and robust investigations are conducted.' Last year, an official Icelandic report criticised the extent of Kaupthing's loans to Robert and linked companies. The SFO has been helping the Icelandic government in a wide-ranging inquiry into its country's banking activities since February 2009.

Kaupthing, alongside Landsbanki and Glitnir, failed in the space of a week the previous year. Last night

a spokesman for the Tchenguiz brothers said they had been released but said he could not provide any further details.

Richard Kay - Page 35
 City - Page 66



Robert with wife Heather Bird



grayling

Source: Daily Mail (Main)
Edition:
Country: UK
Date: Thursday 10, March 2011
Page: 9
Area: 556 sq. cm
Circulation: ABC 2136568 Daily
BRAD info: page rate £32,508.00, sec rate £129.00
Phone: 020 7938 6000
Keyword: Tchenguiz

> durrants



High life: Vincent Tchenguiz snuggles up with two attractive female friends on his yacht

Reproduced by Durrants under licence from the NLA (newspapers), CLA (magazines), FT (Financial Times/ft.com) or other copyright owner. No further copying (including printing of digital cuttings), digital reproduction/forwarding of the cutting is permitted except under licence from the copyright owner. All FT content is copyright The Financial Times Ltd.

Article Page 2 of 2

174584055 - RICATK - A17044-135 - 45379498

grayling

Source: Daily Mail (Main)
 Edition:
 Country: UK
 Date: Thursday 10, March 2011
 Page: 9
 Area: 347 sq. cm
 Circulation: ABC 2136568 Daily
 BRAD Info: page rate £32,508.00, scc rate £129.00
 Phone: 020 7938 6000
 Keyword: Tchenguiz

> durrants

YACHTS, GIRLS AND GREED

By Geoffrey Levy

SUNDAY lunch, and Vincent Tchenguiz was braving the cold to sit outdoors at a Chelsea restaurant with a bunch of friends - and his mobile phone. 'It was never out of his hand,' says an acquaintance who was seated at the next table. 'Always making and taking calls, always doing deals right through lunch. That's his life. He doesn't do anything else.'

Not entirely true. Vincent, 54, is the elder and chubbier of the property tycoon Tchenguiz brothers, and both he and the younger Robbie, 50, never allow their obsessive pursuit of money to stop them from enjoying a champagne-fuelled life that has been uninterrupted since their father - who used to be the Shah of Iran's jeweller - gave them £1million with which to go into business.

The colourful, high-level wheeler-dealers were arrested in dawn raids yesterday in connection with the Icelandic banking scandal. So it is that another crisis hits the brothers brought to England from Iran by their father when the Shah fell in 1979. But who would say they won't find ways to rise above it?

When the banking crisis struck in 2008, their combined £4billion fortune was said to have shrunk alarmingly. Suddenly they were no longer the 78th richest people in Britain, and, apparently, it hurt.

It was noticeable, however, that they were far from holed below the water line. Bachelor Vincent still manages to run a £10million yacht, Veni Vidi, Vici, and his garage off Park Lane houses a purple Lamborghini, two Rolls-Royces, a pair of Bentleys and an

Aston Martin, driven by two full-time chauffeurs with two more on call.

Robbie lives in one of London's most glamorous private homes, a £30million five-storey house next to the Albert Hall, and although he owns a fine 150ft yacht, My Little Violet (named after his daughter), it is

obviously is not big enough.

Only last year, despite reports that he lost £1billion in 24 hours in the collapse of the Icelandic banks (from which he had borrowed and borrowed) he commissioned a new 200ft yacht.

Clearly, regardless of the calamity that overcame so many people when the banks crashed, things are not too bad for the Tchenguiz brothers. Robbie, slimmer and more of a charmer, is the brother with a more flamboyant record for womanising and extravagance. He is said to have introduced Dodi Fayed to Princess Diana. His 40th birthday party for 500 guests had a Louis XVI theme. One of his former girlfriends is the

model Caprice.

He is married to American health guru and model Heather Brd, though last year they separated. She continues to live with their children under his imposing roof in Kensington.

Heather lived with Robbie for ten years, and married him five years ago. But it was she who broke up the marriage. 'I couldn't bear, as a mother, to have our children witness any more of a lifestyle that was not good for them,' she said.

'I don't want my children to be brought up surrounded by private jets, glamorous parties, vast yachts in the South of France and endless hangers-on. I want them to

Billionaire brothers held on Iceland bank collapse



grayling

Source: Daily Mail (Main)
 Edition:
 Country: UK
 Date: Thursday 10, March 2011
 Page: 9
 Area: 347 sq. cm
 Circulation: ABC 2136568 Daily
 BRAD Info: page rate £32,508.00, sco rate £129.00
 Phone: 020 7938 6000
 Keyword: Tchenguiz

Durrants

develop proper values in life.'

To the Tchenguiz brothers, it is the only adult life they have ever known. 'They love the attention they get at parties and charity events', says one close associate. 'And I know how much it pleases them to have on-call important and famous people, especially politicians, whose judgment they trust to help them in their business decisions.'

In recent years, some very significant people indeed have been linked to the brothers in an advisory capacity. These include former Chancellor of the Exchequer Norman (now Lord) Lamont, ex-Minister David Mellor and the shrewd long-time Labour MP for Middlesbrough, Sir Stuart Bell.

The brothers started out in 1983 by buying a flat for £47,000 in Marble Arch. Then the boom years of cheap lending saw their names associated with practically every big deal mentioned in the City pages.

Pub chains, cinemas, health and fitness clubs... at one stage, Robbie was intent on buying Selfridges. Together they had interests in 800 commercial buildings. Vincent owned or managed 300,000 homes.

Today, he manages the property company while Robbie looks after corporate investments. Partners - yet rivals.

'They're hugely competitive with each other,' says a friend, 'especially over which of them knows the most impressive people. It's childish, really, rather pathetic; his need to impress. But money and power is their life - especially Vincent's. I think it hurts him that his brother is more successful with women than he is. That's probably why gatherings at his home (in Mayfair, near the U.S. embassy) are often packed with glamorous women. And yet he's always worried in their company that they're only there because he's rich.'

grayling

Source: Daily Mail (Main)
 Edition:
 Country: UK
 Date: Thursday 10, March 2011
 Page: 35
 Area: 389 sq. cm
 Circulation: ABC 2136568 Daily
 BRAD info: page rate £32,508.00, scc rate £129.00
 Phone: 020 7938 6000
 Keyword: Tchenguiz

➤ durrants



Richard Kay

Lisa stands by her brothers

LIFE has not been easy for Lisa Tchenguiz so far this year: Yesterday she was coming to terms with the dramatic arrest of her adored property tycoon brothers Vincent and Robbie. And she is still immersed in her own epic divorce from her estranged husband, multi-millionaire Vivian Lerner.

To make things even more complicated, tonight Lisa is due to come face-to-face with Vivian at a party to launch Imitate Modern, a gallery in Marylebone showcasing the work of Maximilian Wiedemann, whose work is about the 'interplay between sex and money'.

The irony is not lost on film producer Lisa, whose financial settlement from Vivian is holding up their divorce — she wants £100 million. Vivian, meanwhile, is also expected to bring the 'new' woman in his life, his ex-wife Gina, to the launch. As

revealed, he has returned to Gina and friends expect they will re-marry. Lisa says she

has no worries about bumping into her husband and Gina, telling me: 'I may still go — but I don't know how I will feel.'

'But until I have talked to Robbie and Vincent and know they are home and safe, I certainly don't know whether I will feel like a party tomorrow.'

'They haven't done anything wrong, of that I can assure you.'



Picture: J. STANGE/DAVID J. PHILLIPS



Reproduced by Durrants under licence from the NLA (newspapers), CLA (magazines), FT (Financial Times/ft.com) or other copyright owner. No further copying (including printing of digital cuttings), digital reproduction/forwarding of the cutting is permitted except under licence from the copyright owner. All FT content is copyright The Financial Times Ltd.

Article Page 1 of 1

grayling

Source: Daily Mail (Main)
 Edition:
 Country: UK
 Date: Thursday 10, March 2011
 Page: 67
 Area: 186 sq. cm
 Circulation: ABC 2136568 Daily
 BRAD info: page rate £32,508.00, scc rate £128.00
 Phone: 020 7938 6000
 Keyword: Tchenguiz

Durrants



COMMENT

by ALEX BRUMMER

City Editor

The SFO's survival strategy

THE Serious Fraud Office under the leadership of Richard Alderman has at times seemed to promise more than it has delivered. In the aftermath of the 'great panic' it vowed to take a close look at alleged wrong doing in the City.

So there has been disappointment in some circles that the creators of the toxic debt, many of them based in London, have so far managed to escape the arm of the law.

The collapse of the Icelandic banks, which financed the takeover of much of Britain's high street, looks to have been an easier target.

It is understood that in the days before the Icelandic bank Kaupthing closed its doors more than two years ago, large sums of money managed to escape while ordinary depositors were left high and dry, leaving the British and Icelandic governments to bail them out.

Among those caught up in this investigation and arrested are the high-profile property entrepreneurs Vincent and Robert Tchenguiz. Until the dawn raids on their offices Robert still entertained the idea of owning a group of London's fanciest hotels: Claridge's, the Berkeley and the Connaught, currently in the hands of the Irish bad debt agency. That now looks to be a dead duck.

The SFO has been fighting for its existence and has been threatened by a merger with the Crown Prosecution Service. If it cracks the Icelandic banking scandal it might well buy itself a new lease of independent life.



grayling

Source: Daily Mail (Main)
 Edition:
 Country: UK
 Date: Thursday 10, March 2011
 Page: 66
 Area: 221 sq. cm
 Circulation: ABC 2136568 Daily
 BRAD Info: page rate £32,508.00, scc rate £129.00
 Phone: 020 7938 6000
 Keyword: Tchenguiz

Durrants

Tchenguiz arrest leaves £1bn bid for top hotels in doubt

By Rupert Steiner

THE shock arrest of Robert Tchenguiz has thrown into doubt his potential £1bn bid for three of London's top hotels - the Connaught, The Berkeley and Claridge's.

The ex-billionaire investor was being questioned by the Serious Fraud Office with brother Vincent over their links to collapsed Icelandic bank Kaupthing after both their offices were raided yesterday.

Their arrest may put the brakes on a move by Robert Tchenguiz to resurrect his career after being hit hard by the downturn.

He was hoping to team up with Sheikh Mansour bin Zayed Al Nahyan, a leading member of the Abu Dhabi royal family, to gain control of the Maybourne hotel group.

The one-time billionaire Tchenguiz brothers had gorged themselves on debt during the boom years and then struggled to service hefty interest payments when the economic crisis struck.

Robert had a stake in a string of corporate giants including Sainsbury's and Harvester pubs chain Mitchells and Butlers as well as Odeon cinemas, and Somerfield, which was sold to the Co-op. Vincent is

TCHENGUIZ INVESTMENTS	
Robert	Vincent
Had stakes in Sainsbury's and Mitchells and Butlers	800 commercial properties
Chunks of Odeon, Whyte & Mackay and Somerfield	Stake in UK's biggest property management firm Peverel

involved in commercial property, owning 800 buildings.

While the two entrepreneurs operate their businesses separately it is their independent involvement with Kaupthing that was behind their arrest yesterday.

Sources say the SFO probe is looking at what happened immediately before the demise of the bank and how some individuals were able to withdraw funds in the days before its collapse.

As a quid pro quo those borrowers had agreed to leave sizable deposits in the bank which some suddenly withdrew days before its collapse.

Robert Tchenguiz borrowed £1.25bn which he used to buy stakes in Sainsbury and M&B - but some reports suggest the loan was as much as £2bn.

In September he told the Daily Mail: 'It's not true that I am being investigated.'

But yesterday he put out a joint statement with his brother: 'We were arrested earlier this morning and are being questioned with regard to matters relating to our relationship with Kaupthing Bank.'

The brothers have managed to retain their luxury homes, super-yachts and fast cars and had been expected to host a lavish party aboard one of their yachts at the annual MIPM property trade fair in Cannes this evening.

But it remains to be seen whether the party will be cancelled in the light of their arrest or whether the brothers will use the bash as a show of strength to fly in the face of the fraud allegations.

Reproduced by Durrants under licence from the NLA (newspapers), CLA (magazines), FT (Financial Times/ft.com) or other copyright owner. No further copying (including printing of digital cuttings), digital reproduction/forwarding of the cutting is permitted except under licence from the copyright owner. All FT content is copyright The Financial Times Ltd.

174591756 - RICATK - A17044-135 - 45381621

Article Page 1 of 1



MOD200013498

grayling

Source: Daily Mail (Main)
 Edition:
 Country: UK
 Date: Friday 11, March 2011
 Page: 1,2
 Area: 833 sq. cm
 Circulation: ABC 2136568 Daily
 BRAD info: page rate £32,508.00, scc rate £129.00
 Phone: 020 7938 6000
 Keyword: Tchenguiz

▷ durrants

Stars of High Street, City and property world face investigation

TOP NAMES IN BIGGEST EVER FRAUD PROBE

By **Rupert Steiner**
 Chief City Correspondent

BRITAIN'S biggest ever fraud inquiry was under way last night following the arrest of two of the City's most prominent high-rollers.

Global investment banks and even financial watchdogs are expected to be probed in the investigation into the credit crunch collapse of Icelandic bank Kaupthing.

A senior Tory donor, at least one multi-millionaire retailer and leading luxury property developers may also be dragged into the net.

The criminal inquiry began on Wednesday with the arrest of Robert and Vincent Tchenguiz, billionaires who made their fortune in commercial property and leisure businesses.

The brothers were among nine men held in raids on two companies and eight homes in London and Reykjavik.

They were questioned over their links to Kaupthing and both their offices were raided.

Reaching the highest levels of the City, the Serious Fraud Office probe is likely to be even more explosive than the Guinness affair, which rocked the Square Mile in the 1980s.

It will focus on how some major depositors in Kaupthing were able to withdraw their money just before the bank collapsed, leaving

millions of other investors out of pocket. It will also bring London's system of financial regulation under the spotlight, especially

Turn to Page 2

Reproduced by Durrants under licence from the NLA (newspapers), CLA (magazines), FT (Financial Times/ft.com) or other copyright owner. No further copying (including printing of digital cuttings), digital reproduction/forwarding of the cutting is permitted except under licence from the copyright owner. All FT content is copyright The Financial Times Ltd.

Article Page 1 of 3

174682997 • RICATK - A17044-136 - 45426328



MOD200013499

grayling

Source: Daily Mail (Main)
Edition:
Country: UK
Date: Friday 11, March 2011
Page: 1,2
Area: 833 sq. cm
Circulation: ABC 2136568 Daily
BRAD info: page rate £32,508.00, scc rate £129.00
Phone: 020 7938 6000
Keyword: Tchenguiz

> durrants



Good life: Vincent Tchenguiz, pictured with two friends, was arrested along with his billionaire brother Robert

Reproduced by Durrants under licence from the NLA (newspapers), CLA (magazines), FT (Financial Times/ft.com) or other copyright owner. No further copying (including printing of digital cuttings), digital reproduction/forwarding of the cutting is permitted except under licence from the copyright owner. All FT content is copyright The Financial Times Ltd.

Article Page 2 of 3

174682897 - RICATK - A17044-135 - 45426328

grayling

Source: Daily Mail (Main)
 Edition:
 Country: UK
 Date: Friday 11, March 2011
 Page: 1,2
 Area: 833 sq. cm
 Circulation: ABC 2136568 Daily
 BRAD Info: page rate £32,508.00, scc rate £129.00
 Phone: 020 7938 6000
 Keyword: Tchenguiz

Durrants

Continued from Page One

amid outrage over eye-watering bonuses for bankers. It is understood the authorities have targeted the Iranian-born Tchenguiz instead of other City tycoons because the brothers' dealings have already been highlighted in a report into the demise of Kaupthing.

Both had taken out massive loans from the bank, while at the same time being depositors. Robert was a major shareholder in Kaupthing and had a stake in a company that was its biggest shareholder.

The close links between the bank and one of its major clients and investors was key to the 2,300-page report ordered by the Icelandic parliament.

SFO investigators have been examining the relationship Sports Direct founder Mike Ashley had with Iceland's banks.

The Newcastle United chief was a depositor there and the SFO examined whether he might also have taken out loans. It is not known whether he withdrew money from Kaupthing before it collapsed.

Investigators also want to know whether Chris Romie, the former chief executive of rival JJB Sports, may have indirectly received money from any loan to Ashley.

Kaupthing financed Sports Direct's acquisition of stakes in Blacks Leisure in 2006, and JJB two years later.

The bank also advised Ashley on his 2007 acquisition of his football club.

Sports Direct denied that anyone connected with the firm was an SFO target.

A number of other leading figures in British commerce are also under investigation. The SFO is looking at why some of Kaupthing's clients were able to take large loans backed with minimal collateral and deferred interest payments.

It has discovered that Kaupthing moved its operations to the UK after backing from Russian oligarchs ran dry. Despite this background, the Financial Services Authority gave the bank a licence to offer deposit accounts to British savers. It still owes the UK Treasury £2.5 billion.

The Icelandic report identified Robert Tchenguiz as 'the largest debtor' in Kaupthing as well as a shareholder in Exista, an investment company that was the biggest shareholder in Kaupthing.

Robert, 50, had borrowed a staggering £1.7 billion and the report noted: "The big increase in loan facilities to Tchenguiz from January 2007 until October 2008 is noteworthy, in light of the fact that in late 2007 many of Tchenguiz's companies started going downhill."

It also pointed out that the bank continued to lend him money to repay loans being demanded by other banks.

It said: "It seems that the boundaries between the interests of the banks and the interests of their biggest shareholders were often blurred and that the banks put more emphasis on backing up their own-

ers than can be considered normal."

The fraud office will call on many of the 30,000 individuals and organisations who lost a collective £2.4 billion to give evidence.

The Tchenguiz arrests are thought to be the tip of the iceberg.

Both deny any wrongdoing, saying in a joint statement this week: "We were arrested earlier this morning [Wednesday] and are being questioned with regard to matters relating to our relationship with Kaupthing Bank."

Sky News HD - First for breaking news - Sky channel 517

Picture Gallery

Thursday's Newspaper Front Pages

1 of 12 Next

THE TIMES



Armed Forces face shock in public pension reforms

Armed Forces face shock in public pension reforms... The reforms will affect 1.2 million public sector workers...

The Times says the Armed Forces, police and firefighters will have to work until they are 60 under plans to reform public sector retirement benefits.

6:41am UK, Thursday March 10, 2011

UK NEWS IN PICTURES



RSPCA Young Photographer Of Year >



WORLD NEWS IN PICTURES



World Aids Day: Stigma Under The Lens >








SHOWBIZ NEWS IN PICTURES



Pictures: The Classic Rock Roll Of Honour >



Copyright ©2011 BskyB

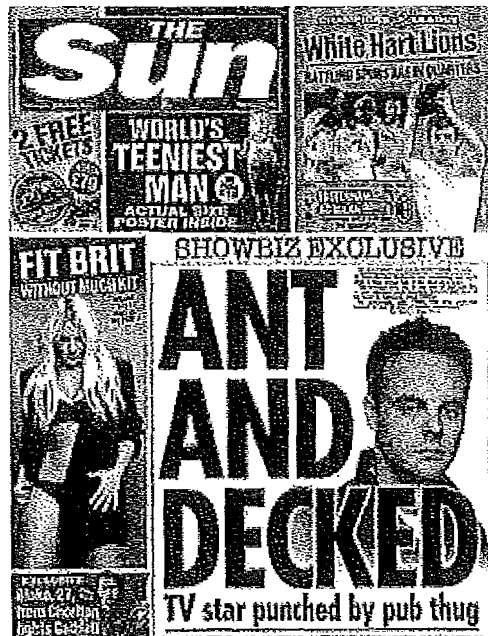
No Life Insurance? It could cost your family a fortune Compare policies from £5 a month TotallyMoney.com	Click Your Age to Get a Free Quote					
		20-29	30-39	40-49	50-59	60-69

Sky News HD - First for breaking news - Sky channel 517

Picture Gallery

Thursday's Newspaper Front Pages

Previous 2 of 12 Next



The Sun claims television star Ant McPartlin has been beaten up in a pub.

6:41am UK, Thursday March 10, 2011

UK NEWS IN PICTURES



RSPCA Young Photographer Of Year »



WORLD NEWS IN PICTURES



World Aids Day: Stigma Under The Lens »



SHOWBIZ NEWS IN PICTURES



Pictures: The Classic Rock Roll Of Honour »



Copyright ©2011 BskyB

<p>No Life Insurance? It could cost your family a fortune Compare policies from £5 a month TotallyMoney.com</p>	<p>Click Your Age to Get a Free Quote</p>					
		20-29	30-39	40-49	50-59	60-69

Sky News HD - First for breaking news - Sky channel 517

Picture Gallery

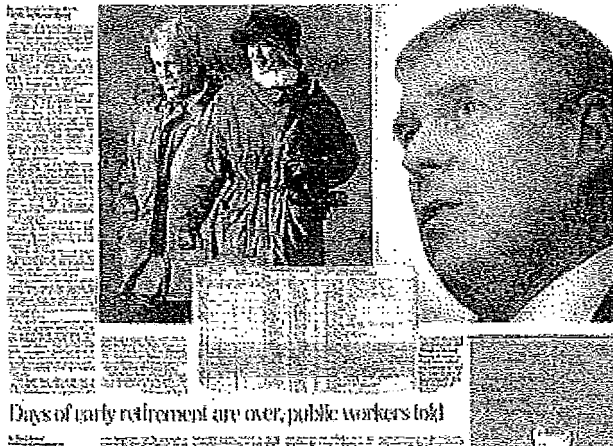
Thursday's Newspaper Front Pages

Previous 3 of 12 Next

The Daily Telegraph

NEWSPAPER OF THE YEAR

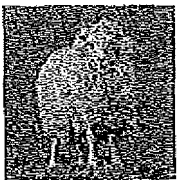
The Duke, his paedophile guest, and the most unusual use of an RAF base



Prince Andrew's friendship with Jeffrey Epstein is the focus of the Daily Telegraph's front page. The paper claims Mr Epstein landed his private jet at an RAF fighter base during a visit to Sandringham.

6:41am UK, Thursday March 10, 2011

UK NEWS IN PICTURES



RSPCA Young Photographer Of Year >



WORLD NEWS IN PICTURES



World Aids Day: Stigma Under The Lens >



SHOWBIZ NEWS IN PICTURES



Pictures: The Classic Rock Roll Of Honour >



Copyright ©2011 BskyB

No Life Insurance?

It could cost your family a fortune

Compare policies from £5 a month

TotallyMoney.com

Click Your
Age to Get a
Free Quote



20-29



30-39



40-49



50-59



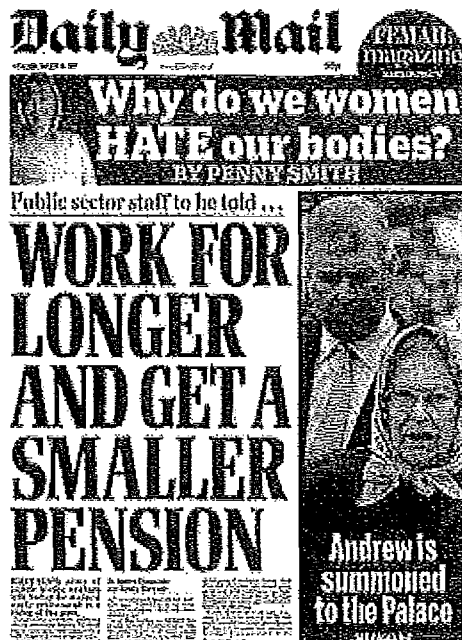
60-69

Sky News HD - First for breaking news - Sky channel 517

Picture Gallery

Thursday's Newspaper Front Pages

Previous 4 of 12 Next



The Daily Mail leads on public sector pension reforms and claims workers will be warned that early retirement is a "thing of the past".

6:41am UK, Thursday March 10, 2011

UK NEWS IN PICTURES



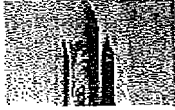
RSPCA Young Photographer Of Year >



WORLD NEWS IN PICTURES



World Aids Day: Stigma Under The Lens >



SHOWBIZ NEWS IN PICTURES



Pictures: The Classic Rock Roll Of Honour »



Copyright ©2011 BskyB

No Life Insurance?

It could cost your family a fortune

Compare policies from £5 a month

TotallyMoney.com

Click Your
Age to Get a
Free Quote



20-29



30-39



40-49



50-59



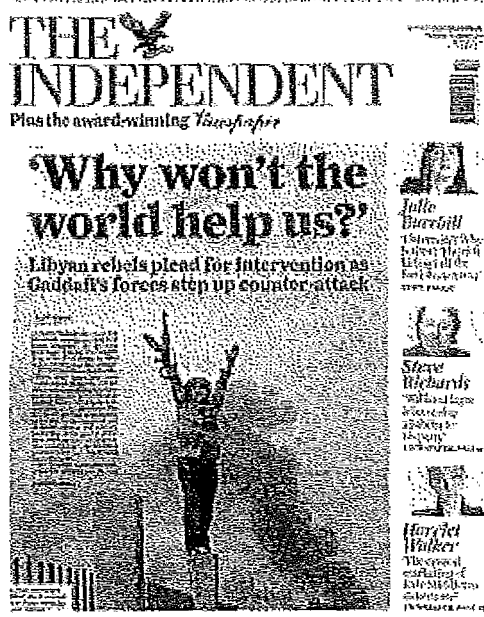
60-69

Sky News HD - First for breaking news - Sky channel 517

Picture Gallery

Thursday's Newspaper Front Pages

Previous 5 of 12 Next



The Independent's front page centres on the plight of Libyan rebels, who it says are pleading for outside intervention.

6:41am UK, Thursday March 10, 2011

UK NEWS IN PICTURES



RSPCA Young Photographer Of Year >



WORLD NEWS IN PICTURES



World Aids Day: Stigma Under The Lens >



SHOWBIZ NEWS IN PICTURES



Pictures: The Classic Rock Roll Of Honour >



Copyright ©2011 BskyB

No Life Insurance?

It could cost your family a fortune

Compare policies from £5 a month

TotallyMoney.com

Click Your
Age to Get a
Free Quote



20-29



30-39



40-49



50-59



60-69

Sky News HD - First for breaking news - Sky channel 517

Picture Gallery

Thursday's Newspaper Front Pages

Previous 6 of 12 Next



The Metro leads with comments from a coroner, who has condemned the waste of £1m of public money investigating the case of a baby boy who starved to death in a flat.

6:41am UK, Thursday March 10, 2011

UK NEWS IN PICTURES



RSPCA Young Photographer Of Year >



WORLD NEWS IN PICTURES



World Aids Day: Stigma Under The Lens >

Sky News HD - First for breaking news - Sky channel 517

Picture Gallery

Thursday's Newspaper Front Pages

Previous 7 of 12 Next



The Daily Mirror claims Princesses Beatrice and Eugenie met Prince Andrew's friend Jeffrey Epstein during a holiday in the Bahamas.

6:41 am UK, Thursday March 10, 2011

UK NEWS IN PICTURES



RSPCA Young Photographer Of Year >



WORLD NEWS IN PICTURES



World Aids Day: Stigma Under The Lens >



SHOWBIZ NEWS IN PICTURES



Pictures: The Classic Rock Roll Of Honour >



Copyright ©2011 BskyB

No Life Insurance?

It could cost your family a fortune

Compare policies from £5 a month

TotallyMoney.com

Click Your
Age to Get a
Free Quote



20-29



30-39



40-49



50-59



60-69

Sky News HD - First for breaking news - Sky channel 517

Picture Gallery

Thursday's Newspaper Front Pages

Previous 8 of 12 Next



Million-strong strike planned over pensions

Schools, courts, job centres and posts could all be shut down in mass action

Millions of workers are planning to strike over proposals to end 'gold-plated' public sector pensions. The union says the strike could shut down schools, courts, job centres and posts. The union says the strike could shut down schools, courts, job centres and posts. The union says the strike could shut down schools, courts, job centres and posts.



BBC staff 'arrested and tortured in Libya'

BBC staff were arrested and tortured in Libya. The BBC says its staff were arrested and tortured in Libya. The BBC says its staff were arrested and tortured in Libya. The BBC says its staff were arrested and tortured in Libya.

The Guardian says millions of workers are planning to strike over proposals to end 'gold-plated' public sector pensions.

6:41am UK, Thursday March 10, 2011

UK NEWS IN PICTURES



RSPCA Young Photographer Of Year »



WORLD NEWS IN PICTURES



World Aids Day: Stigma Under The Lens »

Sky News HD - First for breaking news - Sky channel 517

Picture Gallery

Thursday's Newspaper Front Pages

Previous 9 of 12 Next



The Daily Express also leads with a story on a planned public sector pensions overhaul.

6:41am UK, Thursday March 10, 2011

UK NEWS IN PICTURES



RSPCA Young Photographer Of Year >



WORLD NEWS IN PICTURES



World Aids Day: Stigma Under The Lens >



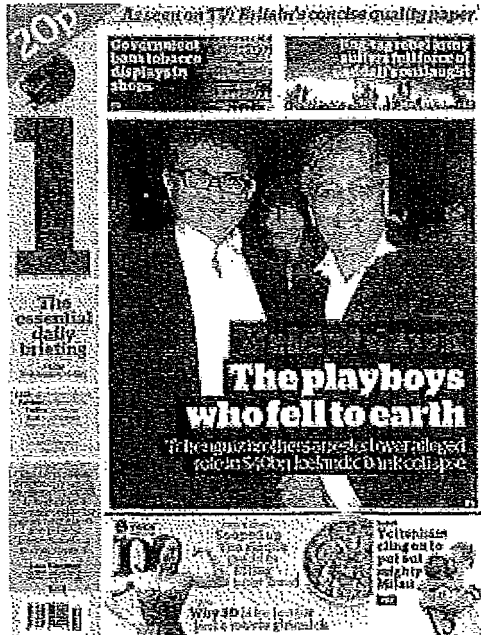
SHOWBIZ NEWS IN PICTURES

Sky News HD - First for breaking news - Sky channel 517

Picture Gallery

Thursday's Newspaper Front Pages

Previous 10 of 12 Next



The i reports that Robert and Vincent Tchenguiz have been arrested over their alleged role in a \$40bn Icelandic bank collapse.

6:41am UK, Thursday March 10, 2011

UK NEWS IN PICTURES



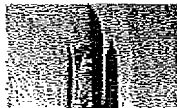
RSPCA Young Photographer Of Year >



WORLD NEWS IN PICTURES



World Aids Day: Stigma Under The Lens >








SHOWBIZ NEWS IN PICTURES



Pictures: The Classic Rock Roll Of Honour >



Copyright ©2011 BskyB

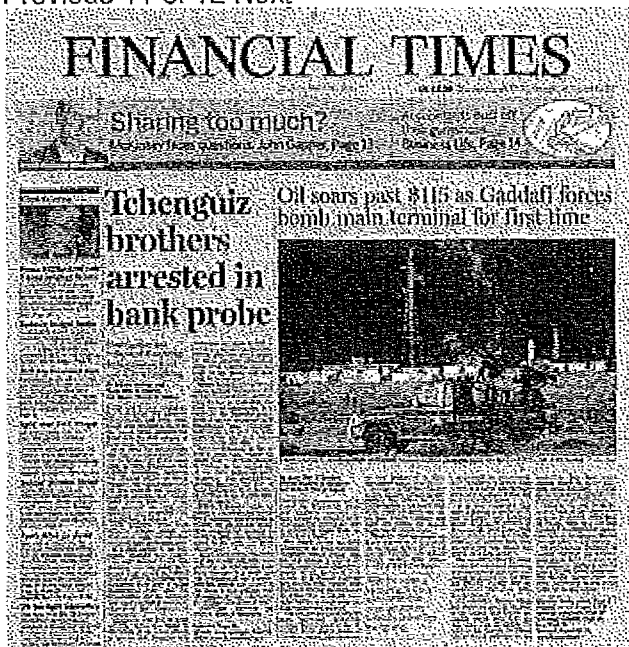
<p>No Life Insurance? It could cost your family a fortune Compare policies from £5 a month TotaltyMoney.com</p>	<p>Click Your Age to Get a Free Quote</p>	 20-29	 30-39	 40-49	 50-59	 60-69
--	---	--	--	---	--	--

Sky News HD - First for breaking news - Sky channel 517

Picture Gallery

Thursday's Newspaper Front Pages

Previous 11 of 12 Next



The Financial Times' front page also carries a story about Robert and Vincent Tchenguiz.

6:41am UK, Thursday March 10, 2011

UK NEWS IN PICTURES



RSPCA Young Photographer Of Year »



WORLD NEWS IN PICTURES



World Aids Day: Stigma Under The Lens »



SHOWBIZ NEWS IN PICTURES



Pictures: The Classic Rock Roll Of Honour »



Copyright ©2011 BskyB

No Life Insurance?
It could cost your family a fortune
Compare policies from £5 a month
TotallyMoney.com

Click Your
Age to Get a
Free Quote



20-29



30-39



40-49



50-59



60-69

Sky News HD - First for breaking news - Sky channel 517

Picture Gallery

Thursday's Newspaper Front Pages

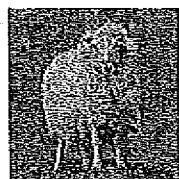
Previous 12 of 12



The Dally Star says a star of television show Big Fat Gypsy Weddings will appear in reality show I'm A Celebrity Get Me Out Of Here.

6:41am UK, Thursday March 10, 2011

UK NEWS IN PICTURES



RSPCA Young Photographer Of Year »



WORLD NEWS IN PICTURES



World Aids Day: Stigma Under The Lens »



SHOWBIZ NEWS IN PICTURES



Pictures: The Classic Rock Roll Of Honour »



Copyright ©2011 BskyB

No Life Insurance?

It could cost your family a fortune

Compare policies from £5 a month

TotallyMoney.com

Click Your
Age to Get a
Free Quote



20-29



30-39



40-49



50-59



60-69

[Click here to print](#)

Mail Online

Tycoons face probe into Iceland loans

By [Rupert Steiner](#)

Last updated at 7:34 PM on 30th October 2009

The Serious Fraud Office is considering an investigation into three of Britain's best known entrepreneurs - Sports Direct founder Mike Ashley, Chris Ronnie, the former chief executive of rival JJB Sports, and property tycoon Robert Tchenguiz.

The development stems from cooperation with the Icelandic authorities, who are attempting to piece together the reasons for the collapse of Iceland's banking system.

The SFO has been helping the Icelandic government in its wide ranging investigation since February.



Newcastle United owner Mike Ashley

But a team was recently dispatched to Reykjavik and is now exploring the relationship between Iceland's banks and the British movers and shakers of retail and property.

Ashley was a depositor in some of Iceland's banks. But the SFO is examining whether he may also have taken out loans.

They also want to know whether Ronnie may have indirectly received some of the Ashley loan.

At the same time, the SFO is looking at why some clients of Kaupthing, one of Iceland's biggest failures, were able to take large loans backed with minimal collateral and deferred interest payments.

It was Kaupthing that loaned Tchenguiz £1.25bn to take stakes in grocer Sainsbury's and pubs giant Mitchells & Butlers. Crucially Tchenguiz was also a director of firms that held stakes in the bank.

There is no suggestion any of the people mentioned have acted unlawfully.

A source familiar with the situation said a small team of investigators was sent to Iceland the week before last.

'The investigators have compiled a report which will be distributed internally next week, but a decision has not yet been made on the way forward.'

The SFO is already investigating suspected criminal price fixing and fraud at Sports Direct and JJB.

Robert Tchenguiz declined to comment. A spokesman for Ashley said: 'Let them get on with it - the sooner the better.'

Chris Ronnie's lawyer said: 'It has widely been reported that the SFO have been looking into Kaupthing. Your article confirms there is no criminal investigation by the SFO into my client or his affairs.'

'To avoid confusion I re-iterate that my client's acquisition of shares in JJB and the loans he took out were subject of an inquiry by the FSA.'

'My client co-operated fully, no proceedings were initiated. He was exonerated.'

Comments (1)

- [Newest](#)
- [Oldest](#)
- [Best rated](#)
- [Worst rated](#)

[View all](#)

About time some authority got a dig at evil schemer Mike Ashley.

- John Hughes, Elche, Spain., 30/10/2009 07:11

Click to rate _ Rating 1

[Report abuse](#)

The views expressed in the contents above are those of our users and do not necessarily reflect the views of MailOnline.

- [Power Portfolio](#)
- [Forums \(beta\)](#)
- [Midas Extra](#)
- [FTSE 100](#)
- [Win, Win, Win!](#)
- [Calculators](#)

- [FTSE 100](#)
- [DOW](#)
- [OIL](#)
- [GOLD](#)



Latest reports from News

- [Why don't you visit your local town centre High Street?](#)
- [Fears that UK is facing new £30billion eurozone bailout bill after IMF increase agreed at summit](#)
- [Hong Kong hailed as world's top financial centre, knocking UK and US down rankings](#)
- [30 SECOND GUIDE: The IMF bail-out](#)
- [JAMES CONEY: Rein in the banks](#)
- [Cohabiting couples could get same rights to inherit as married couples if one dies without making a will](#)
- [Lack of skilled British workers forces businesses to hire migrants](#)
- [Bank of England warning over 'shadow' of euro debt](#)
- [Reforms that would let elderly keep their homes are shelved for a decade](#)
- [VIEWPOINT: Planning our way out of a housing crisis](#)

- [FSA sets precedent for new revelations about the downfall of other collapsed banks](#)
- [ALEX BRUMMER: Day when Mary met Kirstie](#)
- ['Knife-edge' jobs market as four out of five firms opt for hiring freeze](#)
- [Interest rates predictions: When will the UK bank rate rise again?](#)
- [Euro arrests falls as European Commission president Barroso raps Cameron for EU summit brinksmanship](#)
- [MPs' salaries double in 30 years - twice as fast as average earnings](#)
- [Rate of inflation falls back to 4.8 per cent in sign that Bank will be free to pump more cash in 2012](#)
- [Economy tables: GDP, interest rates and inflation history, unemployment](#)
- [Overhaul parking, reduce tax and relax planning to save UK town centres, says Mary Portas](#)
- [ALEX BRUMMER: The arrogance, greed and sheer stupidity that will punish UK households for years](#)

[MORE HEADLINES](#)

LATEST ON HOUSEHOLD Bills

- [Broadband bills: Don't get stung by Christmas film downloads](#)
- [Tenants stuck paying higher bills due to lack of energy efficiency in rented homes](#)
- [Homeowners being conned into getting unnecessary and expensive damp proofing](#)
- [Insurers report surge in heating oil theft from rural homes as prices soar](#)
- [Credit Crunch Christmas lunch: How supermarket items for the festive table vary in price and quality, from those who know](#)
- [Guide: How to avoid the 12 cons of Christmas](#)
- [How should we pay for our care? The guidance families really need](#)
- [Water users warn against big rises in bills](#)
- [Sell-out toys go on eBay at TEN times the price as touts cash in on parents' desperation for this year's must haves](#)
- [Rent an iPhone 4S from O2 for 12 months - but you'll pay for the privilege](#)

[MORE HEADLINES](#)

Deal finders

- [Annuities](#)
- [Broadband](#)
- [Company reports](#)
- [Credit cards](#)
- [Credit check](#)
- [Currency Card](#)
- [Equity release](#)
- [Estate planning](#)
- [Exchange rates](#)
- [FREE guides](#)
- [Fund supermarket](#)
- [IFAs](#)

- [Insurance](#)
- [Legal services](#)
- [Loans](#)
- [Mortgages](#)
- [Pension tracker](#)
- [PPI](#)
- [Savings](#)
- [Share dealing](#)
- [Business franchise](#)
- [Utilities](#)
- [Warranties](#)

GET MORE FROM THIS IS MONEY

[GO](#) Sign up for our newsletter, newfflashes and latest deals

Find us on:

-  [Facebook](#)
-  [Twitter](#)
-  [You Tube](#)
-  [RSS Feeds](#)
-  [Apps](#)

Ads by Google:

[LOANS £500 - £15,000](#) Unsecured Loans From Welcome Loans, Bad Credit Loans & Personal Loans. www.welcomeloansuk.com/loans

[Best Saving Account Rates](#) Save your cash with a High Rate & Start earning now. Top Rates here. moneysupermarket.com/saving-account

[FAST £80-£1000 Loans](#), Deposited in 1 hour! Bad Credit OK. Highest Acceptance % in the UK. www.GetCashToday.co.uk

[Girls From Russia](#) Girls From Russia - Russian girls seeking a serious man generationlove.com/Woman-Russian

[Adverse loans - from 7.6%](#) Compare over 500 loan rates from 7.8% online. www.loans.creditchoices.co.uk

Find this story at www.dailymail.co.uk/money/article-1223950/Tycoons-face-probe-Iceland-loans.html

Published by Associated Newspapers Ltd

Part of the Daily Mail, The Mail on Sunday & Metro Media Group

© [Associated Newspapers Ltd](#)

[Click here to print](#)

Mail Online

SFO in clash over Kaupthing probe

By [Rupert Steiner](#)

Last updated at 8:25 AM on 30th September 2010

The serious Fraud Office is at loggerheads with the Financial Services Authority over the release of key documents relating to the collapse of Icelandic bank Kaupthing.



Tycoon: Robert Tchenguiz borrowed £1.25bn from Kaupthing

The fraud office is understood to be frustrated with the financial watchdog over vital evidence connected to a criminal probe it launched last year.

Sources close to the investigation claim the FSA fears that the release of supervisory documents linked to Kaupthing could expose an embarrassing culture of lax regulation at the watchdog.

The source claimed the FSA was being difficult: 'It has used official language to show that on the surface it is fully co-operating but the reality is it is refusing to release key documents.'

The SFO has been helping the Icelandic government and the wide-ranging investigation is understood to be at an advanced stage.

The probe is looking at what happened immediately before the demise of the bank and how some individuals were able to withdraw funds in the days before its collapse.

It is looking at why some of Kaupthing's clients were able to take large loans backed with minimal collateral and deferred interest payments.

Among them was property tycoon Robert Tchenguiz who borrowed £1.25bn, which he used to buy stakes in grocer Sainsbury and pubs giant Mitchells & Butlers.

Tchenguiz told the Mail: 'It's not true that I am being investigated.'

I have never been contacted by the SFO or had any correspondence from them.'

The SFO is also examining the relationship Sports Direct founder Mike Ashley had with Iceland's banks.

Ashley was a depositor in some of Iceland's banks. But the SFO is looking at whether he also took out loans. A spokesman for Ashley declined to comment.

Three other top British financiers are also under scrutiny over their dealings with Kaupthing.

The Icelandic government is keen for any trial to be held on the tiny North Atlantic island.

But it is understood the authorities are not keen to pursue any individuals who do not have an 'Icelandic surname'.

The SFO would have to bring its own case in the UK to bring individuals based in the UK to account.

A spokesman for the SFO said: 'We have constructive relations with the FSA.'

The FSA said: 'There is absolutely no truth in this suggestion. The FSA has cooperated extensively with the SFO in its investigation and this has included providing information to the SFO.'


'We continue to have good working relations with the SFO.'

Meltdown timetable

- Feb 2003: The bank was formed by merger of Kaupthing and Búnaðarbanki Íslands
- Oct 2008: Forced into government receivership
- July 2009: Reports emerge the bank loaned billions of euros to shareholders
- Dec 2009: Serious Fraud Office launches criminal probe in UK

- [Power Portfolio](#)
- [Forums \(beta\)](#)
- [Midas Extra](#)
- [FTSE 100](#)
- [Win, Win, Win!](#)
- [Calculators](#)

CHRISTMAS SPECIAL

-  [Your festive finance](#)
[All the deals, sales, tips and news](#)


- [FTSE 100](#)
- [DOW](#)
- [OIL](#)
- [GOLD](#)

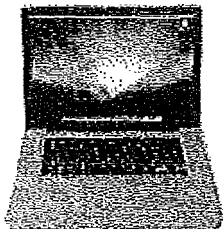


MONEY MORALS

[Readers - help us solve some of life's trickier money dilemmas!](#)

Latest: [Should I buy a 4x4?](#)

	<p>ISA Brochures Get free ISA brochures and guides from the top providers</p>
---	--



COMPETITION: YOU CAN WIN A MACBOOK PRO WORTH £1,500

'Question: What's the definition of AER?'

Competition in association with MoneyVista

GET MORE FROM THIS IS MONEY

GO Sign up for our newsletter, newflashes and latest deals

Find us on:



Facebook



Twitter



You Tube



RSS Feeds



Apps

Investing: Reader services

- Best savings rates
- Share dealing
- FREE guides
- Fund supermarket

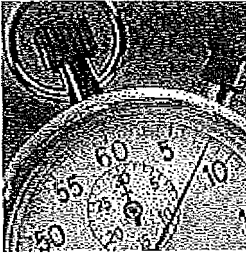
- Find an IFA
- Pension tracker
- Currency card
- Best annuity rates

Latest reports from News

- Why don't you visit your local town centre High Street?
- Fears that UK is facing new £30billion eurozone bailout bill after IMF increase agreed at summit
- Hong Kong hailed as world's top financial centre, knocking UK and US down rankings
- 30 SECOND GUIDE: The IMF bail-out
- JAMES CONEY: Rehn in the banks
- Cohabiting couples could get same rights to inherit as married couples if one dies without making a will
- Lack of skilled British workers forces businesses to hire migrants

- [Bank of England warning over 'shadow' of euro debt](#)
- [Reforms that would let elderly keep their homes are shelved for a decade](#)
- [VIEWPOINT: Planning our way out of a housing crisis](#)
- [FSA sets precedent for new revelations about the downfall of other collapsed banks](#)
- [ALEX BRUMMER: Day when Mary met Kirstie](#)
- ['Knife-edge' jobs market as four out of five firms opt for hiring freeze](#)
- [Interest rates predictions: When will the UK bank rate rise again?](#)
- [Euro arrests falls as European Commission president Barroso raps Cameron for EU summit brinkmanship](#)
- [MPs' salaries double in 30 years - twice as fast as average earnings](#)
- [Rate of inflation falls back to 4.8 per cent in sign that Bank will be free to pump more cash in 2012](#)
- [Economy tables: GDP, interest rates and inflation history, unemployment](#)
- [Overhaul parking, reduce tax and relax planning to save UK town centres, says Mary Portas](#)
- [ALEX BRUMMER: The arrogance, greed and sheer stupidity that will punish UK households for years](#)

MORE HEADLINES



30 SEC GUIDES

'We examine the role of the global rescue fund in the euro crisis'

IMF BAIL-OUT

[Financial jargon explained in 30 seconds](#)

Ads by Google:

[Outdoor Solar Garden Lighting - Free Delivery Special Bundle Deals](#)[Festive-Lights.com/Solar-Lights/](#)

[Spring-Summer 2012SS12 Collections Now In. Buy DVF, Lanvin, Louboutin & More!](#)[www.MatchesFashion.com](#)

[Christmas Backgrounds](#) Dress up your desktop background with Christmas Screensaver!

[www.Popularscreensavers.com](#)

[Karen Millen® Official](#) Dress In Elegance this Winter With Karen Millen. Shop Online Now![KarenMillen.com](#)

[LED Lights and bulbs T5](#) The best prices on the net LED - Industrial Induction T5 etc [www.jacksta-energy.co.uk](#)

Find this story at www.dailymail.co.uk/money/news/article-1705430/SFO-in-clash-over-Kaupthing-probe.html

Published by Associated Newspapers Ltd

Part of the Daily Mail, The Mail on Sunday & Metro Media Group

© [Associated Newspapers Ltd](#)

Our ref: SBP/SBP/AJG/49936-1/831416.1

Your ref:

11 April 2011

Mr Wayll Elsa
Serious Fraud Office
Elm House
10-16 Elm Street
LONDON
WC1X 0BJ



Dear Mr Elsa

Vincent Tchenguiz and Consensus Business Group

I write in relation to the release of confidential and sensitive information to the press in advance of the execution of your search warrant at the premises of Consensus Business Group at 35 Park Lane on 9 March 2011. Information had clearly been passed to someone at the Daily Mail newspaper as reporters were present before your colleagues arrived.

The transcript of the hearing before His Honour Judge Worsley QC on 9 March 2011 reveals that you reported this breach of security to him. You set out at page 40 the steps that had already been taken within the SFO to identify the source of the leak, and you indicated to the Judge that there may be an internal inquiry into the matter.

Could you please provide an update as to the progress of the internal SFO review into this serious breach of security.

Yours sincerely

Stephen Pollard
Partner
Kingsley Napley LLP



Kingsley Napley

Our ref: SBP/SBP/AJG/49936-1/678102.1

Your ref:

16 May 2011

Mr Wayll Elsa
Serious Fraud Office
Elm House
10-16 Elm Street
LONDON
WC1X 0BJ

Dear Mr Elsa

Vincent Tchenguiz and Consensus Business Group

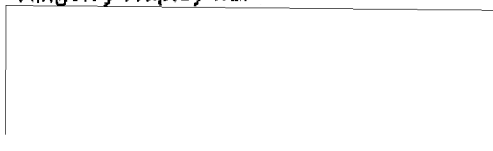
I write further to my letter of 11 April 2011, a copy of which I attach for ease of reference.

I cannot trace any response from you to that letter. It may be that your failure to respond is due to developments in your internal enquiry into the leak. Could you please at the very least, write and update me as to the current situation, even if you are not yet in a position to report on the final outcome of your enquiry.

Yours sincerely



Stephen Pollard
Partner
Kingsley Napley LLP



Kingsley Napley LLP Knights Quarter 14 St John's Lane London EC1M 4AJ | DX 22 Chancery Lane
Telephone +44 (0)20 7814 1200 Fax +44 (0)20 7490 2288 www.kingsleynapley.co.uk

Kingsley Napley LLP is a limited liability partnership registered in England and Wales with registered number OC343276.
The address of its registered office is shown above. A list of members' names is available for inspection at the registered office.
Kingsley Napley LLP is regulated by the Solicitors Regulation Authority.



Elm House 10-16 Elm Street London WC1X 0BJ
Director: Richard Alderman

Kingsley Napley LLP
Knights Quarter
14 St John's Lane
London
EC1M 4AJ

Your Ref: SBP

Our Ref: KAU01

26th May 2011

FOR THE ATTENTION OF STEPHEN POLLARD

Dear Sirs,

Re :- Your Client – Vincent Tchenguiz

I write further to your letters of the 11th April and 16th May 2011 requesting information regarding the media presence at Park Lane on the morning of 9th March, the day of the execution of a warrant at the premises of Consensus Business Group.

Firstly, my apologies that it has taken several weeks for a response to be sent. The delay has more to do with a number of people being on leave and concentrated attention upon extensive Judicial Review claims being filed consequent to the searches in March.

On the attendance at Park Lane on 9th March 2011 to execute the Consensus Business Group and R20 Ltd warrants, it was noted that a photographer was present, who on being queried is understood to have been from The Mail.

The fact of a media presence already at the premises prior to the attendance of the search team was reported urgently back to senior case team staff.

It is understood that the person questioned expressed no understanding of the detail of the warrants about to be executed, only that something was about to happen on Park Lane that morning.

Of course, the very fact of a media presence was treated very seriously, escalated immediately to senior civil service within the SFO, with SFO Press Office staff and canvassed with counterparts at City of London Police and representatives from the Special Prosecutor's Office.

At a similar time, the search at the premises of R20 Ltd revealed that a further warrant was required in order to access further material identified as relevant. I re-attended the Central Criminal Court in order to apply for the additional warrant, and as has been noted from the transcript of the hearing before HHJ Worsley QC, set out the issue of media presence before His Honour. At the time it could not be discounted or confirmed that any leak of information had stemmed from the Serious Fraud Office.

Switchboard: +44 (0)20 7239 7272 Main Fax: +44 (0)20 7637 1689
Brit doc Exchange: DX 135896 London (Gray's Inn) 3
www.sfo.gov.uk





Elm House 10-16 Elm Street London WC1X 0BJ
Director: Richard Alderman

Following the range of enquiries that have been made within the Office, with City of London Police and the Special Prosecutor's Office, I can confirm that no authorised briefings took place that may have placed information regarding the search by these agencies.

We are not able to determine further if and how any information allowed for a media presence on the 9th March prior to the execution of the warrants.

As a result, no further action is being undertaken at this time.

I hope this satisfies your query, but would be happy to respond further if you have additional comments on this issue.

Yours faithfully,

Wayll Eisa
Case Lawyer



Kingsley Napley

Our ref: APC/DP/49936-1/834761.2

Your ref:

25 August 2011

Information Officer
Serious Fraud Office
Elm House
10-16 Elm Street
London
WC1X 0BJ

Dear Sir

Vincent Tchenguiz

We act for Mr Vincent Tchenguiz.

1. Subject Access Request -- Data Protection Act 1998

Pursuant to section 7 of the Data Protection Act 1998 ("the DPA 1998") you are required:

- (a) To inform us whether personal data of which our client is the data subject are being processed by or on behalf of the Serious Fraud Office ("the SFO");
- (b) If "Yes" to (a), to give us a description of:
 - (i) The personal data of which our client is the data subject;
 - (ii) The purposes for which those data are being or are to be processed; and
 - (iii) The recipients or classes of recipients to whom those data are or may be disclosed;
- (c) To communicate to us in an intelligible form:
 - (i) The information constituting any personal data of which our client is the data subject;
 - (ii) Any information available to the SFO as to the source of those data.

Kingsley Napley LLP Knights Quarter 14 St John's Lane London EC1M 4AJ } DX 22 Chancery Lane
Telephone +44 (0)20 7814 1200 Fax +44 (0)20 7490 2288 www.kingsleynapley.co.uk

Kingsley Napley LLP is a limited liability partnership registered in England and Wales with registered number OC343278.
The address of its registered office is shown above. A list of members' names is available for inspection at the registered office.
Kingsley Napley LLP is regulated by the Solicitors Regulation Authority.

As you will be aware, in order to comply with its obligation under the DPA 1998, the SFO must identify all personal data that is being processed, whether it is recorded in paper or electronic form. In relation to data held electronically, please ensure that a search is conducted through the use of electronic key word search for each of our client's forename and surname. As you will also be aware, in order to comply with its obligation under the DPA 1998, the SFO must identify data contained within drafts of documents.

To the extent that compliance was requested would disclose information relating to another individual and that individual can be identified from that information and the SFO intends to rely on section 7(4) of the DPA 1998 as removing the obligation to comply with this request please:

- (a) Supply the data in redacted format, with just that part of the information from which that individual can be identified redacted;
- (b) Provide full and detailed reasons for the SFO's decision that it is not reasonable to comply with this request without the consent of the other individual.

To the extent that you intend to rely on an exemption from section 7 of the DPA 1998 (for example section 29 of the DPA 1998), please provide full and detailed reasons for reliance on that exemption (if section 29 is relied on, please provide full and detailed reasons for concluding that disclosure of the data would be likely to prejudice any of the matters mentioned in section 29(1)).

We enclose a cheque in the sum of £10 being the maximum amount payable in relation to this request as prescribed by the DPA 1998.

Pursuant to section 7(8) of the DPA 1998, we expect to hear from you by no later than 21 October 2011 (ie within 40 days of your receipt of this letter). We reserve the right to initiate legal proceedings in the event that you do not provide all information requested above.

Information sent by email should be sent to eproudlock@kingsleynapley.co.uk. Information sent by post should be sent to Elly Proudlock, Kingsley Napley LLP, Knights Quarter, 14 St John's Lane, London EC1M 4AJ.

2. Freedom of Information Act 2000 Request

This request is made pursuant to section 1 of the Freedom of Information Act 2000 ("FOIA 2000"), but is only made to the extent that the information referred to below does not comprise our client's personal data (in which case, of course, that information falls within our client's subject access request).

Please provide us with the any information contained in the following:

- (a) Correspondence between the SFO and any third party in relation to our client;

- (b) Reports prepared by the SFO in relation to our client;
- (c) Communications of any form or nature between the SFO and any representative of the media that relate to our client;
- (d) Any other documents of any form or nature of which our client is subject;
- (e) Any information held by the SFO relating to whether any payments (or the equivalent) have been made to any representative of the SFO by any representative of the media in relation to any information concerning our client; and, if any such payments (or the equivalent) have been made, please provide information that, in particular, concerns:
 - (i) Amounts;
 - (ii) Dates;
 - (iii) Information passing; and
 - (iv) Representative(s) of the media involved;
- (f) Information relating to whether any payments (or the equivalent) have been made to any representative of the SFO by any representative of the media connected with Associated Newspapers, or by any other representative of the media, in connection with information about the SFO's raid on 9th and 10th March 2011 of the offices of Consensus Business Group and/or our client's private residence in London; and, if such payments (or the equivalent) had been made, please provide information relating to:
 - (i) Amounts;
 - (ii) Dates;
 - (iii) Information passing; and
 - (iv) Representative(s) of the media involved.

To the extent that you may seek to rely on any of the exemptions from disclosure contained within the FOIA 2000 as a reason for not providing any of the information requested, please provide full and detailed reasons for the decision to rely on such exemption.

Information can be sent by email or by post as detailed above in relation to the subject access request.

Pursuant to section 10(1) of the FOIA 2000, we expect to hear from you by no later than 23 September (ie within 20 working days of your receipt of this letter). We reserve the right to initiate legal proceedings in the event that you do not provide all information requested.

Yours faithfully



Kingsley Napley LLP



Elm House 10-16 Elm Street London WC1X 0BJ
Director: Richard Alderman

Elly Proudlock

4 October 2011

Dear Sirs

Re: Vincent Tchenguiz

I refer to your letter dated 25 August 2011 in which you requested a Subject Access Request under the Data Protection Act 1998 in relation to your client, Mr Vincent Tchenguiz.

Your request was as follows:

"Pursuant to section 7 of the Data Protection Act 1998 you are required:

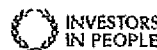
- (a) *To inform us whether personal data of which our client is the data subject are being processed by or on behalf of the Serious Fraud Office;*
- (b) *If "Yes" to (a), to give us a description of:*
 - (i) *The personal data of which our client is the data subject;*
 - (ii) *The purposes for which those data are being or are to be processed;*
and
 - (iii) *The recipients or classes of recipients to whom the data are or may be disclosed;*
- (c) *To communicate to us in an intelligible form:*
 - (i) *The information constituting any personal data of which our client is the data subject;*
 - (ii) *Any information available to the SFO as to the source of those data."*

I confirm that personal data of which your client is the data subject is being processed by this office.

We do not hold any personal information that we are required to reveal. We consider the requested personal data (and a description of that personal data) exempt from disclosure under S29 (1) of the Data Protection Act 1998, as disclosure would be likely to prejudice:

- o The prevention or detection of crime; and
- o The apprehension or prosecution of offenders

Switchboard: +44 (0)20 7239 7272 Main Fax: +44 (0)20 7837 1689
Brit doc Exchange: DX 136896 London (Grays Inn) 3
www.sfo.gov.uk



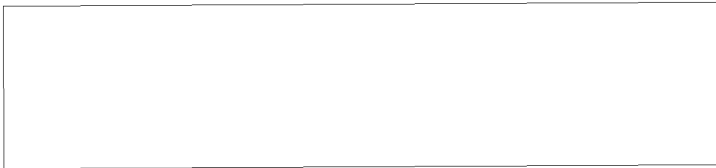


Em House 10-16 Em Street London WC1X 0BJ
Director: Richard Alderman

If you are not content with the outcome of your request, you may apply direct to the Information Commissioner for a decision. The Information Commissioner will not usually consider a case unless you have exhausted the internal review procedure. His address is The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF.
Yours faithfully

Tracy Gildersleeves

Tracy Gildersleeves
Freedom of Information Officer



Kingsley Napley

Our ref: SBP/ECP/BMB/49936-1/1027098.1

Your ref:

19 October 2011

FAO: Tracy Gildersleeves
Freedom of Information Officer
Serious Fraud Office
Elm House
10-16 Elm Street
London
WC1X 0BJ

Dear Sirs

Vincent Tchenguiz

Thank you for your letter of 4 October. In dealing with our client's Subject Access Request you have clearly failed to comply with your obligations under the Data Protection Act 1998 ("the Act").

The substance of your response is a bare assertion that disclosure of our client's personal data would be likely to prejudice the prevention or detection of crime and the apprehension or prosecution of offenders and that, consequently, the personal data requested is exempt from disclosure under section 29 of the Act. You should be aware of the decision of Mr Justice Munby in *R oao Alan Lord v Secretary of State for the Home Department* [2003] EWHC 2073 (Admin) and in particular his ruling that:

"It is for those who seek to assert the exemption in section 29(1) to bring themselves within it, and, moreover, to do so convincingly, not by mere assertion but by evidence..."

We now require you to conduct an internal review and – to the extent that following that review you maintain the position that all or some of our client's personal data is exempt under section 29 of the Act - to provide the explanation and evidence described by Mr Justice Munby.

It will be important, when you conduct the internal review, that you do so conscientiously and without starting from the position that everything in the possession of the SFO should be exempt from disclosure. As explained by Mr Justice Munby in the *Lord* case, the threshold under section 29 of the Act ("likely to prejudice") is a strict one. If that threshold is to be reached, it requires something "much more significant and weighty" than an assertion that there is a "real risk of prejudice". It is against this backdrop that you must assess the effect of disclosure to our client of his personal data.

Kingsley Napley LLP Knights Quarter 14 St John's Lane London EC1M 4AJ | DX 22 Chancery Lane
Telephone +44 (0)20 7814 1200 Fax +44 (0)20 7490 2288 www.kingsleynapley.co.uk

Kingsley Napley LLP is a limited liability partnership registered in England and Wales with registered number OC343278.
The address of its registered office is shown above. A list of members' names is available for inspection at the registered office.
Kingsley Napley LLP is authorised and regulated by the Solicitors Regulation Authority.

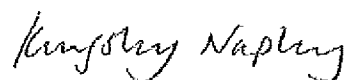
Continued
Doc Ref : 1027098.1

Page 2 of 2

19 October 2011

We consider that it should be possible for the review to be completed, and the outcome communicated to us, within the next 7 days. Please confirm by return that you will meet this deadline.

Yours faithfully



Kingsley Napley LLP



Elm House 10-16 Elm Street London WC1X 0BJ
Director: Richard Alderman

Elly Proudlock

04 November 2011

Dear Sirs

Re: Vincent Tchenguiz

I have been asked consider the issues you raised in your letter of 19 October 2011 where you raised concerns about the response to the Subject Access Request we replied to on 04 October 2011.

In your letter of 19 October 2011 you have stated '*... The substance of your response is a base assertion that disclosure of our client's personal data would be likely to prejudice the prevention or detection of crime and the apprehension or prosecution of offenders and that, consequently, the personal data requested is exempt from disclosure under section 29 of the Act. You should be aware of the decision of Mr Justice Munby in R (on the application of Alan Lord) v Secretary of State for the Home Department [2003] EWHC 2073 (Admin) and in particular his ruling that:*

'It is for those who seek to assert the exemption to section 29(1) to bring themselves within it, and moreover, to do so convincingly, not by mere assertion but by evidence.....'

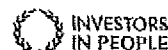
S29 of the Data Protection Act (DPA) relates to Crime and Taxation (see Annex for full details of s29).

I am of the opinion that S29 (1) (2) (3) is applicable to this original DPA request and have set out below further clarification.

The aim of the Serious Fraud Office as stated on our website homepage is '*to protect society from extensive, deliberate criminal deception which could threaten public confidence in the financial system. We investigate fraud and corruption that requires our investigative expertise and special powers to obtain and assess evidence to successfully prosecute fraudsters, freeze assets and compensate victims.*'

As the SFO's function is to conduct both the investigation and prosecution of serious economic crime it means that all information obtained by the SFO under our statutory powers is obtained for those purposes.
As all data relating to your client is legitimately held for the purposes as explained above it is very likely that disclosure of data could realistically lead to some or all of the following:

Switchboard: +44 (0)20 7239 7272 Main Fax: +44 (0)20 7837 1689
Brit doc Exchange: DX 135896 London (Grays Inn) 3
www.sfo.gov.uk





Elm House 10-18 Elm Street London WC1X 0BJ
Director: Richard Alderman

- Prejudicing the prevention or detection of crime or the apprehension or prosecution of offenders;
- Dissuading potential witnesses from providing further evidence;
- Leading to the airing of evidence in public before any trial; and
- Risking causing prejudice to the jury's view of the case before it came to trial.

I therefore consider this to be a very significant risk of prejudice that it is clearly within the exemptions of s29 of DPA and I therefore maintain the original decision.

Yours faithfully

Freedom of Information Officer

Email: information.officer@sfo.gst.gov.uk

Annex



Elm House 10-16 Elm Street London WC1X 0BJ
Director: Richard Alderman

Data Protection Act 1998

Section 29

Crime and taxation.

(1) Personal data processed for any of the following purposes—

- (a) the prevention or detection of crime,
- (b) the apprehension or prosecution of offenders, or
- (c) the assessment or collection of any tax or duty or of any imposition of a similar nature;

are exempt from the first data protection principle (except to the extent to which it requires compliance with the conditions in Schedules 2 and 3) and section 7 in any case to the extent to which the application of those provisions to the data would be likely to prejudice any of the matters mentioned in this subsection.

(2) Personal data which—

- (a) are processed for the purpose of discharging statutory functions, and
- (b) consist of information obtained for such a purpose from a person who had it in his possession for any of the purposes mentioned in subsection (1),

are exempt from the subject information provisions to the same extent as personal data processed for any of the purposes mentioned in that subsection.

(3) Personal data are exempt from the non-disclosure provisions in any case in which—

- (a) the disclosure is for any of the purposes mentioned in subsection (1), and
- (b) the application of those provisions in relation to the disclosure would be likely to prejudice any of the matters mentioned in that subsection.

(4) Personal data in respect of which the data controller is a relevant authority and which—

- (a) consist of a classification applied to the data subject as part of a system of risk assessment which is operated by that authority for either of the following purposes—
 - (i) the assessment or collection of any tax or duty or any imposition of a similar nature, or
 - (ii) the prevention or detection of crime, or apprehension or prosecution of offenders, where the offence concerned involves any unlawful claim for any payment out of, or any unlawful application of, public funds, and
- (b) are processed for either of those purposes,



Elm House 10-16 Elm Street London WC1X 0BJ
Director: Richard Alderman

are exempt from section 7 to the extent to which the exemption is required in the interests of the operation of the system.

(5) In subsection (4)— “public funds” includes funds provided by any Community institution; “relevant authority” means—

(a) a government department,

(b) a local authority, or

(c) any other authority administering housing benefit or council tax benefit.

Kingsley Napley

Our ref: SBP/APC/DP/49936-1/1140689.1

Your ref:

16 December 2011

Freedom of Information Officer
Serious Fraud Office
Elm House
10-16 Elm Street
London
WC1X 0BJ

DX 135896 London (Grays Inn) 3

Also by email: information.officer@sfo.gsi.gov.uk

Dear Sirs

Vincent Tchenguiz

We are writing further to your letter of 4 November 2011 in which you provide a response to the points made in our letter of 19 October 2011 concerning our client's subject access request. We regret to have to say that we consider the response to be wholly inadequate.

As we made clear in our letter of 19 October 2011, the obligation on the SFO, if it is to assert the exemption in section 29 Data Protection Act 1998, is to bring itself within that exemption, convincingly, with evidence. You have not done so. You have simply maintained a bare assertion that the exemption is applicable.

The "evidence" that you have provided is an extract from the SFO's website home page. That sets out the SFO's purpose and functions and to that extent it evidences that the data held is processed for one or more of the purposes set out in section 29. It does not, however, provide any evidence to explain how disclosure of the data sought in the subject access request would be likely to prejudice any of those purposes.

Your letter refers to four possible consequences of the disclosure to our client of his personal data, but fails to explain:

1. How disclosure of that personal data would lead to any of those consequences; and
2. How the consequences "leading to the airing of evidence in public before any trial" and "risking causing prejudice to the jury's view of the case before it came to trial" are:
 - (a) Separate concerns; and
 - (b) Concerns that could arise at all in view of the provisions of the Contempt of Court Act 1981 and the control that this casts over pre-trial publicity.

Kingsley Napley LLP Knights Quarter 14 St John's Lane London EC1M 4AJ | DX 22 Chancery Lane
Telephone +44 (0)20 7814 1200 Fax +44 (0)20 7490 2288 www.kingsleynapley.co.uk

Kingsley Napley LLP is a limited liability partnership registered in England and Wales with registered number OC343278.

The address of its registered office is shown above. A list of members' names is available for inspection at the registered office.

Kingsley Napley LLP is authorised and regulated by the Solicitors Regulation Authority.

Please can you now provide a proper explanation (with evidence) of the basis upon which the SFO considers that disclosure would be likely to have any of the consequences identified in your letter.

On a separate note, please be advised that Stephen Pollard and Elly Proudlock – the partner and solicitor instructed in this matter – will be leaving Kingsley Napley on 21 December 2011 and joining Wilmer Cutler Pickering Hale and Dorr LLP ("WilmerHale") on 3 January 2012, where they will continue to act for Mr Tchenguiz. Any correspondence likely to reach them after 21 December 2011 should be addressed to them as follows:

WilmerHale
49 Park Lane
London
W1K 1PS

Yours faithfully



Kingsley Napley LLP



Elm House 10-16 Elm Street London WC1X 0BJ
Director: Richard Alderman

RECEIVED

20 SEP 2011

Kingsley Napley LLP
Knights Quarter
14 St John's Lane
London EC1M 4AJ

26 September
2011

Dear Sirs

Your reference: APC/DP/49936-1/834761.2

Thank you for your request for information about your client Vincent Tchenquiz. Your request was received on 26 August and I am dealing with it under the terms of the Freedom of Information Act 2000 (FOIA).

FOIA requires us to reply to you within 20 working days following the day of receipt of your request, so the deadline for replying to your request is 26 September.

You have asked the following:

2. Freedom of Information Act 2000 Request

This request is made pursuant to section 1 of the Freedom of Information Act 2000 ("FOIA 2000"), but is only made to the extent that the information referred to below does not comprise our client's personal data (in which case, of course, that information falls within our client's subject access request).

Please provide us with the any information contained in the following:

- (a) Correspondence between the SFO and any third party in relation to our client;



Elm House 10-16 Elm Street London WC1X 0BJ
Director: Richard Alderman

- (b) Reports prepared by the SFO in relation to our client;
- (c) Communications of any form or nature between the SFO and any representative of the media that relate to our client;
- (d) Any other documents of any form or nature of which our client is subject;
- (e) Any information held by the SFO relating to whether any payments (or the equivalent) have been made to any representative of the SFO by any representative of the media in relation to any information concerning our client; and, if any such payments (or the equivalent) have been made, please provide information that, in particular, concerns:
 - (i) Amounts;
 - (ii) Dates;
 - (iii) Information passing; and
 - (iv) Representative(s) of the media involved;
- (f) Information relating to whether any payments (or the equivalent) have been made to any representative of the SFO by any representative of the media connected with Associated Newspapers, or by any other representative of the media, in connection with information about the SFO's raid on 9th and 10th March 2011 of the offices of Consensus Business Group and/or our client's private residence in London; and, if such payments (or the equivalent) had been made, please provide information relating to:
 - (i) Amounts;
 - (ii) Dates;
 - (iii) Information passing; and
 - (iv) Representative(s) of the media involved.

To the extent that you may seek to rely on any of the exemptions from disclosure contained within the FOIA 2000 as a reason for not providing any of the information requested, please provide full and detailed reasons for the decision to rely on such exemption..

Information can be sent by email or by post as detailed above in relation to the subject access request.

Pursuant to section 10(1) of the FOIA 2000, we expect to hear from you by no later than 23 September (ie within 20 working days of your receipt of this letter). We reserve the right to initiate legal proceedings in the event that you do not provide all information requested.

I am of the opinion that the information cited in your Freedom of Information Act 2000 (FOIA) request, will be treated as a request for personal data under section 7 of the Data Protection Act 1998 (DPA).

I base this decision on the following reason:

The requested information would constitute the personal data of your client for the purposes of section 1 of the DPA. Accordingly, the requested information would be



Elm House 10-16 Elm Street London WC1X 0BJ
Director: Richard Alderman

exempt under s 40 (1) of the FOIA and the request should be considered as a request for personal data under section 7 of the DPA. I attach, for your information, the ICO decision notice dated 11 May 2010, which supports this application of the legislation. I would refer you to paragraph 14 of the Notice which states:

"Information is exempt from disclosure under the Act if it constitutes personal data, as defined in section 1(1) of the DPA. Section 40(1) of the (FOIA) creates an absolute exemption in relation to information of which the applicant is the data subject. The effect of this is to remove all of the individual's personal information entirely from the regime of the (FOIA), leaving them subject instead to the regime of the DPA. Section 7 of the DPA gives individuals the right to request access to personal data held about them by data controllers. This is referred to as the right of subject access."

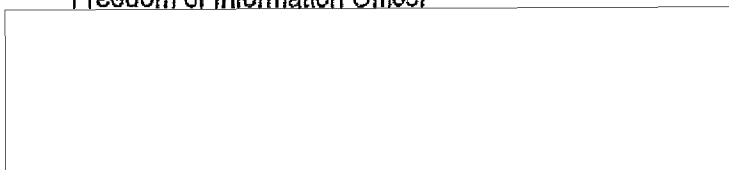
If you have any queries about this letter, please contact me.

If you are not happy with my reply, you may ask for a review. You must do this by writing to me within two months of the date of this letter. It would help us with the review if you could tell us which aspects of my reply concern you and why you are dissatisfied.

If you are not content with the outcome of an internal review, you may apply direct to the Information Commissioner for a decision. The Information Commissioner will not usually consider a case unless you have exhausted the internal review procedure. His address is The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF.

Yours sincerely

Kay Squires
Freedom of Information Officer



Kingsley Napley

Our ref: SBP/EGP/BMB/49936-1/988524.1

Your ref: C390/LZP/FSI

7 October 2011

FAO: Kay Squires
Serious Fraud Office
Elm House
10-16 Elm Street
London
WC1X 0BJ

Dear Sirs

Mr Vincent Tchenguiz

Thank you for your letter of 26 September 2011. We are concerned that you have not fully understood either the FOI request made or your obligations under the Freedom of Information Act 2000 (FOIA).

As was made clear in our letter of 30 August 2011, the FOI request was made only to the extent that the information requested did not constitute our client's personal data – it is of course the case that personal data is exempt from disclosure under FOIA. However it is clear from your letter that you have failed to give adequate consideration to the question of whether all of the information specified in the FOI request does constitute personal data – you have simply assumed that it "would" do so. That assumption has been made only on the basis of the description of the information set out in the FOI request. However:

(i) the SFO's obligation under the FOI is not to make an assumptions about whether information is subject to an exemption from disclosure. The obligation is to search for, and assess, information falling within the terms of a request and then reach a considered view on whether an exemption is engaged.

(ii) It is in any event unreasonable to assume, by reference to the description of the information set out in the FOI request, that such information will necessarily be our client's personal data. Section 1 (1) of the Data Protection Act 1998 provides that "personal data" means data that relates to a living individual who can be identified from the data itself or from that data together with other information held by the data controller. It is certainly conceivable that the SFO will have in its possession information falling within the terms of the FOI request but which is not personal data because our client cannot be identified from the data. To give but one example, we would in fact be surprised if all information falling within categories (e) and (f) of the FOI request (information relating to any payments made to representatives of the SFO by representatives of the media) did on its face identify our client.

Kingsley Napley LLP Knights Quarter 14 St John's Lane London EC1M 4AJ | DX 22 Chancery Lane
Telephone +44 (0)20 7814 1200 Fax +44 (0)20 7490 2289 www.kingsleynapley.co.uk

Kingsley Napley LLP is a limited liability partnership registered in England and Wales with registered number OC343279.

The address of its registered office is shown above. A list of members' names is available for inspection at the registered office.

Kingsley Napley LLP is authorised and regulated by the Solicitors Regulation Authority.

Continued
Doc Ref : 988524.1

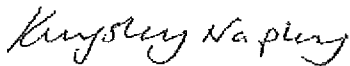
Page 2 of 2

7 October 2011

Please now conduct an internal review. We consider that it should be possible for the review to be completed, and the outcome communicated to us, within the next 7 days. Please confirm by return that you will meet this deadline.

Finally, we please note for the purposes of searching for information relating to our client that that his surname is spelt Tchenguiz (not Tchenquiz as your letter states).

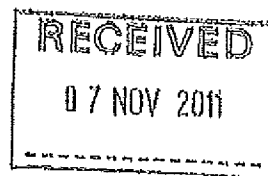
Yours faithfully



Kingsley Napley LLP



Elm House 10-16 Elm Street London WC1X 0BJ
Director: Richard Alderman



Kingsley Napley LLP
Knights Quarter
14 St John's Lane
London EC1M 4AJ

04 November 2011

Dear Sirs

Your reference: APC/DP/49936-1/834761.2

I have considered your request for a review of the Freedom of Information request for your client Vincent Tchenguiz, which was received in our office on 7 October 2011. I would first of all like to apologise for the misspelling of your client's surname.

Having reviewed the questions again, and in addition to the exemption previously cited -S40(1), of the Freedom of Information Act 2000 (FOIA) I respond further below.

Question a) Correspondence between the SFO and any third party in relation to our client

I consider this to be exempt under section 30 (1) (a) (b) FOIA - Investigations and proceedings conducted by public authorities.

Information held by a public authority is exempt information if it has at any time been held by the authority for the purposes of

- (a) any investigation which the public authority has a duty to conduct with a view to it being ascertained
 - (i) whether a person should be charged with an offence, or
 - (ii) whether a person charged with an offence is guilty of it,
- (b) any investigation which is conducted by the authority and in the circumstances may lead to a decision by the authority to institute criminal proceedings which the authority has power to conduct.

Question b) Reports prepared by the SFO in relation to our client

I consider this to be exempt under section 30 (1) (a) (b) as above and also section 30(2) (a) Investigations and proceedings conducted by public authorities.

Information held by a public authority is exempt information if

- (a) it was obtained or recorded by the authority for the purposes of its functions relating to
 - (i) investigations falling within subsection (1)(a) or (b),
 - (ii) criminal proceedings which the authority has power to conduct,



Elm House 10-16 Elm Street London WC1X 0BJ
Director: Richard Alderman

(iii) investigations (other than investigations falling within subsection (1)(a) or (b)) which are conducted by the authority for any of the purposes specified in section 31(2) FOIA and either by virtue of Her Majesty's prerogative or by virtue of powers conferred by or under any enactment, or

(iv) civil proceedings which are brought by or on behalf of the authority and arise out of such investigations.

Question c) Communications of any form or nature between the SFO and any representatives of the media that relate to our client

I have attached a redacted version of the telephone log from 9 March 2011 which is the only evidence held by the SFO which refers to this matter. The information is redacted under s40 and 41 of the FOIA. I confirm that none of the redacted information is in relation to your client.

Question d) Any other documents of any form or nature of which our client is subject.

I consider this to be exempt under section 30 (1) (a) (b) FOIA as above and also 30(2) (a) FOIA - Investigations and proceedings conducted by public authorities. See above for details.

Question e) Any information held by the SFO relating to whether any payments (or the equivalent) have been made to any representative of the SFO by any representative of the media in relation to any information concerning our client; and if any such payments (or equivalent) have been made, please provide information that, in particular, concerns:

- (i) Amounts
- (ii) Dates
- (iii) Information passing; and
- (iv) Representative(s) of the media involved

The SFO conducted an enquiry into alleged leaked information to the press this was carried out by the then Senior Information Risk Officer and Chief Information Officer at the SFO. I can confirm that no evidence came to light to support any allegation that SFO staff had leaked information to the press and therefore there is no material in relation to this question or to question f.

Question f) Information relating to whether any payments (or equivalent) have been made to any representative of the SFO by any representative of the media connected with Associated Newspapers, or by any other representatives of the media, in connection with information about the SFO's raid on 9th and 10th March 2011 of the offices of Consensus Business Group and or our client's private residence in London; and if such payments (or equivalent) had been made, please provide information relating to:

- (v) Amounts
- (vi) Dates
- (vii) Information passing; and
- (viii) Representative(s) of the media involved

See answer to question e.

If you are not content with the outcome of this internal review, you may apply direct to the Information Commissioner for a decision. The Information Commissioner will not usually consider a case unless you have exhausted the internal review procedure. His address is The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF.



Elm House 10-16 Elm Street London WC1X 0BJ
Director: Richard Alderman

Yours sincerely

Freedom of Information Officer

Email: Information.officer@sfo.gsi.gov.uk

Kingsley Napley

Our ref: SBP/APC/DP/49936-1/1140111.1

Your ref:

16 December 2011

Freedom of Information Officer
Serious Fraud Office
Elm House
10-16 Elm Street
London
WC1X 0BJ

DX 135896 London (Grays Inn) 3

Also by email: information.officer@sfo.gsi.gov.uk

Dear Sirs

Vincent Tchenguiz

We are writing further to your letter of 4 November 2011 in which you set out the outcome of the SFO's internal review in relation to our client's FOI request. We acknowledge receipt of the redacted telephone log, provided by you now in response to question (c) of our client's FOI request.

It is noted that the SFO now accepts that it does hold information falling within the terms of our client's FOI request. It is of considerable concern that this has only been recognised following an internal review – we are at a loss to understand why it was not accepted in the original response to our client's FOI request. It is of particular concern that it has only been following the review that the redacted telephone log has been disclosed; the failure to have disclosed it as part of the original response to our client's FOI request is a clear breach of the SFO's obligation under section 10(1) FOIA. Please can you provide the SFO's explanation for this failure.

In relation to questions (a), (b) and (d) in our client's FOI request, it is asserted in your letter that the information held by the SFO is exempt under one or more of sections 30(1)(a), 30(1)(b) and 30(2)(a) FOIA.

Section 30 FOIA is, of course, a qualified exemption and, accordingly, the SFO is under a duty pursuant to section 17(3) FOIA to explain its reasons for claiming that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In breach of that duty the SFO has failed to provide any reasons. The very strong impression given by your letter is that the SFO, wrongly, considers that section 30 FOIA provides an absolute exemption from disclosure.

In relation to question (c) in our client's FOI request and in relation to the belated disclosed redacted telephone log, it is asserted in your letter that information has been redacted under sections 40 and 41 FOIA. We are at a complete loss of understand how the SFO

Kingsley Napley LLP Knights Quarter 14 St John's Lane London EC1M 4AJ | DX 22 Chancery Lane
Telephone +44 (0)20 7814 1200 Fax +44 (0)20 7490 2288 www.kingsleynapley.co.uk

Kingsley Napley LLP is a limited liability partnership registered in England and Wales with registered number OC343278.

The address of its registered office is shown above. A list of members' names is available for inspection at the registered office.

Kingsley Napley LLP is authorised and regulated by the Solicitors Regulation Authority.

can consider that section 41 FOIA is engaged at all. In order for section 41 FOIA to be engaged, it is necessary that disclosure of the information by the SFO, other than under FOIA, would constitute an actionable breach of confidence. We fail to see what actionable breach of confidence could have arisen in the course of communications between the SFO press office and journalists. Please explain the basis upon which the SFO considers that an actionable breach of confidence has arisen. In addition, please answer the following questions arising out of the redactions in the telephone log:

1. In the column headed "Publication", there has been redacted the name of each of the publications that have contacted the SFO. Please identify which exemption the SFO considers is applicable. If it is section 40 FOIA, please explain how it is considered that the name on a newspaper constitutes personal data. If it is section 41 FOIA, please explain how it is considered that the disclosure of the identity of a newspaper for contacting the SFO would constitute an actionable breach of confidence by the SFO.
2. In the column headed "Inquiry", there are redactions on pages 11 and 13 of the log. Please confirm which exemption it is said is engaged in relation to each of these redactions and why.
3. In the column headed "Line", there are redactions on pages 3 and 5 of the log. Please explain which exemption it is said is engaged in relation to each of these exemptions and why.

We also note that the telephone log disclosed contains only incoming calls from the press. Please confirm whether or not you hold a log of outgoing calls and, if so, provide us with a copy of this.

In relation to questions (e) and (f) in our client's FOI request, it is asserted in your letter that the SFO has conducted an inquiry into the alleged leaking of information to the press and that no evidence came to light to support any allegation that SFO staff had leaked information. It is said that "therefore there is no material" in relation to questions (e) and (f). We disagree. Any material relating to that inquiry conducted by the SFO, in particular the terms of reference for the inquiry and any report or written conclusion of the inquiry, fall within the terms of questions (e) and (f). Please now disclose that material.

On a separate note, please be advised that Stephen Pollard and Elly Proudlock – the partner and solicitor instructed in this matter – will be leaving Kingsley Napley on 21 December 2011 and joining Wilmer Cutler Pickering Hale and Dorr LLP ("WilmerHale") on 3 January 2012, where they will continue to act for Mr Tchenguiz. Any correspondence likely to reach them after 21 December 2011 should be addressed to them as follows:

WilmerHale
49 Park Lane
London
W1K 1PS

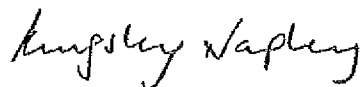
P
E

Continued
Doc Ref: 1140111.1

Page 3 of 3

16 December 2011

Yours faithfully



Kingsley Napley LLP

atelier pr

11 Roseford Court
London W12 8RA

Note of telephone conversation

I was telephoned at 2.42pm on Tuesday 18th October 2011 by Rupert Steiner, Chief City Correspondent of the Daily Mail.

Steiner said that he wanted to ask me about Peverel.

Somewhat exasperatedly I asked him how many times Associated Newspaper publications needed to be told that Peverel was nothing to do with Consensus and that all enquiries should be directed to Peverel/Zolfo Cooper.

Steiner said that he was aware of this but was hoping that I could do him a favour and find out information for him which Peverel/Zolfo Cooper were unwilling to disclose.

I asked him why on earth he thought that I would be prepared to do a favour for the Daily Mail.

He seemed somewhat surprised and asked whether I had a problem with the Mail and, if so, why.

I explained that we have had to instruct solicitors a number of times this year in relation to stories published by Associated Newspapers.

He seemed unaware of this and said that, surely, I hadn't had any problems with him.

I pointed out that his front page "splash" two days after Vincent Tchenguiz arrest had seemed gratuitous and, indeed, had puzzled journalists on other publications given that it was "yesterday's news".

Yes he said, proudly, "that was *my* splash".

I then said "come to think of it, the Mail was outside our offices *before* the SFO arrived".

He said "yes, we were there at 5am".

I asked him how come they had known to be there.

He replied "because we have excellent sources".

Seán Bellow
Director

Atelier PR Limited
Registered in England & Wales with Company N^o: 5727536
Registered office: 19a Goodge Street, London W1T 2PH
VAT Registration N^o 938 1606 12

grayling

Source: Mail on Sunday, The (Mail on Sunday 2)
 Edition:
 Country: UK
 Date: Sunday 20, February 2011
 Page: 29
 Area: 784 sq. cm
 Circulation: ABC 1958083 Weekly
 BRAD Info: page rate £39,300.00, sec rate £230.00
 Phone: 020 7938 6000
 Keyword: Tchenguiz

durrants

As high-rolling tycoon Vincent Tchenguiz loses control of thousands of retirement flats ...

Is the party over for landlords who squeeze pensioners for every penny?



Property tycoon Vincent Tchenguiz was always an improbable man to look after your granny on a retirement estate, and so it has proved. Having taken over the massive Peverel property management group right at the end of the boom in 2007 with loans from Icelandic bank Kaupthing, it has all now unravelled and last week he lost control of the company.

Though still solvent, the days when Tchenguiz staged starry parties at Cannes during the Mipim property trade show on board his £10 million yacht may be long gone.

The open question for Peverel's leasehold customers - 65,000 of whom live in retirement flats - is whether Tchenguiz's demise is a good or a bad thing.

Previously owned by retirement developer

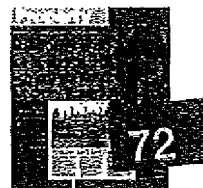
McCarthy and Stone, the bulk of whose developments it still manages, Peverel has become notorious for its loaded fees and poor service. Over the past two years it has repeatedly lost rulings at Leasehold Valuation Tribunals (LVTs). Last September it was ordered to refund £730,000 to tenants at the Weekday Cross scheme in Nottingham for excessive service charges. It had earlier been sacked as the managing agents. Peverel is appealing.

Even the ritzy St George Wharf opposite Parliament, where John Major and Chelsea Clinton were buyers, is ditching Peverel and demanding £2.6 million in alleged over-charging at an LVT. The company is contesting the claim.

According to the Campaign Against Residential Leasehold Exploitation (Carlex), Peverel has lost annual revenues amounting to £600,000 as leaseholders on retirement estates exercise their 'right to manage' and sack the managing agent.

The figure arises because of the 70 retirement developments that exercised their right to manage last year, 50 were run by Peverel.

In total 450 retirement estates



grayling

Source: Mail on Sunday, The (Mail on Sunday 2)
 Edition:
 Country: UK
 Date: Sunday 20, February 2011
 Page: 29
 Area: 784 sq. cm
 Circulation: ABC 1958083 Weekly
 BRAD Info: page rate £39,300.00, scc rate £230.00
 Phone: 020 7938 6000
 Keyword: Tchenguiz

durrants

have exercised their right to manage under the Commonhold and Leasehold Reform Act of 2002.

A dismal picture of life for retired leaseholders emerges from the Carlex website, which has had more than 150,000 visitors, an impressive volume as only 200,000 of the UK's three million leaseholders live in retirement estates.

There are 110,000 retirement flats in the UK, managed either by 30 commercial management companies or more than 50 housing associations, the latter no less eager to extract imaginative fees.

It's a depressing story of inflation-busting fee increases, sneaky additions such as VAT added to electricity bills, charges for the rental of war-

dens' flats - which had to be provided as a condition of planning consent - and abuse of leaseholders' money kept in trust in contingency funds for emergencies.

An additional cause of fury is that exorbitant exit fees are charged when the lease is surrendered, either because a resident has died or moved into a nursing home. These are usually one to five per cent, although in the case of Retirement Villages, 12.5 per cent can be charged (see above).

Earlier this month, I reported how a one-bedroom retirement flat in north Oxford was up for sale for £15,000. The owner had died but annual fees of £9,300 still had to be paid to the freeholder, the Wyndham Housing Association. After a year on the market and no buyers, this has rendered it virtually worthless.

Carlex makes no distinction between commercial operators and housing associations. 'Both can be equally rapacious,' says Melissa Briggs, who has turned the plight of pensioner leaseholders into a national issue. Although they are supposedly social landlords, 50 housing association chief executives are paid more than the Prime Minister, with John Belcher, the former chief executive of the Anchor Trust, paid an astonishing £391,000.

According to documents leaked to The Mail on Sunday, executives at Anchor in 2007 sought to obtain additional revenue from keeping the proceeds of investing perhaps

£10 million of leaseholder funds. They spent £5,000 asking lawyers whether it would be legal to do so.

Anchor says the proposal was 'summarily rejected. We do not seek to make a profit from the management of sinking funds'.

Anchor was charging one per cent in administrative fees on these funds but has now decided to stop doing so from April 1.

Dudley Joiner, of the Right To Manage Federation, says: 'Right to manage can resolve 99 per cent of all leasehold problems. There is no need to prove fault by the landlord.'

The process takes four to five months, costs residents very little and can save between 15 and 30 per cent on annual service charges.

Peveler claims that as the market leader, 'we often bear the brunt of criticism for things that not only affect the whole property management industry, but are beyond our control'.

● www.carlex.org.uk
www.rtmf.org.uk

grayling

Source: Mall on Sunday, The (Mall on Sunday 2)
Edition:
Country: UK
Date: Sunday 20, February 2011
Page: 29
Area: 784 sq. cm
Circulation: ABC 1958083 Weekly
BRAD Info: page rate £39,300.00, scc rate £230.00
Phone: 020 7938 6000
Keyword: Tchenguiz

durrants



SMART SET:
Vincent Tchenguiz and a companion at a Tory Party summer ball

DALE CHERRY / AJAN DAVIDSON

Reproduced by Durrants under licence from the NLA (newspapers), CLA (magazines), FT (Financial Times/ft.com) or other copyright owner. No further copying (including printing of digital cuttings), digital reproduction/forwarding of the cutting is permitted except under licence from the copyright owner. All FT content is copyright The Financial Times Ltd.

Article Page 3 of 3

grayling

Source: Mail on Sunday, The (Mail on Sunday 2)
 Edition:
 Country: UK
 Date: Sunday 27, February 2011
 Page: 34
 Area: 457 sq. cm
 Circulation: ABC 1958083 Weekly
 BRAD info: page rate £39,300.00, scc rate £230.00
 Phone: 020 7938 6000
 Keyword: Peverel

durrants

Now squeezed pensioners see value of their flats plummet



Last week I exposed how pensioners who live in flats in retirement developments are being squeezed for every penny by rapacious managing agents or freeholders. Being leaseholders, they are vulnerable to every stealth charge that an imaginative scamp can come up with: VAT loaded on to electricity bills; exorbitant exit fees when the lease is sold; ground rents that are double those at ordinary mixed-age developments; rental fees for resident managers' flats, even though a resident warden was a planning-consent condition in the first place.

There is almost a fee for when the sun shines, and when it doesn't.

These fry-ons can all be disputed at Leasehold Valuation Tribunals, although better still would be entering the simple, five-month process of sacking the managing agent, for which no reasons need be given. You can contact The Right To Manage Federation to find out how to go about this (www.rtmf.org.uk).

However, even when the process is initiated it is widely believed that managing

agents nurture 'stool pigeons' among the residents to help them derail the Right To Manage process, for which a majority vote among leaseholders is required.

'This is absolutely the case,' says James Butler of Landmark Leasehold Advisory Services (www.landmarklease.com), a legal service to help leaseholders self-manage. 'There have been otherwise inexplicable levels of defence of existing managing agents.'

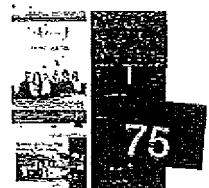
A further nightmare for many readers who have contacted me is that the market in retirement developments has plummeted far further than the rest of the property market. As a result, thousands of retirement developments have empty flats, many of which have been on the market for more than a year.

Muriel McNally, 75, is trying to sell the £125,000 one-bedroom flat that she bought in 2005 at Denehurst Court in Church Stretton, Shropshire - a development managed by the giant Peverel property group.

She says the atmosphere in the 55-unit accommodation is so bad that she has moved out, losing £1,800 in fees and £1,200 in council tax.

She says she would be lucky to get £88,000 if she could sell, and that six to eight flats in the development are languishing on the market. Peverel has responded to such complaints by claiming that it is being criticised for general problems which are out of its control.

Another reader is trying to sell the flat



grayling

Source: Mail on Sunday, The (Mail on Sunday 2)
 Edition:
 Country: UK
 Date: Sunday 27, February 2011
 Page: 34
 Area: 457 sq. cm
 Circulation: ABC 1958083 Weekly
 BRAD Info: page rate £39,300.00, scc rate £230.00
 Phone: 020 7938 6000
 Keyword: Peverel

durrants

his mother bought for £170,000 at Lime Tree Village in Dunchurch, near Rugby, in 2005.

The son thinks that it is not worth anything like that now, and he would have to pay a ten per cent exit fee to the managers, Retirement Villages, even if he did sell. In the meantime,

he has to pay them £3,000 a year in fees. Estate agent Charles Peck in Chichester, who specialises in retirement flats, confirms the sorry picture. 'A lot are on the market and one we have just sold has been up for sale since 2007,' he says. 'Many flats are being sold for less than the price paid for them, but that is true on flats in general as there is an over-supply.'

The issue around retirement flats in Chichester is not so much the exit fees on surrendering the lease - which many owners, if not their heirs, can accept - as renting them out. If the residents sublet the flats the managing agents can charge two per cent of the capital value. This means it is often not worth doing.

The stalled property market and pensioners' fixed incomes partly account for falling prices at retirement developments. But Charles Peck is not alone in believing that the mounting anger over current practices of managing agents and freeholders has undermined the market.

Much of this anger is expressed by the Campaign Against Residential Leasehold Exploitation (www.carlex.org.uk), which is orchestrated by the highly effective Melissa Briggs. 'There are 12.5 million people over 65 in this country with more to follow,' she says. 'Many would hope to live in retirement developments, so it's time we sorted the rogue agents out.'

TRAPPED: Muriel McNally, with a letter from Peverel, is unable to sell. Below: Our report last week



RICHARD BLAKE

Would YOU trust someone like Vincent Tchenguiz to look after your retirement home? | Mail O... Page 1 of 7

[Click here to print](#)

Mail Online

SPECIAL INVESTIGATION: Would YOU trust someone like Vincent Tchenguiz to look after your retirement home?

By [Ruth Sunderland](#)

Last updated at 12:01 AM on 11th May 2011

Despite being 79, Hilary Englefield was a spirited, independent woman who revelled in dashing around in her small sports car. She had even rekindled a romance with an old flame, Sir Greville Spratt, a former Lord Mayor of London, whom she dated in her late teens.

In 2007, Hilary, who had been living on her own, decided to move into Brampton Court, a retirement complex of more than 60 flats in Chichester, West Sussex. Just a year later, aged 80, she took her own life.

Hilary's daughter, Melissa Briggs, 56, who also lives in Chichester, says she'll never know what was going on in her mother's mind. But she was stressed and depressed over problems with the flat, which was part of a development run by Peverel, a company controlled by the powerful Tchenguiz clan.



Living the high life: Playboy Vincent Tchenguiz pictured on his yacht with friends

When Hilary bought her flat for £159,995, she had no inkling she was linking her modest fortunes to those of one of the biggest and most controversial business empires ever set up in Britain, founded on a mountain of debt at the height of the property boom.

The Iranian-born brothers Robert and Vincent Tchenguiz achieved multi-millionaire status over the past two decades on the back of the easy credit regime in which property investment was considered a safe bet to wealth.

Earlier this year, they were arrested in dawn raids by the Serious Fraud Office as part of its probe into the downfall of Icelandic bank Kaupthing. The pair deny any wrongdoing.

So where does Peverel, which provides property management services to 200,000 apartments across Britain, fit in to this astonishing fall from grace?

Its portfolio ranges from modest retirement dwellings, like Hilary Englefield's flat, to luxury penthouses in St George Wharf on the banks of the Thames where owners include Chelsea Clinton and Sir John Major.

<http://www.dailymail.co.uk/money/article-1385679/Would-YOU-trust-like-Vincent-Tchenguiz-I...> 13/05/2011 77

Would YOU trust someone like Vincent Tchenguiz to look after your retirement home? | Mail O... Page 2 of 7

The income they generate has helped furnish party-loving bachelor Vincent with an enviable lifestyle, including a multi-million-pound townhouse in London, a Rolls-Royce and a yacht.

But while he lives the high life, some residents say they have suffered overcharging, shoddy maintenance, conflicts of interest over ties with other companies in the Tchenguiz empire and controversial fees often amounting to more than £1,000 when residents die.

'Budgets were presented, but in my experience residents never saw the bills or invoices on which they were based,' says Melissa Briggs.

'Mum felt she was living in an atmosphere of worry and stress. I was concerned because I could tell she was not enjoying life.'

After Hilary's death, Melissa and her husband Peter, a former City executive, went to a budget meeting to try to find out 'why the bills were so high for a fairly small flat'.

'I could not see any back-up for the figures they produced and they had a patronising and quite aggressive attitude,' she says.

Melissa then discovered residents were paying £12,000 a year to cover the rental of the house manager's flat.

'That was way too much. I got them a £30,000 rebate over the previous six years,' she says.

It took Melissa 18 months to sell her mother's flat, at a near £10,000 loss. On top of that, she says she was also forced to pay £3,000 in fees. Half was a contingency fee to cover repairs and maintenance, but the remainder was a controversial 'transfer fee' on death.

Peverel expresses its condolences to Hilary's family and says there is always an annual budget meeting with residents. It says copies of invoices can be viewed on request.

The company adds the transfer fee is 'set out in the lease' and that it is 'obliged to collect transfer fees on behalf of the landlord'.

However, the landlord is another company in the Tchenguiz empire, called Fairhold.

For its part, Fairhold says the fees are partly to cover administration costs and partly to cover money payable to the landlord, as the leases were sold on 'favourable terms'.

However, the watchdog the Office of Fair Trading is investigating these transfer fees, which can add to the distress of bereaved relatives when elderly residents pass away.

Melissa Briggs's experience prompted her to set up the Campaign Against Residential Leasehold Exploitation (CarLEX), to publicise the problems suffered by leaseholders and press for changes in the law.

Her campaign website has had more than 200,000 hits since it was launched in September 2009 and is inundated by scores of people a day, many complaining about Peverel or its associated firms.

Anxiety for many residents has become more acute after four firms went into administration when one of Peverel Group's main lenders, Bank of America Merrill Lynch, called in a £124.6 million loan — with £11.4 million of accumulated interest — which it failed to repay.

The four firms affected are Peverel Limited, Peverel Group Limited, Aztec Acquisitions Limited and Aztec Opco Developments Limited.

Following the administration, some residents fear they might be locked into a spiral of rising service charges. Scandalously, there is little legislation to protect them because the industry is not independently regulated.

Peverel, once owned by retirement home specialist McCarthy & Stone, was acquired four years ago for around £500 million at the height of the property boom.

Under the same umbrella are firms that own the freeholds to flats run by Peverel and a string of businesses including Kingsborough Insurance Services; security firm Cirrus, which provides CCTV for properties; Careline UK, an emergency call response company for the elderly; and IFP fire protection.

These are regularly engaged to provide services for the properties, meaning more income flows into the Tchenguiz coffers.

Mitch Felerstein, a fund manager, formerly owned property in the Chelsea Bridge Wharf development in London, where the freehold was held by one of the more than 300 companies under the Tchenguiz canopy.

'Legislation seems to allow massive conflicts of interest,' he says.

'The managing agent Peverel is able to hire another connected company to secure the insurance and this can add as much as 40pc

Would YOU trust someone like Vincent Tchenguiz to look after your retirement home? | Mail O... Page 3 of 7

commission fees on top.'

David Burbridge, 80, a retired systems manager, moved into a retirement flat in Droitwich, Worcestershire, five years ago when his wife died. The development is managed by Peverel, and Fairhold owns the leases.

Mr Burbridge says that in December 2009 residents were presented with a service charge budget for the year ending February 2010 that included rental for the house manager's flat of £11,722.

'You had only to look in the local paper to see how much a flat would rent for — they were trying to charge nearly double,' he says. He eventually got it reduced to £7,500.

He believes the valuation of his flat is being affected by the problems the property owners have been having with Peverel and the companies linked to it.

It's a similar story to that of Alan Collier, 78, and his wife Margaret, 75, who live in a one-bedroom apartment in a development of 38 properties in Bridlington, North Yorkshire.

Alan says residents were being charged £11,000 a year for the house manager's flat before they had it reduced to £7,500.

'When you get the accounts, there are all sorts of things we did not understand,' he says.

'We were charged a heck of a lot for roof repairs, but it was built only five years ago. I never received a solid explanation.'

Laura Sandys, Conservative MP for South Thanet in Kent, has taken up the cause of residents in eight retirement developments.

'In some of the properties, there were refurbishments that took the residents by surprise,' she says.

But despite the growing number of grievances, so far the Government is not minded to introduce new laws to protect flat dwellers.

And what of Vincent Tchenguiz? As residents ponder an uncertain future, his spokesman Sean Bellew denies Vincent owns Peverel and threatens legal action against anyone who says he does.

Technically, this is true. The ultimate beneficial owner is the Tchenguiz Family Trust, advised by the Consensus Business Group — chaired by Vincent. However, his advisers refuse even to disclose where it is domiciled.

Zolfo Cooper, the administrator for Peverel Group and the other three holding companies, says the property management firms involved in the day-to-day running of the flats remain profitable and that residents will be unaffected.

But given the apparently incestuous nature of the corporate structure, some leaseholders are not comforted. They fear for the safety of money in 'sinking funds' — cash earmarked for repairs and maintenance — and are worried their fees and charges might be driven even higher by a new buyer of the heavily indebted companies.

One resident, who would only be identified as 'Adam', says: 'People are worried about losing their homes if the service costs go up further. My service charge went up dramatically, but service deteriorated.'

Rebecca Bridle, group communications manager for Peverel, issued a statement to the Mail claiming 'all money in contingency funds is 100pc safe'.

She added they are in designated client accounts with Bank of Scotland, and the company is happy to provide leaseholders with a copy of the latest bank statements.

'All our charges and management fees are clearly outlined and research shows us they are middle of the road,' she says.

Whatever the ending to the Tchenguiz story turns out to be, campaigners would like to see more protection for leaseholders.

When homebuyers purchase a flat in a development, they typically buy a 999-year lease. The buildings are maintained and run by a managing agent. But it can be difficult to remove them if residents are dissatisfied.

Residents can select their own property managers if they organise themselves into a 'Right to Manage' association. However, these are hard to co-ordinate among elderly occupants and in developments where there are many buy-to-let apartments.

Residents can also take their complaints to the Leasehold Valuation Tribunal, an independent body that deals with disputes, but this is a time-consuming and arduous process.

And managing agents face only a limited amount of scrutiny because the industry is not policed by independent regulators.

<http://www.dailymail.co.uk/money/article-1385679/Would-YOU-trust-like-Vincent-Tchenguiz-1...> 13/05/2011 79

Would YOU trust someone like Vincent Tchenguiz to look after your retirement home? | Mail O... Page 4 of 7

Peverel says its firms are members of the Association of Residential Managing Agents (ARMA) or the Association of Retirement Housing Managers (ARHM).

But these are trade bodies funded by the firms they purport to supervise, not independent watchdogs.

Two of the ARHM's 14-strong board of directors listed as being in this post from December 2010, Keith Edgar and Margaret Waters, are stated to be from Peverel Management Services.

It takes commitment, knowledge and determination to take on a company such as Peverel, but some leaseholders have done so and won.

Owners at Charter Quay, an upmarket development of 244 apartments in Kingston upon Thames, were awarded £170,000 for overcharging on service charges between 2003 and 2007 after the residents' association took it to a Leasehold Valuation Tribunal. A replacement managing agent was appointed.

Peverel said County Estate Management (CEM) was actually the subject of the LVT and that Peverel Property Management became responsible for the management of CEM only in the late summer of 2008.

However, it omitted to mention that CEM, which ceased to operate in April 2010, is another company under the aegis of the Tchenguiz Family Trust, and that CEM replaced Peverel, which was the previous managing agent.

Derek Winsor, 80, chairman of the residents' association, lives with his wife Valerie on the development in a townhouse they bought for £750,000 in 2002.

'There should be proper regulation. At the moment, managing agents are virtually unregulated,' he says.

His hopes do not seem likely to be realised. Housing minister Grant Shapps told MP Laura Sandys last month that he is 'not convinced by the case for regulating managing agents in the leasehold sector'.

Leaseholders have, it seems, been left to fight their own battles against Vincent Tchenguiz with his intimidating battalions of high-priced spin doctors and lawyers.

And elderly, sick and vulnerable residents feel they are being condemned to worry and misery by the very people they trusted to provide them with a trouble-free home in their old age.

People:

[Robert Tchenguiz](#),
[John Major](#)

Places:

[London](#),
[Chichester](#)

Comments (7)

[Newest](#)
[Oldest](#)
[Best rated](#)
[Worst rated](#)

[View all](#)

An excellent article highlighting the nightmare of buying leasehold homes. This is just the tip of the iceberg insofar as Consensus owns the freehold to many more apartments handed to them on a plate by developers (one such being Taylor Wimpey). Barely legal handover of freehold done to avoid giving the leaseholders right of first refusal. Consensus (Citistead and other names) then ramp up insurance premiums, throw their weight around regarding who you must insure with (they choose the most expensive and get a huge commission for doing so). The whole thing is a nightmare, and there is zero protection for the unsuspecting folk who buy into it unwittingly. Hope Consensus go the same way as Elnaceous/CPM. Avoid them like the plague.

- Denise, UK, 12/5/2011 10:41

Click to rate _ Rating 6

[Report abuse](#)

ANOTHER (rip off) tip of the Ice Burg is MOBILE PHONE MASTS; MANAGEMENT AGENTS TAKE A CUT OF UPTO 50% YOU CAN SEE WHATS ON THE MOBILE PHONE MAST TOWER BY: GOOGLE SITEFINDER IF YOU PUT S852BW INTO IT YOU WILL SEE THREE BLOBS WITH 8 TRANSMITTERS SINCE 1997 THE 75 RESIDENTS OF SELWOOD FLATS ROTHERHAM;HAVE HAD A

<http://www.dailymail.co.uk/money/article-1385679/Would-YOU-trust-like-Vincent-Tchenguiz-l...> 13/05/2011 80

Would YOU trust someone like Vincent Tchenguiz to look after your retirement home? | Mail O... Page 5 of 7

MOBILE PHONE MAST WITH 6 TRANSMITTERS; THEY HAVE NEVER SEEN A BANK STATEMENT; WICH SHOWS ALL INS AND OUTS;OF RENT FOR MOBILE PHONE MAST:ALTHOUGH A BIG ITEM IT IS LUMPED TOGETHER UNDER OTHER INCOME EACH TRANSMITTER HAS A RENTAL VALUE OF 3 TO 7 THOUSAND POUNDS EACH; 6 SHOULD BRING IN 30000 POUNDS

- RIPOFF, ROTHERHAM SOUTH YORKSHIRE, 12/5/2011 06:28

Click to rate _ _ Rating 6

Report abuse

His management staff are not much better, with open comments 'It is unethical but legal, and there is nothing your can do about it' This story is just the tip of the Ice Burg, and needs investigating to its full. Senior citizens don't need people like this to take their hard earned money in their retirement. I have seen pensioners threatened, bullied, humiliated and made to cry, and nobody has cared one iota to their cause. I sincerely hope thing will change. Well done Ruth Sunderland

- JS, UK, 11/5/2011 16:49

Click to rate _ _ Rating 9

Report abuse

The article limits itself to the retirement sector where the situation has caused a great deal of anxiety. But it applies to other parts as well, although with varying impact. The net effect, however, of a complex of financial and speculative companies with high leverages using income derived from leaseholders as the base security is now causing significant damage across the whole leasehold sector. This is another economic "train wreck" in the making unless the government wakes up to the implications.

- Hugh, Maidstone, 11/5/2011 15:30

Click to rate _ _ Rating 11

Report abuse

No, I don't trust Vincent Tchenguiz the owner of the property management company Peverel. He is a Rachman-style landlord, who bullies/threatens anyone with legal action for challenging his decadent lifestyle and the extortionate over-charging of his leaseholders. Most are retired older/sick/disabled people, who are financially abused/exploited, and he knows this vulnerable group is far less likely to be in a position to fight back. Peverel and their complicit equally hard-nosed developers are only too glad when anyone dies - more transfer fees in their pockets! And, yes, the Conservative Housing Minister, Grant Shapps, isn't interested in regulating the property industry as VT helps fund his own political party. You scratch my back and I'll scratch yours as they say. It's all very unsavoury and dirty politics... It's time to lift these super injunctions that protect the unscrupulous and allows such despicable people to stay in business.

- moaningminnie, Worthing, United Kingdom, 11/5/2011 15:22

Click to rate _ _ Rating 14

Report abuse

A salient omission here is that the Tchenguiz family are major donors to the Conservative party.

- Paul, London, UK, 11/5/2011 12:53

Click to rate _ _ Rating 9

Report abuse

The views expressed in the contents above are those of our users and do not necessarily reflect the views of MailOnline.

This is Money Dealfinders

SAVE MONEY NOW!

Credit & Loans

Credit cards

Loans

Mortgages

• Credit check

Insurance

• Car insurance

Travel insurance

- [Home insurance](#)
- [Life insurance](#)
- [Savings & Banking](#)
 - [Savings accounts](#)
 - [Current accounts](#)
 - [Currency](#)
 - [Free currency card](#)
- [Utilities](#)
 - [Gas & electric](#)
 - [Phone](#)
 - [Broadband](#)
 - [Digital TV](#)
- [Retirement](#)
 - [Annuities](#)
 - [Equity release](#)
 - [Inheritance tax](#)
- [Investing](#)
 - [Fund supermarket](#)
 - [Buy and sell shares](#)
 - [Free guides](#)

[Other Services](#)

Latest Financial News from This Is Money

- [EU debt crisis 'is in danger of spreading'](#)
- [Thousands scramble for NS&I's '0% rate'](#)
- [FTSE Live: Fresnillo, Centrica up; M&S down](#)
- [Stop haggling over debt limit, Bernanke tells US](#)
- [BA in deal to end £160m union battle](#)
- [Repossessions jump 15% as borrowers squeezed](#)
- [Family incomes plunge by £1,000 a year](#)
- [Rates likely to rise this year as inflation peaks](#)
- [Broadband boom pays off for BT](#)
- ['One price for one flight' rule to stop Ryanair add-ons](#)
- [SSE found guilty of shady doorstep selling](#)
- [UK Uncut plan hospital invasion of bank branches](#)
- [Lonely Planet slams rip-off UK prices](#)
- [Hedge fund boss Rajaratnam guilty of insider trading](#)
- [Third of buy-to-lets 'headed for negative equity'](#)
- [Greece searches for the escape hatch](#)
- [Stop the next PPI scam](#)
- [Economy watch: What next for Britain?](#)
- [When will interest rates rise?](#)
- [What next for the pound?](#)
- [Stock market predictions: What next?](#)
- [Oil price predictions: What next?](#)

BE YOUR OWN FINANCIAL ADVISER


thisismoney

MAKE MORE MONEY
& PAY LESS OUT

MailOnline

CLICK HERE >>>

Would YOU trust someone like Vincent Tchenguiz to look after your retirement home? | Mail O... Page 7 of 7



Top 10 Retirement Tips
Hargreaves Lansdown Guide: Top 10
Retirement Tips.

Find this story at www.dailymail.co.uk/money/article-1385679/Would-YOU-trust-like-Vincent-Tchenguiz-look-retirement-home.html

Published by Associated Newspapers Ltd

Part of the Daily Mail, The Mail on Sunday & Metro Media Group

© Associated Newspapers Ltd

[Click here to print](#)

Mail Online

The elderly must not be used as gambling chips

By [This Is Money](#)

Last updated at 1:41 PM on 11th June 2011

Ruth Sunderland is Associate City Editor of the Daily Mail

In the US, the main victims of the credit crunch were poor mortgage borrowers who had been induced to take out homeloans they could never afford to repay.

Here in the UK, the elderly and vulnerable are bearing the brunt of complex financial engineering that has come unstuck in the economic downturn.

The Southern Cross scandal is just one example of the havoc that can be wreaked on people's lives when financiers are allowed to pursue profit-maximising strategies unchecked.

Private equity firm Blackstone floated the company on the stock market in 2006 with a highly risky 'opco-propco' business model, where the operating business, the 'opco' is separate from the company owning the property, the 'propco'.

Blackstone made hundreds of millions of pounds from just over two years of ownership.

But Southern Cross, which uniquely in the sector leases every single last one of its nursing homes from landlords, has buckled under a rising rent bill and cuts in its fee income.

Southern Cross is the UK's biggest nursing home care provider, but the opco-propco model is also used by property tycoon Vincent Tchenguiz, whose family trust controls one of the UK's largest retirement home operators, Peverel.

Landlord company Fairhold is another in his web.

There, the opco-propco model is associated with a stream of complaints from residents about high charges and services being provided by other companies under the Tchenguiz umbrella. Four Peverel companies are now in administration, leaving residents there facing uncertainty. The effect on real people's lives of scandals such as Southern Cross and Peverel is immense.

Elderly people have often sold their family homes to move into a retirement property or into residential care and many are not able to cope with the stress of seeing their security in later life blown to shards.

Shamefully, for this neither Blackstone, nor Vincent Tchenguiz, have expressed so much as a scintilla of concern or regret. Nor does this treatment of the elderly as pawns in a profiteering game stop at property - pensions are used as gambling chips too. Company retirement funds in which people have saved all their working lives are now subject to buy-outs, buy-ins and outsourcing deals, as employers palm off their obligations onto specialist City firms.

One of them, Pension Corporation, run by former private equity guru Edmund Truell, who has taken on retirement liabilities from, among others, the old Marconi pension fund and Cadbury did a deal this week buying up £60m of pension obligations from manufacturer Toray Textiles.

One common theme here is the sheer complexity of the dealmaking and the ownership structures.

That is designed to maximise profit, but it also has the handy side-effect, from the point of view of the private equity, property and pension barons, of creating convoluted chains of ownership and responsibility. So when disaster strikes, they can hide behind the complexity of their models and argue none of it is their fault.

The private sector has a role to play in pensions, retirement homes and elder care, but there must be far stronger controls to make sure it behaves responsibly along with far better protection for older citizens.

As for Tchenguiz and the partners at Blackstone, they might not sell their own grandmothers down the river, but it seems they are perfectly prepared to sell ours.

Governance gripes

Cheerleaders for a free and easy FTSE 100, where all comers are welcome, must surely have been given pause for thought by the extraordinary boardroom row at ENRC.

Those of us who voiced doubts about the float of Kazakh-controlled ENRC and that of secretive Swiss commodities giant Glencore, are dismissed by City blowhards as Little Englanders who would like to return to some imaginary golden age when the blue chip index was truly British.

Those sneers are ill-founded. Large British companies have always had a multi-national outlook, and overseas companies should be most welcome, provided they observe UK standards on corporate governance and stewardship.

As one of ENRC's ousted directors, Ken Olisa, said yesterday, if companies want to play cricket in London, they have to follow our rules.

ENRC is dominated by billionaire oilgarchs and the Kazakh state. It should never have been given special dispensation to float here.

With hindsight, Olisa, Sir Richard Sykes and the other UK figures drafted in to reassure investors might think they should never have accepted the company shilling since it has now emerged that they were merely appointed to provide cover for ENRC to go on exactly as before.

Tony Hayward, the former BP boss who is now a senior non-executive at Glencore, told me this week that the commodities group cannot be 'put in the same bucket' as ENRC over governance.

Yet Glencore's unorthodox choice of chairman continues to intrigue. Simon Murray, a polar explorer and former French foreign legionnaire, is now under the spotlight over his role as a director of Chinese forestry company Sino-Forest, which has been accused of having a Ponzi-style business model.

The City portrays floats like these as great coups for London as a financial centre, a complacent view possibly influenced by the large fees they generate.

The composition of the FTSE 100 is important because by entering it, companies like ENRC and Glencore make their way into small investors' pension funds and savings portfolios, whether they like it or not.

The listing authorities need to be far more vigilant.

All Articles Share prices

- [Power Portfolio](#)
- [Forums \(beta\)](#)
- [Midas Extra](#)
- [FTSE 100](#)
- [Blog](#)
- [FAQs](#)

- [FTSE 100](#)
- [DOW](#)
- [OIL](#)
- [GOLD](#)

Investing: Reader services

- [Best savings rates](#)
- [Share dealing](#)
- [FREE guides](#)
- [Fund supermarket](#)
- [Find an IFA](#)
- [Pension tracker](#)
- [Currency card](#)
- [Best annuity rates](#)

Vincent Tchenguiz in spotlight as record leaseholder case settled out of court | Mail Online Page 1 of 5

Mail Online

Vincent Tchenguiz in spotlight as record leaseholder case settled out of court

By [Daily Mail Reporter](#)

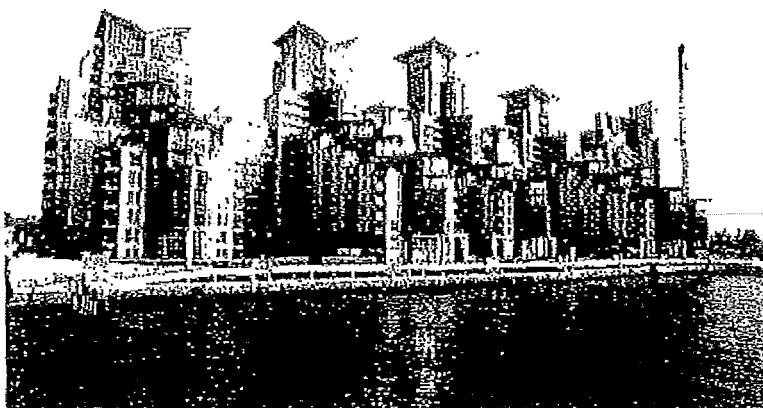
Last updated at 11:02 AM on 1st September 2011

Like 12

The largest ever leaseholder tribunal was settled out of court for an undisclosed seven-figure sum yesterday.

It turns the spotlight on property tycoon Vincent Tchenguiz as Peverel – a company owned by the Tchenguiz Family Trust and advised by a group he chairs – was the managing agent.

It now seems unlikely the company will retain its position given that anger over its charges was a key part of the legal action.



Prestigious: St George's Wharf Apartments over-looking the River Thames

The residents' association for St George Wharf, one of London's most prestigious addresses, took legal action against the site's landlords to reclaim payments made for services, demanding £2.6m.

Agreement between St George (South London) Limited, the primary developer on the site, and the St George Wharf Residents' Association was reached earlier this week.

The properties, which can fetch up to £7m for a penthouse suite with a view over Parliament, come with an annual service charge of at least £5,000, payable to the managing agents Peverel/Consort.

Residents claim the charges were unreasonable and filed a list of 12 accusations against the group. These included CCTV costs, which were paid to a company linked to Peverel. It was filed in April last year following four years of debate with the landowners.

<http://www.dailymail.co.uk/money/news/article-2032484/Vincent-Tchenguiz-spotligh...> (04/10/2011)

Vincent Tchenguiz in spotlight as record leaseholder case settled out of court | Mail Online Page 2 of 5

The appeal dates back to 2000, when the first of more than 900 apartments were opened. It is understood the money will be paid to the individual leaseholders of the apartments in individual cheques, and written by St George (South London).

The residents' association is understood to be bound by a confidentiality agreement. A spokesman for Peverel said: 'Peverel is not party to the application, is not one of the named respondents in the case and is not party to any settlement negotiations.'

Comments (4)

[Newest](#)
[Oldest](#)
[Best rated](#)
[Worst rated](#)

[View all](#)

Steve well said Firstly, in my personal experience there is a conspiracy theory where the insurance companies, loss adjusters, landlords, management companies, contractors and other key roll people come together supporting each other using the same line to defend inappropriate action? I have strong evidence to prove that. Secondly, by going for RTM one will only remove the Management Company, however will keep the Landlord intact, who has the right to remove the Management Company if they are dysfunctional. However, if one removes the landlord then the Management Company from hell can be removed at AGM by simple majority. No need to go through the legal RTM processes. In my opinion Peverel or any other management Company will not stand a chance winning the contract back, unless the landlord board wishes to appoint them. I know other developments who have used the right to buy the freehold. Recent one is Deck Close, Camberwell.

- Nicky Vogg, Essex, 02/9/2011 11:27

[Click to rate](#) . . Rating 1

[Report abuse](#)

I agree with Steve's comments. The future of successful managing agents will depend not only on having a team of ethical and professionally trained staff it will rely on their transparency and the value for money of the services they provide. This doesn't mean that agents can't offer more than one service but it does mean being open about which ones they do. It also means giving their clients and their clients' service charge payers the right to choose which service suppliers they wish to use.

- Rob Plumb, CEO - HML Holdings Plc, London, UK, 01/9/2011 14:59

[Click to rate](#) . . Rating 6

[Report abuse](#)

Well done - St Georges! I live in Walthamstow and as they are my leaseholder I have to buy my insurance through them so now have to pay 'terrorism' cover as part of my £320 buildings insurance for a 2 bed-flat! So annoyed by this and hope that this is the beginning of the end.

- Jess, London, 01/9/2011 11:54

[Click to rate](#) . . Rating 7

[Report abuse](#)

This case illustrates why it is essential to ensure leaseholders are fully informed on what is happening within their development and the impact this may be having on their service charges. We are lobbying for simple changes to service charge account disclosures, which will bring this information to the attention to leaseholders and help them decide whether their landlord or managing agent is levying reasonable charges. I hope this case highlights for leaseholders how large the level of unreasonable charges, commissions and the use of related group companies for financial gain can be and that it will act as a catalyst for them to take control of their block through the Right to Manage. Managing agents and landlords need to place leaseholders' interests at the heart of what they do and treat leaseholders as clients, not as cash machines for their own benefit."

- Steve Wylie, Urban Owners, London, UK, 01/9/2011 11:36

<http://www.dailymail.co.uk/money/news/article-2032484/Vincent-Tchenguiz-spotligh...> 04/10/2011

Vincent Tchenguiz in spotlight as record leaseholder case settled out of court | Mail O... Page 3 of 5

Click to rate . . Rating 19

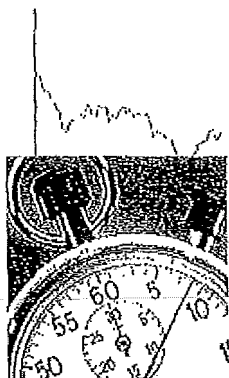
[Report abuse](#)

The views expressed in the contents above are those of our users and do not necessarily reflect the views of MailOnline.



- [Power Portfolio](#)
- [Forums \(beta\)](#)
- [Midas Extra](#)
- [FTSE 100](#)
- [Blog](#)
- [Calculators](#)

- [FTSE 100](#)
- [DOW](#)
- [OIL](#)
- [GOLD](#)



30 SEC GUIDES

'We explain what happens when unforeseen events affect contracts'

Force majeure
[Financial jargon explained in 30 seconds](#)

Investing: Reader services

- [Best savings rates](#)
- [Share dealing](#)
- [FREE guides](#)
- [Fund supermarket](#)

- [Find an IFA](#)
- [Pension tracker](#)
- [Currency card](#)
- [Best annuity rates](#)

Latest reports from News

<http://www.dailymail.co.uk/money/news/article-2032484/Vincent-Tchenguiz-spotligh...> 04/10/2011

Vincent Tchenguiz in spotlight as record leaseholder case settled out of court | This is ... Page 1 of 5

This is MONEY
FINANCIAL WEBSITE OF THE YEAR

Vincent Tchenguiz in spotlight as record leaseholder case settled out of court

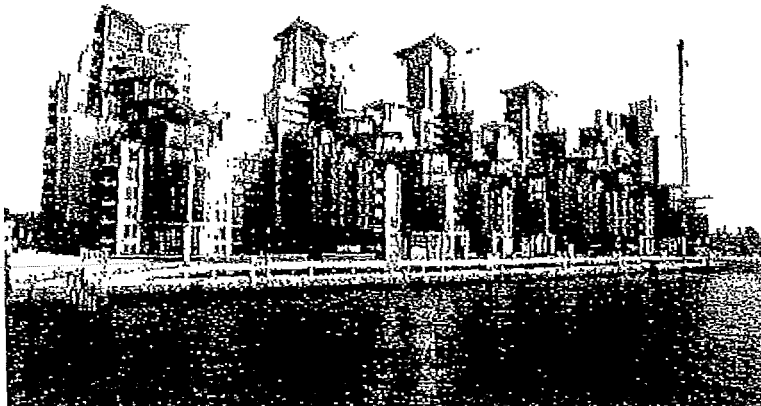
By [Daily Mail Reporter](#)

Last updated at 11:02 AM on 1st September 2011

The largest ever leaseholder tribunal was settled out of court for an undisclosed seven-figure sum yesterday.

It turns the spotlight on property tycoon Vincent Tchenguiz as Peverel – a company owned by the Tchenguiz Family Trust and advised by a group he chairs – was the managing agent.

It now seems unlikely the company will retain its position given that anger over its charges was a key part of the legal action.



Prestigious: St George's Wharf Apartments over-looking the River Thames

The residents' association for St George Wharf, one of London's most prestigious addresses, took legal action against the site's landlords to reclaim payments made for services, demanding £2.6m.

Agreement between St George (South London) Limited, the primary developer on the site, and the St George Wharf Residents' Association was reached earlier this week.

The properties, which can fetch up to £7m for a penthouse suite with a view over Parliament, come with an annual service charge of at least £5,000, payable to the managing agents Peverel/Consort.

Residents claim the charges were unreasonable and filed a list of 12 accusations against the group. These included CCTV costs, which were paid to a company linked to Peverel. It was filed in April last year following four years of debate with the landowners.

The appeal dates back to 2000, when the first of more than 900 apartments were opened. It is understood the money will be paid to the individual leaseholders of the apartments in individual

<http://www.thisismoney.co.uk/money/news/article-2032484/Vincent-Tchenguiz-spotli...> 04/10/2011

Vincent Tchenguiz in spotlight as record leaseholder case settled out of court | This is ... Page 2 of 5

cheques, and written by St George (South London).

The residents' association is understood to be bound by a confidentiality agreement. A spokesman for Peverel said: 'Peverel is not party to the application, is not one of the named respondents in the case and is not party to any settlement negotiations.'

Comments (4)

[Newest](#)
[Oldest](#)
[Best rated](#)
[Worst rated](#)

[View all](#)

Steve well said. Firstly, in my personal experience there is a conspiracy theory where the insurance companies, loss adjusters, landlords, management companies, contractors and other key roll people come together supporting each other using the same line to defend inappropriate action? I have strong evidence to prove that. Secondly, by going for RTM one will only remove the Management Company, however will keep the Landlord intact, who has the right to remove the Management Company if they are dysfunctional. However, if one removes the landlord then the Management Company from hell can be removed at AGM by simple majority. No need to go through the legal RTM processes. In my opinion Peverel or any other management Company will not stand a chance winning the contract back, unless the landlord board wishes to appoint them. I know other developments who have used the right to buy the freehold. Recent one is Deck Close, Camberwell.

- Nicky Vogg, Essex, 02/9/2011 11:27

[Click to rate](#) . . Rating 1

[Report abuse](#)

I agree with Steve's comments. The future of successful managing agents will depend not only on having a team of ethical and professionally trained staff it will rely on their transparency and the value for money of the services they provide. This doesn't mean that agents can't offer more than one service but it does mean being open about which ones they do. It also means giving their clients and their clients' service charge payers the right to choose which service suppliers they wish to use.

- Rob Plumb, CEO - HML Holdings Plc, London, UK, 01/9/2011 14:59

[Click to rate](#) . . Rating 6

[Report abuse](#)

Well done - St Georges I live in Walthamstow and as they are my leaseholder I have to buy my insurance through them so now have to pay 'terrorists' cover as part of my £320 buildings insurance for a 2 bed flat! So annoyed by this and hope that this is the beginning of the end.

- Jess, London, 01/9/2011 11:54

[Click to rate](#) . . Rating 7

[Report abuse](#)

This case illustrates why it is essential to ensure leaseholders are fully informed on what is happening within their development and the impact this may be having on their service charges. We are lobbying for simple changes to service charge account disclosures, which will bring this information to the attention to leaseholders and help them decide whether their landlord or managing agent is levying reasonable charges. I hope this case highlights for leaseholders how large the level of unreasonable charges, commissions and the use of related group companies for financial gain can be and that it will act as a catalyst for them to take control of their block through the Right to Manage. Managing agents and landlords need to place leaseholders' interests at the heart of what they do and treat leaseholders as clients, not as cash machines for their own benefit."

- Steve Wylie, Urban Owners, London, UK, 01/9/2011 11:36

[Click to rate](#) . . Rating 19

<http://www.thisismoney.co.uk/money/news/article-2032484/Vincent-Tchenguiz-spotli...> 04/10/2011

grayling

Source: Daily Mail (Main)
Edition:
Country: UK
Date: Thursday 1, September 2011
Page: 65
Area: 117 sq cm
Circulation: ABC 2050132 Daily
BRAD info: page rate £32,608 (H), sec rate £ 129.60
Phone: 020 7938 6900
Keyword: Tchenguiz

durrants
© Gorkin Group

Settlement for St George leaseholders

THE largest ever leaseholder tribunal was settled out of court for an undisclosed seven-figure sum yesterday.

It turns the spotlight on property tycoon Vincent Tchenguiz as Peverel - a company owned by the Tchenguiz Family Trust and advised by a group he chairs - was the managing agent.

It now seems unlikely the company will retain its position given that anger over its charges was a key part of the legal action.

The residents' association for St George Wharf, one of London's most prestigious addresses, took legal action against the site's landlords to reclaim payments made for services, demanding £2.6m.

Agreement between St George (South London) Limited, the primary developer on the site, and the St George Wharf Residents' Association was reached earlier this week.

The properties, which can fetch up to £7m for a penthouse suite with a view over Parliament, come with an annual service charge of at least £5,000, payable to the managing agents Peverel/Consort.

Residents claim the charges were unreasonable and filed a list of 12 accusations against the group.

These included CCTV costs, which were paid to a company linked to Peverel.

It was filed in April last year following four years of debate with the landowners.

The appeal dates back to 2000, when the first of more than 900 apartments were opened. It is understood the money will be paid to the individual leaseholders of the apartments in individual cheques, and written by St George (South London).

The residents' association is understood to be bound by a confidentiality agreement.

A spokesman for Peverel said: 'Peverel is not party to the application, is not one of the named respondents in the case and is not party to any settlement negotiations.'

Reproduced by Durrants under licence from the NLA (newspapers), CLA (magazines), FT (Financial Times/ft.com) or other copyright owner. No further copying (including printing of digital cuttings), digital reproduction or forwarding of the cutting is permitted except under licence from the copyright owner. All FT content is copyright The Financial Times Ltd

196681779 GAVS00 A17014-115 51100593

Article Page 1 of 1



grayling

Source: Mail on Sunday, The (Mail on Sunday 2)
 Edition:
 Country: UK
 Date: Sunday 18, September 2011
 Page: 31
 Area: 538 sq. cm
 Circulation: ABC 2098244 Weekly
 BRAD Info: page rate £39,300.00, scc rate £230.00
 Phone: 020 7930 6000
 Keyword: Tchenguiz

durrants

© Gorkins Group

Flat owners win a record £1m payout

Tycoons' old firm at centre of leasehold tribunal rule



Market watch

The troubled property management firm Peverel – once part of the empire of tycoons Vincent and Robert Tchenguiz – has failed to prevent a record, near £1 million settlement before a Leasehold Valuation Tribunal ruling earlier this month.

It is the biggest-ever payout in an LVT action, made to leaseholders at St George Wharf in Vauxhall, opposite Westminster, which has been home to John Major, Chelsea Clinton and Lee Ryan of boy band Blue among others.

Penthouses in the complex can sell for £7 million and annual service charges, even for a two-bedroom flat with nondescript views, start at £5,000 a year.

For four years, the residents have been fighting Peverel's excessive management charges stretching back over a decade, as well as the company's practice of employing its own subsidiaries to provide CCTV and insurance services.

The settlement could not have come at a worse time for Peverel,

which has been in administration since March when the Tchenguiz brothers were arrested by the Serious Fraud Squad. The company is now being administered on behalf of Bank of America and is seeking a buyer.

A near £1 million settlement exceeds the previous record LVT ruling of £730,000 in September last year to tenants at the Weekday

Cross scheme in Nottingham, which was also managed by Peverel.

St George Wharf residents' association, which previously had never been backward in publicising their grievances, have signed a confidentiality agreement as part of the settlement and are awaiting their cheques.

As a result of the secrecy surrounding the settlement, Peverel even issued the absurdly misleading statement that: 'Peverel was not party to the Leasehold Valuation Tribunal application, is not one of the named respondents in the case and was not party to any settlement negotiations.'

Although the leaseholders' action was against the landlord and developer, St George – part of the Berkeley Group – the tribunal documentation is littered with complaints against Peverel and its web of related companies.

In addition, Peverel's own in-house

solicitor, Claire Banwell Spencer, fought the leaseholders' action

and employed a barrister to help her do so.

The leaseholders' claims included £716,000 for excessive management fees, £472,000 for over payments for door-entry systems and CCTV – the former provided by St George and the latter provided by Peverel's own Cirrus Communications – and £263,000 for excessive insurance costs, provided by Peverel's company Kingsborough, for which St George trousered £65,000 in commission, it was claimed.

Peverel claims that it is a 'mis-understanding' to believe that the residents' complaints concerned overcharging, and that the dispute was 'primarily about apportionment of costs between blocks within the development'.

Although St George, or the Berkeley Group, whose founder is the legendary property figure Tony Pidgley, will be writing the cheques to refund the residents, it is understood that it will be expecting Peverel to divvy up for its share in

the fiasco. Last September Berkeley sacked Tony Carey, the former MD of St George, who is fighting an unfair dismissal action against the company.

'Problems at St George Wharf



grayling

Source: Mail on Sunday, The (Mail on Sunday 2)
Edition:
Country: UK
Date: Sunday 18, September 2011
Page: 31
Area: 538 sq. cm
Circulation: ABC 2098244 Weekly
BRAD Info: page rate £39,300.00, sec rate £230.00
Phone: 020 7938 6000
Keyword: Tchenguiz

durrants

© Gorkany Group

have caused us considerable reputational damage,' says Rob Perrins, CEO of the Berkeley Group.

'This should not have happened and the residents should not have had to fight this for four years. We should have admitted this earlier and publicly, and we owe the residents an apology.'

Peverel still manages 22 developments for the Berkeley Group, and is one of 12 managing agents the company uses. There are no plans to employ Peverel on any Berkeley schemes nearing completion.

Earlier this year The Mail on Sunday ran a series of articles detailing how residents in retirement flats were being loaded with excessive management charges and stealth charges. Many of the complaints involved Peverel.



Produced by Durrants under licence from the NLA (newspapers), CLA (magazines) or other copyright owner. No further copying (including printing of digital cuttings), digital reproduction or forwarding of the cutting is permitted except under licence from the copyright owner.

A17044-125
187043104 - GAVGOD - 51782313

Article Page 2 of 2

grayling

Source: Daily Mail (Main)
 Edition:
 Country: UK
 Date: Saturday 1, October 2011
 Page: 87
 Area: 176 sq. cm
 Circulation: ABC 2063738 Daily
 BRAD Info: page rate £32,508.00, sec rate £129.00
 Phone: 020 7938 6000
 Keyword: Tchenguiz

durrants

© Gorkand Group

Tycoons give generously to the Tories

By Rob Davies

CITY hotshots are queuing up to donate to the Conservatives to secure a face-to-face meeting with David Cameron, according to research.

Dozens of the Square Mile's best-known figures paid at least £50,000 into Tory coffers this year in exchange for access to the Prime Minister via the so-called Conservative Leader's Group, according to a study by the Bureau of Investigative Journalism.

Hedge funds were particularly generous. ISAM chief executive Stanley Fink doled out £218,700. Paul Ruddock, whose Lansdowne Partners has around £9bn of assets under management, gave £68,668.

The Conservatives also found friends in private equity, the industry termed 'asset strippers' by Labour leader Ed Miliband.




Former Lehman Brothers Europe head Jeremy Isaacs, who runs buy-out house JRJ, gave £50,000 while Edmund Truell of pension buyout firm Pension Corporation stumped up £69,000. Vincos, the property firm owned by the Tchenguiz brothers arrested last year in a Serious Fraud Office raid connected to the collapse of Icelandic bank Kaupthing, contributed £50,000.

The research revealed how beloved the Conservative party is of City financiers, hedge fund

managers and private equity, who together contributed 27pc of party funding, or £3.3m. Including other financial services firms, the party derived 51pc of its cash, or £12m, from friends in the Square Mile.

The data comes as the City steps up its lobbying efforts against the 50p rate of tax and efforts from Brussels to impose a levy on financial transactions. By contrast, donations to Labour have plummeted from up to 41pc of funding to just

6pc since July 2010, leaving the party ever more reliant on the unions.

	Stanley Fink Chief executive, ISAM £218,700
	Sir Simon Robertson Deputy chairman of HSBC and chairman of Rolls-Royce £50,000
	Jeremy Isaacs Former Lehman Brothers Europe head and founder of JRJ (private equity group) £50,000

Reproduced by Durrants under licence from the NLA (newspapers), CLA (magazines), FT (Financial Times/ft.com) or other copyright owner. No further copying (including printing of digital cuttings), digital reproduction/forwarding of the cutting is permitted except under licence from the copyright owner. All FT content is copyright The Financial Times Ltd.

193193817 • GAVG00 • A17044-135 • 52233003

Article Page 1 of 1

Copyright reserved

