



8th October 2010

Chief Minister & Policy Council
States of Guernsey
Sir Charles Frossard House
St Peter Port
GY1 1FH

Landsbanki Guernsey Depositors Action group
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Dear Chief Minister and Policy Council,

Ref Landsbanki Guernsey Depositors.

In reply to your response to our letter of 10th August 2010

The Chief Minister has repeatedly stated that, 'the Policy Council will continue to do all it can to support the Royal Court-appointed Joint Administrators achieve as full return [sic] of deposits for savers as possible.

Would the CM please provide comprehensive details of the amount of time the Policy Council has expended and the precise 'support' required by Deloitte - a 'top-five' accountancy firm with global expertise in liquidation and bankruptcy - given the ongoing and costly fees levied by that firm from the returns to depositors in Landsbanki Guernsey over the past two years?

Mr. Trott also uses the phrase, 'neither Government nor regulatory failure in Guernsey'.

Do we understand that if 'there (had) been neither government nor regulatory failure in Guernsey, regarding Landsbanki', this alleged support would not have been forthcoming?

Would he also point us towards the inquiry and report that states that there was no Guernsey Government failure? We are only aware of the Promontory report, hastily put together with a limited remit, to cover the backs of the GFSC, but not aware of any independent inquiry that vindicates the Guernsey Government's actions.

We asked about the situation between Guernsey et al. The question is quite clear but remains unanswered. We are aware of the constitutional obligations of HM Government and would appreciate full details of any representation made by the various agencies on behalf, specifically, of Landsbanki Guernsey, together with any positive outcomes achieved. The Chief Minister clearly stated on 3rd Feb 2009 at the Treasury select Committee hearing, "Her Majesty's Government has been able to get an undertaking that all creditors regarding Landsbanki (Guernsey) and indeed the whole group, will be treated fairly and equally and that we consider is a very positive statement". Subsequent events have proved HM Government's information and this statement to be fallacious.

Surely, if the report by the House of Commons' Justice Committee, regarding the relationship between the UK and Crown Dependencies by July 2009 is accurate, then there is a judicial issue here. What recourse has the States taken to seek an appropriate remedy from HM Government in respect



of the apparent failure of that body to represent Guernsey's Landsbanki savers, with a vigour equal to that expended in its own representations to Iceland on behalf of IceSave deposits, for a period (now) of two years?

If, 'HM Government does not represent the Government of Guernsey in Iceland', why and when was the decision made to disregard its constitutional obligations and when was Guernsey's Government so advised? What is the precise legal situation in the clear absence of any conflict of interest to justify such a decision and is there a precedent? Is HM Government's decision to abrogate its responsibility permanent or will it uphold its constitutional duties on a purely selective basis in future? Why has this decision not been communicated to depositors and Guernsey residents earlier?

If, 'the responsibility for the recovery of depositors' monies rests with the Joint Administrators', what is Guernsey's continued, 'robust and consistent dialogue', about exactly? What have these negotiations achieved? Why have no details been released of any of these talks during the past two years?

Why was Guernsey's Policy Council prepared to communicate with the Winding-up Board on behalf of approximately 1% of private claimants regarding short-notice of attendance issues, but appears to be unwilling to support the remaining 99% of the depositor group in its demands to be given preferred creditor status, equal to that achieved for reimbursement of other personal deposits being claimed by the UK and Holland? LGDAG was advised by an Icelandic lawyer that the costs of proceeding with such an action against Iceland's Winding Up Board would be very high. Why then did the Chief Minister feel able to support the very small number of depositors who were in a position to afford such an action and not the majority?

Finally, why is it that whenever the Action Group correspond with the Guernsey Government LGDAG goes to great lengths to fully explain our concerns and provide whatever necessary documentation to support its assertions, yet when it requests specific information from the Government, which promotes 'transparency', the reply is polite but generally lacking in any substance whatsoever?

Yours Sincerely

Neil Dickens

Chairman, Landsbanki Guernsey Depositors Action group