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## PRESS RELEASE

# Harcus Sinclair UK LTD: Notice of Court Date for 12-week Trial of Lloyds/ HBOS Shareholder Group Litigation

**London 9 May 2017:** The trial of the Lloyds/HBOS Group Litigation has been listed for 12 weeks of Court time from 2 October 2017. The hearing will take place at the Royal Courts of Justice in the Rolls Building, London. It will be heard by The Hon Mr Justice Nugee.

The Lloyds/HBOS Shareholder Action comprises approximately 6,000 claimants all of whom were shareholders in Lloyds TSB at the relevant time. Over 300 of the claimants are corporate entities, including pension funds and other large investment funds domiciled primarily in the UK, Europe, the USA, Canada and Asia. The rest of the claimant group is comprised of around 5,700 private shareholders. It is one of the largest claims brought against a UK bank and its directors arising from the financial crisis. The Claim is being brought against five former directors of Lloyds and Lloyds itself.

The defendants are:

- (1) Sir Maurice Victor Blank
- (2) John Eric Daniels
- (3) Timothy Tookey
- (4) Helen Weir
- (5) George Truett Tate; and
- (6) Lloyds Banking Group Plc

In addition to the director defendants, other witnesses expected to be cross examined include Sir Hector Sants, who at the time of the acquisition headed the Financial Services Authority.

**A spokesperson from the committee of the Lloyds Shareholder Action Group said:** “The trial will demonstrate not only that Lloyds TSB shareholders were made to pay for the parlous state of HBOS, but it will also highlight the inexcusable failure of the Directors to share crucial information with their shareholders ahead of the deal going through and the implications of not having conducted appropriate due diligence to ensure that its own shareholders were not being compromised. Our understanding of the events that led to the acquisition have so far been a combination of gossip and ad hoc statements made by the then Chairman and Chief Executive of the bank. This trial, where the director defendants and the head of the FSA at the time will be asked to give evidence and cross

examined, will ensure that we finally get to the bottom of who knew what when, what was concealed by Lloyds TSB Directors and the role played by the authorities in pushing this deal through.”

The Claimants are being represented by Harcus Sinclair UK Ltd, a leading law firm which is focused on bringing group action cases on behalf of large numbers of individuals and corporate clients who share the same essential complaint.

The public including the media are permitted to attend the trial.

## **About the case**

The claim against Lloyds and its former directors is founded on alleged breaches of the duties that were owed by the directors of Lloyds to the bank’s shareholders in recommending the acquisition of HBOS in 2008/2009 and providing information to shareholders regarding the proposed acquisition and the financial circumstances of HBOS. The directors did not disclose to the Lloyds TSB shareholders that Lloyds had secretly made a £10 billion loan facility available to HBOS and that HBOS had been receiving covert funding of up to £25.65 billion from The Bank of England and \$18 billion from the Federal Reserve. In particular, the claim asserts that the acquisition of HBOS was a very bad deal for the shareholders of Lloyds because exchanging 0.605 Lloyds shares for each HBOS share constituted a gross over-valuation of HBOS’s share capital and resulted in the share capital of the Lloyds shareholders being excessively diluted. Furthermore, it was a breach of the directors’ duties to the Lloyds shareholders for the directors of Lloyds to recommend the acquisition at the EGM on what they knew to be incomplete and misleading information, statements and advice.

## **For more information, please contact:**

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## **Notes to Editors**

### **About Harcus Sinclair UK Ltd**

Harcus Sinclair UK Limited is a leading law firm which is focused on litigation and specialises in bringing group action cases on behalf of large numbers of investors who share the same essential complaint. The firm has a strong track record of delivering successful outcomes for groups of shareholders, institutional investors, private individuals and members of professional bodies and trade associations both in the UK and internationally.

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