

From: "Linda Nicholson" <>
Date: Thu, Feb 25, 2016 at 11:06 AM -0800
Subject: Members meeting Friday 26th February
To: <info@cuosc.org.uk>

Dear CUOSC,

I had intended to come to the meeting tomorrow as I think Members should now get involved with what CUOSC is trying to achieve. Not knowing what exactly has been proposed in the current bid to the owners, I hoped to find this out, but I am now unable to attend.

I would like to make the following comments and pose a couple of questions based on the fact that I know a bid totalling £2million has been tabled by a business consortium + CUOSC.

It would appear that the Chairman now requires repayment of the £1.8 million in "loans" he has put into the club over several years, also the very much smaller loans to John Nixon, Lord Clark and presumably Steve Pattison require repayment.....

Question: What provision is there in the bid to repay these loans, in particular the Jenkins loan?

CUOSC: As we have outlined in the proposal there is provision for these loans to go back to AJ, probably in-part, based on the current cash position at the club

Question: Has any suggestion been made to AJ, to write off some of this sum, as Fred Story felt able to do?

CUOSC: As we have outlined in the proposal Andrew himself suggested at our earlier meeting that he himself would do so for every £1 of investment that came in; the offer is within the proposal and we haven't asked him to w/o all of his loans to the club as stated in the programme notes last Saturday

I would suggest a phased repayment, say over 5 years to be a solution.

This season the club has made money on player transfers, and 2 great cup runs and therefore has money not budgeted for. Last season, however, we had no such extra funding from either source, hence the need for AJ to inject cash, so regarding the investment sum being quoted of £2million....

Question: Has the consortium seen the books and therefore know what the monthly operating expenses are?

CUOSC: As we have outlined in the proposal We certainly saw them under the lapping proposal but we are probably working on estimates at the present time

Question: What would the consortium do to keep the club out of Administration, should a season like 2014/15 reoccur?

CUOSC: As we have outlined in the proposal The level of investment going in plus the increased revenue plans would keep the club in a positive position and out of administration

Regards

Linda Nicholson
Membership number 2031

From: "Richard">

Date: Tue, Feb 23, 2016 at 9:23 AM -0800

Subject: Questions for Friday

To: "info@cuosc.org.uk" <info@cuosc.org.uk>

I've no intention of going on Friday, sick of wasting my time attending meetings where nothing happens.

1. How do you expect to raise 500K when you can't even raise 10% of that in 6-10 years?

CUOSC: As we have outlined in the proposal, haven't been in a cash raising phase since the original £800k was raised. A number of initiatives would be used to generate the income

2. Who are the investors, amounts and ranges?

CUOSC: it isn't normal business practice to name investors at this stage of a deal. As we have outlined in the proposal £100k min and £250k max do that no one person had overall control. For the proposal RB & GM have been named as leads

3. You talk about a succession plan, what is the succession plan if the investment was/is successful?

CUOSC: As we have outlined in the proposal New blood onto the board, new investment and blood coming in down the line to alleviate the current overreliance on one person

4. Why did the investors choose to go via the trust?

CUOSC: They haven't gone via, they have gone along with CUOSC. after rejecting the club's November proposal agreed with AJ/JN that we would go out and seek local investment. We have done so and found people who have the ambition for the club to do well and who will contribute to it being a community club

5. Did the plan involve making AJ, SP and JN redundant from all boards?

CUOSC: TBC

6. How did you feasibly expect the bid to be accepted if AJ received nothing for his debt?

CUOSC: This is not and never has been the case the case as previously stated above

7. Would you keep a fans representative?

CUOSC: TBC

8. How much of the investment is available now to go into an escrow account?

CUOSC: Not at that stage at present. A firm promise of £1m plus £600k with conversations to be had with other potential investors

9. If successful what positions would you intend to create?

CUOSC: A number within the new boards and also in terms of staffing down the line MD in particular

10. Would you look into stating at Brunton park or at a new ground?

CUOSC: TBC; needs to be wide discussion involving many parties

11. Would you envisage any increases to membership fees to CUOSC if successful?

CUOSC: Yes, was always the plan to do so. We have increased the benefits to supporters and would look to do so even further as a result

12. Would they still be annual elections for board member changes to cuosc? CUOSC: Nothing has changed in the constitution re this

Thanks

Richard Mullen

From: "clairewinder" <>

Date: Wed, Feb 24, 2016 at 10:21 AM -0800

Subject: Questions about proposal - members meeting

To: "Carlisle United Official Supporters Club" <info@cuosc.org.uk>

Thank you for taking the time to reply to my questions, apologies for not being able to attend.

1. Why can't all the possible investors be named? It seems this in itself has caused barriers in this proposal and the last proposal.

CUOSC: as stated above it is not Common business practice at this stage Robin Brown elaborated on this point on Friday

2. How would CUOSC be raising the £500,000?

To date, CUOSC & in its previous guise as CUIST have relied heavily on individuals to loan/donate money.

CUOSC: It did, there may be individuals again, but a genuine stake in a community club is worth having and we will develop a number of initiatives/packages to generate this money including the smaller business investor

3. If CUOSC was not able to raise the £500,000 can you confirm that would affect the shareholding? I.e. require a dilution of shares.

CUOSC: Dilution yes but to a minimum of 10% . This deal is better for supporters as we could retain the 25%

4. How to CUOSC know their membership is supporting this proposal? There was a very definite show of support for the last one due to the membership vote. There are more members now but as yet we have not been consulted.

CUOSC: That is the very point of this meeting on Friday, so it is unfair to say that members haven't been consulted. The meeting was to outline the proposal to members and to gauge the reaction before moving on with the plan or not. A vote would be required in the future if the club decided to go with the proposal obviously

5. Will there be a membership vote once we have been given more details?

CUOSC: Yes – see above – if we are voting on dilution, proposal, share issuing etc

Best wishes,

Claire

Questions for Meeting - Fri 26th Feb
18:28

26/02/2016 -

To: info@CUOSC.org.uk

From: Dan MacLennan

Hi, expect these will be asked in some form anyway, but better safe than sorry!

1: The press release states '12-15 investors'. Only 2 are public knowledge. Who are the others and why are they not named yet?

2: The press release also states CUOSC would raise up to £500k. Given the organisation has raised very little in the previous decade, how do they expect to reach such a high sum?

3: The proposal talks of a figure of £2m for investment. This is a relatively small sum in the football world these days. What plans will be in place to keep monies rolling in in future times? A one off injection would merely be stop gap IMO.

Many thanks

Dan MacLennan

CUOSC: The answers to these questions are covered above