

Minutes of a Special General Meeting of The United Trust held at Foxy's Restaurant, Brunton Park, Carlisle on Sunday March 29 2015

Board/Officers Attendance	Apologies/ Absent
Alastair Woodcock (Secretary) Norman Steel* (Chair) Frank Beattie* (Vice-Chair) Jim Mitchell* Lynda Johnston* John Kukuc* David Steele* Nigel Davidson* Billy Atkinson* Peter Harrington (Treasurer)	Don Beacock* Tommy Earl* Carol Wilson*
All Board members marked with an asterisk Other officers as indicated	
Other Members attending: Atkinson K, Beacock J, Bell A, Birkett J, Bone D, Boyle J, Campbell AJ, Coleman T, Corrie E, Coyles S, Creighton DJ, Davison S, Denovellis M, Dent P, Dent R, Elliott K, Elliott S, Ferguson N, Fuller C, Gale G, Gale K, Gallagher L, Gardner L, Graves G, Gray L, Irving D, Jackson B, Johnston ND, Kilgour D, Lea R, Little D, Mair A, Monkhouse I, Myron J, Nearn M, Nearn N, Notman J, Ross A, Ross H, Rowley K, Shiels M, Skinner J, Steel S, Steel A, Telfer R, Wilson G	

1. Introduction by Norman Steel

Norman Steel as chair of the meeting, made an introductory address. He dealt with a couple of issues relating to the process of the SGM, in particular the release of information to members. A resolution calling for the ballot to be set aside and re-run via a third party such as a Union had been received from Kate Rowley (Member No.3) seconded by Karen Atkinson (Member No. 695). A threat of legal action had been made in a letter received from Keith Agar (Member No. 1952). To counter these, the Trust Board had acquired legal advice from DWF LLP, a firm of solicitors based in Manchester. Norman read out a letter from the firm, which stated the business of the meeting should go ahead, and that there was no question over the integrity of the ballot.

2. Presentation by Frank Beattie

A presentation prepared by secretary Alastair Woodcock was then shown to members, with accompanying dialogue by vice-chair Frank Beattie. This laid out in concise form the terms of the proposals from Andrew Lapping, covering the re-structuring of the football club and the likely breakdown of the new shareholdings in the Holding Company, both before and after voting rights are taken into account. It made the case for voting in favour of the resolution by laying out the improved and enhanced role for the Trust in the new-look set-up, with sufficient controls in place to prevent the club's assets being harmed.

3. Question & Answer Session

With the presentation complete, Frank asked for questions from the floor, with control of the meeting handed back to Norman.

George Graves (Member No. 269) asked why no new names had been released of the new investors. Norman replied that the heads of terms had yet to be finalised and as such, there was no compulsion for them to reveal their identities, as was their right. Another question came from the floor about the need for a meeting at all. Norman explained it was a requirement within the rules to hold a meeting when members were being consulted over important matters.

Alan Steel (Member No.1) questioned why after putting in £800k to get a 25.4% share, the Trust would now agree to dilution. He said it wasn't unusual for investors to put money into clubs where supporters held so-called 'negative control' (a stake of at least 25.1% and up to 49.9%). He said people make investments in a business to get something out. He was concerned that the ground would transfer into Holdings, out of the football club business itself. He said the Trust Board had a fiduciary duty to look after the club's assets. The alternative to accepting the plan could lead to administration in future – something Alan challenged, on the basis of Andrew Jenkins' financial backing. He claimed the club could acquire more than £1.25m given the asset base it had. Norman challenged him to come up with investors who would put in that sort of money with the 25.4 still in place. Alan said there hadn't been sufficient time to put in a counter-proposal but he would seek to do so.

Karen Atkinson asked a question about the Trust's constitution. She questioned whether the resolution as worded meant we were making a de-facto change to the rules – and such a resolution would require a 75% majority to be passed. She was concerned some of the aims and objectives contained within the rules were being changed, particularly Rules 4.2 and 5.3

Norman replied that the Board had sought legal advice over this and it was confirmed the resolution was an ordinary one needing a straight 51% majority. Frank stated he did not believe the aims and objectives were being changed in any way.

Norman explained that following this SGM there would be an 8-10 week period before the process could be completed, which would involve a reduction in debt. There would be a great chance then to get the fans back through the turnstiles. The club was crying out for change and this was a chance we must grasp.

Alan Steel expressed concern about the motivation behind the new investment. He was worried about the 'hedge fund' background of Andrew Lapping and his alleged previous statement about 'sweating assets' (the practice of maximising returns from a business's asset base). Norman stated all the incoming investors known to the Trust Board were trustworthy and honourable local business people. Alan was challenged from the floor by a member who wondered why any local business person would risk the reputation of their business by bringing harm to the football club.

Kate Rowley asked what would happen if someone walked into Brunton Park wanting to takeover for £3m or more. She said the £1.25m was a one-off investment and may not be enough on its own. She said she had been given the names of investors by Andrew Lapping, but was concerned that several local businesses that had supported the club down the years, such as Lloyds, were not involved.

Norman responded by saying several local businesses had stopped sponsoring the club in recent times. He was hopeful this situation would improve with the new investment and changes to personnel/ structure at the top of the club.

Alan Steel was asked from the floor if he had personally believed everything John Courtenay had promised when he took over the club (in 2002)? Alan's response was that everything agreed with John Courtenay had been subject to contract.

Karen Atkinson asked if the proposed new investors had been asked to join the Trust and put their money in that way. Norman said that they preferred to put money in as individuals but supported the Trust fully and were committed to getting more people to join, to make it more representative.

The Q&A session was then wound up.

4. Counting of ballots and announcement of results

There then followed a short recess of about 10-15 minutes while ballots cast on the day were counted. Ballots already received had been independently counted by a member of staff at a local accountancy firm with an accompanying letter stating the totals for each voting option.

The secretary Alastair helped by board member David Steele counted and double-checked the ballots cast on the day.

Chair Norman Steel was then invited to announce the results.

The resolution was as follows:

"The members give approval to the Board of the Society to waive any rights contained in section 7 of the Shareholders' Agreement dated May 30th, 2006, headed "Agreement relating to shares in CUFC Holdings Limited" so as to allow for an injection of share capital into CUFC Holdings totalling approximately £1,250,000 via a new issue of shares. This will dilute the Society's share to no less than 10 per cent of Holdings and will be protected at that level."

Votes in favour: 180 (92.8%)

Votes against: 14 (7.2%)

Spoilt ballots: 3

Votes cast electronically: 23

Votes by post: 121

Votes on the day (in person or by proxy): 53

Total votes cast: 197

The resolution was therefore carried.

There being no more business, the meeting was declared closed.