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Liz Ditchburn
Director General Economy
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18 July 2019

Dear Liz

I refer to your letter of 15 July 2019.

You state in your letter that "Based on the information currently available to us...the most appropriate...responsible and commercial form of resolution..." is to acquire the CBC shareholding for [REDACTED]. You also indicate that this course of action is in the best interests of the creditors and stakeholders of the group.

Allowing a fair value exercise to be undertaken does not in any way negatively impact the creditors or the stakeholders, if indeed you believe fair value is [REDACTED] as you and your advisors have stated many times. Under our proposal, having transferred the shares to the Scottish Ministers with the fair value to be paid once determined by the independent expert, the parties, including ourselves, will be working together to ensure the smooth transition of the business into the ownership of the Scottish Government. We think this is the most responsible and commercial route for all parties.

In terms of our £3,000,000 loan, at no point have we ever used this to threaten any progress on the solvent solution for the business. Going forward however, the actions and decisions we take in relation to this loan, will have to be driven by what is in the best interests of our investors, and this may not always align with the best interests of the group or indeed Scottish Ministers. This is the reason why we believe it is in the best interests of both the group and the Scottish Ministers to repay this loan at present to ensure that both are free to continue the business in the way in which the Scottish Ministers see fit.

We would therefore ask you to reconsider your position as regards the fair value process for the acquisition of our shares, and the repayment of our loan.

Yours sincerely



Partner