

Mrs. Anne Dickson

-v-

Bradford & Bingley Building Society

Claim No: 7SW00202

**Report Prepared by:
Mr Robert John Clegg**

14 May 2007

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1. Introduction

This document outlines the case for damages against the Bradford and Bingley Building society on behalf of Mrs Anne Dickson. The justification is based primarily upon establishing the following key points:

1. The B&B sought and achieved possession of Mrs Dickson's property in 1997 with the support of a fabricated mortgage account.
2. Some of the documents which support this claim were not made available to Mrs Dickson until 2001.
3. B&B's claim that vital records had been destroyed by MBS on March 31st 1985 is untrue and a gross misrepresentation of the facts.
 - The B&B applied, after 11 years of litigation, to strike out Mrs Dickson's defence. This course of action, I suggest, was adopted because the defence appeared to be questioning the lack of authentic documents. This is indicated in correspondences of 95/96 (see appendix 1 page 9-15). It is my contention that a full trial could not have taken place without this fraudulent misrepresentation being exposed.

The alleged mortgage account has never been tested in court and any examination of it will establish.

- The alleged debt of £25,149.93 was not transferred from MBS to B&B at the time of transfer on March 31st 1985.
- The alleged debt is only an estimate of what B&B felt should have existed.
- In January 1986 B&B retrospectively constructed a false record of account in order to establish a link between the alleged debt and the mortgage account of 1980 held in Mrs Dickson's name by MBS.
- False documents have been produced in support of the account.

2. Background events leading to eviction

The history of events described below, may help to explain the circumstances leading to this fabrication but it is important to note that the claim is not in any way reliant upon it.

Proof that the B&B Building Society (B&B) fabricated a debt, and that debt was then used to gain possession of the said property, is based solely upon documental evidence which is contained within the account records that were supplied by B&B.

Whilst relevant to the case, the history is remote from the factual fresh evidence on which Mrs. Dickson wishes to rely.

Parties concerned

1. Mr & Mrs A. J. Dickson of Derbyshire Farm, Ormskirk.
2. Mr David Hoose, solicitor's clerk at Bartley Cocks & Bird, Liverpool (BC&B)
3. Mr Eric Capper, solicitor at Bartley Cocks & Bird, Liverpool
4. Mr Landsbury Laurie, accountant/secretary and only full time employee of the Merseyside Building Society, Liverpool. (MBS)
5. The Bradford & Bingley Building Society (B&B).

Background to events

In 1977 Mr Dickson was self employed running a small furniture factory just outside Liverpool City centre.

Mrs Dickson was employed as a nurse in Newsham Hospital.

Mr Dickson held a cash and cheque account with BC&B. The record of this account shows that regular deposits were made into the account and transactions then carried out by BC&B on behalf of Mr. Dickson.

Key events in chronological order

- Early 1978 Mr David Hoose was dismissed by Mr Capper after admitting to embezzling between £3,000 and £5,000 from Mr Dickson's account.
- October 1978 the Dickson's purchased Derbyshire Farm at auction for £23,000. The property was derelict and the vendor (James Holland) agreed to a deposit of 10% with the balance deferred six months. Monies were paid into Mr Dickson's account at BC&B a proportion of which was to be paid to the vendor's solicitor for the purpose of reducing the deferred balance.
- September 1979 a mortgage with the MBS for £7,500 was arranged by Mr Capper in order to complete the purchase of Derbyshire farm. Mrs. Dickson began repayments in October 1979 in reduction of this mortgage.

- August 1980 Mrs Dickson applied for a further advance of £4,500. This advance was refused by Mr Laurie of MBS as he was not in possession of the deeds. It was only after applying for this further advance that Mrs. Dickson was made aware of the fact that completion had not taken place in September 1979, and £7,282.45 remained unpaid. An argument between Mr Dickson and Mr Capper which resulted in Mr Capper securing a loan from his bank in order to pay off the balance to the vendor.
- July 31st 1980 the deeds were handed to Mr. Laurie of the MBS. It follows that Mr. Laurie was at best negligent for setting up the 1979 mortgage without security and then to have allowed the 1979 advance to remain unsecured for 11 months without informing Mrs. Dickson of the situation.
- With the deeds now with MBS the 1979 mortgage would be legal. Mr. Laurie was aware of the situation and must have known that any further advance made, if paid to Mr. Capper, would be unlikely to benefit Mrs Dickson. In spite of this a new mortgage of £12,000 was put in place (the 1980 charge), the 1979 advance was vacated, and the balance of £4,246.79 was sent to Mr. Capper.

Mr. Dickson confronted Mr. Laurie and told him that he would not accept the new debt but would honour the 1979 debt if it were reinstated. Mrs. Dickson claims that Mr. Laurie acknowledged to her that he was aware that Mr. Capper was committing fraud and that he would report him to the law society and reclaim this debt through them.

- October 1981 Mr Capper's claim against Mrs Dickson was withdrawn and the costs awarded to Mrs. Dickson.
- June 1982 Mr Capper was imprisoned for 2 years on charges of fraud.
- March 31 1985 transfer of business from MBS to B&B
- Nine months later in December 1985 B&B made their first contact with Mrs Dickson.
- October 1986 B&B credited the account by £1,997.80, a sum (it is claimed in 2001) which represented fines charged by MBS between 1981-1982. This sum, the B&B had previously referred to as a repayment, this implied that Mrs Dickson had at some time acknowledged the debt.

The records and correspondence I have examined point clearly to the fact that Mr. Laurie only recorded an account in Mrs Dickson's name until June 1982, the time of Mr Capper's imprisonment. According to Mrs. Dickson, the offices of Mr. Laurie and Mr. Capper were in close proximity of each other and they had a close business relationship.

3. Summary Overview

- The B&B sought and achieved repossession of Mrs Dickson's property in 1997 on the basis of a fabricated mortgage account. The account was simply an estimate of the monies which they believed should have been owed. The B&B deliberately failed to disclose this fact, which represents a serious abuse of process.
- Had the true facts, regarding this estimation, been put before the court or Mrs. Dickson in the first instance, an early agreement could have been sought or imposed by the court.
- The "striking out of the defence" adopted by the B&B in 1996 was simply an attempt to prevent discovery and analysis of this fabricated account. The initial claim or any other position adopted could not have prevented questioning of the account.
- The evidence outlined in part 5 of this document proves that the B&B is guilty of fraud, false accounting and failure to disclose vital documents.

4. Prima-facie evidence

1. In July 1982, Mr Capper of Bartley, Cox and Bird, the solicitor representing Mrs Dickson was convicted of embezzling funds from client accounts and sentenced to two years imprisonment.
2. The MBS was in close proximity to Bartley, Cox and Bird solicitors. Mr Capper and MR. Laurie were closely acquainted.
3. The B&B originally claimed that all documents relating to the account were inadvertently destroyed.
4. Mrs Dickson made no payments to MBS and received no requests for payment from the society.
5. The initial contact made by B&B to Mrs Dickson was 9 months after the transfer in December 1985 and was a personal visit to her home. This was to question her account with MBS. Despite the alleged B&B account being seriously in arrears, this was not raised.
6. A MBS record of this account for the period 1982 to 1985 does not exist.
7. In 2001 B&B claimed that the records were deliberately destroyed but only after all data had been transferred onto their computer system. This data, if it exists, has not been revealed or disclosed.
8. The source of the figures for the period 1982 to 1985 is a handwritten account produced by the B&B in Jan 1986, but not disclosed until 2000.
9. The B&B computerised record to December 1985 shows arrears are in advance by over £23,000 and demonstrates that previous arrears statements are false. This document was not disclosed until 2000.

5. Analysis and Deconstruction of "alleged" account

The following is my analysis and deconstruction of the mortgage account documents presented by the B&B within the possession proceedings in 1996.

It includes the most relevant financial documents and correspondence relating to this case which has been disclosed to date.

The evidence supports my contention that this record of account for the period June 1982 to March 1985 has been retrospectively produced in order to link a false debt of £25,149.93 to the 1980 account in Mrs Dickson's name. It amounts to no more than a crude estimate of a debt which the B&B, may have, felt should have existed.

Some of the errors made, and anomalies created, by B&B when constructing this account are as follows.

1. The closing entries in MBS record of the account for the period 1 August 1981 to 31 July 1982 show signs of manipulation by the B&B. (see appendix 2 pages 16 -20)
2. Post 1982 all interest figures applied to the account cannot be attributed to MBS. (see appendix 3 pages 21 - 27)
3. Subscriptions due from 1982 are insufficient to repay the debt. (see appendix 4 pages 28 - 31)
4. The lines associated with this account after 1982 are fraught with anomalies and inconsistencies. (see appendix 5 pages 32 - 34)
5. The arrears recorded by the B&B are not recorded within the MBS annual returns. (see appendix 6 pages 35 -37)
6. The B&B state that the MBS applied an arrears reduction of £11,230 but have disclosed only erroneous evidence in support of this claim. (see appendix 7 pages 38 - 40)
7. Copies of two MBS computer printouts have been disclosed for which no originals exist. These are fraudulent. (see appendix 8 pages 41 - 45)

8. The initial entries to this account in the B&B computer system are inconsistent with the procedures applied to other client accounts that had been transferred.(see appendix 9 pages 46 - 50)
9. When B&B created the account within their computer system an accounting error caused an extraordinary arrears situation. (see appendix 10 pages 51 - 55)

Appendix 1

Attachments

1. Document 10 page 11 Thelwall Fagan & Co. 21 December 1995.
2. Document 11 page 12 Alsop Wilkinson 26 February 1996.
3. Document 12, page 13 Alsop Wilkinson 21 March 1996.
4. Document 14, page 14 Thelwall Fagan & Co. 9 April 1996
5. Document 15, page 15 Alsop Wilkinson 19 April 1996

Correspondence from February 1996 to April 1996 between the respective solicitors demonstrates that the defence was likely to bring into issue the authenticity of the account records.

I suggest it was for this reason that B&B made a belated application to strike out the defence thereby avoiding an examination of the account.

In attachment 1 page 11 paragraph 5, Thelwall Fagan states;

"We note at this stage the absence of any account records from the Merseyside Building Society and limited communications from that body to the defendants and their then solicitors.....We anticipate there will have been further relevant documents created since the list was produced on 2 August 1991 and these should include details of how the current sum is calculated."

In attachment 2 page 12 paragraph 1, B&B's Solicitors Alsop Wilkinson respond;

Our client holds no further information nor is it able to obtain any further documents or information. All documents relating to the Merseyside Building Society were inadvertently destroyed and there is no do further documentation that can be provided. They were destroyed in April or May 1985."

In attachment 3 page 13 paragraph 1, Alsop Wilkinson state,

"We have identified further documents. Accordingly, we have enclosed a supplemental list of documents. Kindly acknowledge safe receipt."

In attachment 4 page 14 paragraph 1, Thelwall Fagan say;

"In you're your 26 February letter you indicate that all documents relating to the Merseyside Building Society were inadvertently destroyed in April/May 1985. Please note that when witness statements come to be exchanged we require evidence of the precise circumstances in which the Merseyside Building Society documents were destroyed and what it is claimed those documents would have comprised.

Kindly clarify whether it is your intension to call as a witness at the trial of action Mr Landsbury Laurie previously of the Merseyside Building Society then of the Bradford and Bingley Building Society.2

In attachment 5 page paragraphs 1&2 Alsop Wilkinson reply;

We envisage that it will not be possible to produce evidence of the precise circumstances in which the Merseyside Building society were destroyed in April/May 1985 ie before the transfer of engagements took place. We have disclosed the title deeds in the list o documents and the Merseyside Building Society documents (which had not been destroyed) in our clients supplemental list of documents.....In any event, the title deeds are available and the whole basis of our clients claim is that a mortgage deed was signed in 1980 acknowledging the receipt of the full amount of the initial advance of £12,000.

With reference to Mr. Landsbury Laurie, he does not have any particular recollection of this matter and in the circumstances there would appear to be little point in calling him as a witness to give evidence at the trial."

Attachment 5 is revealing in its intent. B&B feel confident that they can prove the mortgage deed was signed but have no intension of attempting to prove the authenticity of the account itself, either witness representation or by written documentation. Indeed, they are determined to use anything at their disposal to prevent any examination of this account.

THELWELL FAGAN & Co.
SOLICITORS

Noel J. Fagan LL.B.
Michael Berry
Michael J. Read B.A. (Law)
Arthur Thelwell D.P.A. Consultant

Messrs Alsop Wilkinson
Solicitors
DX 14103
Liverpool

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Merseyside L48 4EF

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Fax No: 0151-625 5576

DX 24653 West Kirby

Our Ref: AB.KV.D9467

Your Ref: KML.AMA.jd

Date: 21 December 1995

Dear Sirs

re: Bradford & Bingley Building Society -v- A P Dickson (1), A J Dickson (2)

Thank you for your 19 December letter together with enclosures. We appreciate your co-operation in providing the copies. We comment as follows:-

1. We enclose by way of service Notice of Issue of Legal Aid Certificate. The original has today been filed at Court. Kindly acknowledge safe receipt.
2. Of the Summonses and Orders referred to in your schedule you have not provided copies of those numbered 12, 14, 15 & 16. We would be grateful if you would provide to us a copy of document 12, as well as those numbered 14, 15 & 16 for completeness.
3. We enclose as requested copies of the undated Reply and Notice of Change dated 16 August 1993. We are not enclosing copies of the other documents requested by you since such applications are held to be matters between the Solicitors acting and their clients.
4. We agree it is in the interest of the parties that this saga be determined as soon as this is practicable.
5. We turn now to your client's List of Documents. We comment as follows regarding the documents appearing in Schedule 1 Part 1 of that list, retaining the numbering employed for ease of reference:-
 41. We note this letter is headed "without prejudice" and as such is privileged and should appear in Schedule 1 Part 2.
 15. A copy of this document has not been produced.
 20. This document should correctly be a letter from Southern Ritchie & Clegg to the Plaintiff.
 - 51 & 52. Please confirm whether these documents are the same as document 50. If either of them differ in any material particular, as opposed to the date, please provide us with copies.

54. Please provide copies.

5-7 We note that you have provided to us copies of the following letters which do not appear in Schedule 1 Part 1 of your client's list, letter from Silverbeck & Co to the Plaintiff 3 February 1986 and letter from Plaintiff to First Defendant 24 September 1986. You will appreciate that we have not yet had the opportunity to fully consider the question of discovery by your clients. When we have had that opportunity it may well be that we in turn will seek further disclosure in your clients' List of certain documents. Whilst this should not be treated as an exclusive list we note at this stage the absence of any accounts records from the Merseyside Building Society and limited communications by that body to the Defendants and there then Solicitors. There is a reference to Roll No. 2772. What documents are of have been in existence relating to this account? We anticipate there will have been further relevant documents created since the List was produced on 2 August 1991 and these should include details of how the current sum claimed is calculated.

6. We turn now to the List of Documents filed and served on 7 January 1992 on behalf of both Defendants. You have kindly provided us with a copy of document 1 in Schedule 1 Part 1 of that list. We do not hold a copy of document 2. We will provide a copy to you if this is with the papers we have requested Kennedys forward to us.

7. You consider that our client and her late husband must have or have had possession, custody or control of more documents than those disclosed. You will appreciate that we cannot speak for Mr Dickson. We have requested from Kennedys their file of papers. Once these are received we will consider whether full disclosure has been given by our client and, if appropriate, prepare a supplemental List. You suggest we consider this position within a 14 days period which includes the Christmas and New Year holidays. We have no wish to be obstructive but realistically it is unlikely we will be able to give full consideration to the position within the time scale which you suggest, especially as we are dependent upon receipt of papers from another firm. We have only just been instructed. You have had conduct of this matter for the previous 7 years. We would respectfully suggest it is inappropriate that a precipitate application be made. It may assist in speeding up the process if you advise the nature of the documents you consider have not been disclosed.

8. We are considering your request to amend the Reply.

9. Please provide us with a copy of the application to join the proposed co-Defendants to the proceedings, together with a copy of any Affidavit in support so that we may consider this aspect further.

10. We do not have conduct of Mr Dickson's estate. Whilst we are enquiring have you checked the position with Kennedys here?

Yours faithfully

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ALSOP WILKINSON



C. Adams	R. Brown	R. J. Baker	S. Collins	J. Dixon
D. M. Cook	M. P. Gwynn	T. M. B. Waters	S. E. W. Wainwright	S. G. W. Wainwright
K. Lee Smith	D. P. Jones	D. C. Ross	R. J. Carr	
D. D. M. ...	W. H. D. ...	M. A. ...	D. A. ...	
H. ...	S. ...	M. ...	D. ...	
G. ...	H. ...	W. ...	G. ...	
P. ...	E. ...	T. ...	M. ...	
H. ...	N. ...	G. ...	R. ...	
P. ...	S. ...	M. ...	K. ...	
S. ...	M. ...	S. ...	E. ...	
R. ...	P. ...	J. ...	L. ...	
W. ...	S. ...	A. ...	W. ...	
M. ...	S. ...	P. ...	W. ...	
G. ...	Z. ...	D. ...	S. ...	
S. ...	J. ...	J. ...	P. ...	
S. ...	N. ...	P. ...	K. ...	
S. ...	A. ...	P. ...	R. ...	

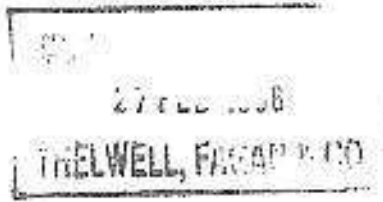
India Buildings
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Telex: 627369 DX 14100
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Director: KML:AMA:jd
Manager: AB:LC:09467

26th February 1996

TheIwell Fagan & Co
Solicitors
DX 24653
NEST KIRBY



Bear Sirs

Bradford & Bingley Building Society v A P Dickson & A J Dickson

Thank you for your letter dated 21st February.

We refer to your letter of 30th January and can now answer as follows. Your client borrowed the sum of £7,500 from Merseyside Building Society on 27th September 1979. In July 1980 your client applied to Bradford & Bingley Building Society for a further advance of £4,500 but it was a term of this loan that the existing mortgage be re-paid. Consequently an offer of £12,000 was made to your client which she signed in acceptance and the monies were released in August 1980 under mortgage reference number 2835. An amount of £7752.21 was credited to account number 2772 in redemption of the original loan on 1st August 1980. Our client holds no further information nor is it able to obtain any further documents or information. All documents relating to Merseyside Building Society were inadvertently destroyed and there is no further documentation that can be provided. They were destroyed in April or May 1985.

We are still awaiting our clients' confirmation and/or provision of documents created since our clients produced their list of documents.

We look forward to receiving your client's supplemental list of documents together with the documents. We undertake to pay your reasonable photocopying charges.

With respect to your contention that Mr Dickson was included as a party to the action as he was in occupation of the property we refer you to the Particulars of Claim which set out the reason Mr Dickson was joined ie as Guarantor to the legal



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ALSO P WILKINSON

21-3-96



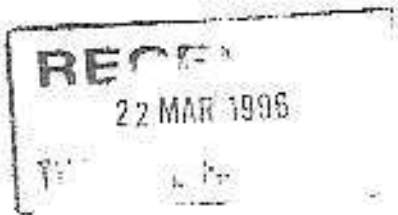
EP Davis	MS Jackson	MF W. Anderson	MR. Williams
MJL Jones	Charles Wilson	R. J. Hall	
DR Jinks	David Ross	W. J. Campbell	
W. H. Ogden	MA Nettle	THH Hagen	
ST Lee	MS Jones	LA Hamilton	
W. H. Parker	MP Wardman	Alan Smith	
2 J. Baker	OG Doyle	R. J. Haines	
R. W. Jones	MAHOB	P. G. Smith	
Albert Greenway	W. L. G.	RR Stewart	
M. J. Jones	John Leonard	K. J. Smith	
2 J. Weston	A. P. Jones	W. J. Smith	
P. J. Woodcock	PR Young	W. H. Wilson	
MR. Green	THH Caldwell	AL Young	
MS Smith	J. J. Jones	R. J. Jones	
2 J. Taylor	PN Thomas	R. J. Jones	
2 J. Smith	Phosphorus	W. J. Jones	
2 J. Jones	MC. Jones	2 J. Jones	
		2 J. Jones	

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Fax: 0151 569208

Our ref: KME.LMA.Jd
Your ref: AB.VK.09467

21st March 1996

Thewell Fagan & Co
Solicitors
DX 24653
WEST KIRBY



Dear Sirs

Bradford & Bingley Building Society v A P Dickson and A J Dickson

We refer to your letter dated 28th February, the contents of which we note. We have identified further documents. Accordingly, we enclose a supplemental list of documents. Kindly acknowledge same receipt.

With reference to the final paragraph of your letter dated 30th January we consider that the draft Amended Particulars of Claim do not seek to introduce any additional rights of action against your clients but introduce rights of action against their former firm of solicitors. We do not consider that these are statute barred as they concern claims that the solicitors received the money and held it on trust for the Plaintiff. There is no limitation as regards the receipt of trust monies nor is there any limitation in respect of any fraud or fraudulent breach of trust. In any event, this is a matter for the firm of solicitors' representatives and not for yourselves.

We note we have still not received your supplemental list of documents and if we do not receive it within the next 14 days we shall make an application for specific discovery.

Yours faithfully

[Handwritten signature]
ALSO P WILKINSON



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Noel J. Fagan LL.B.
Michael Berry
Michael J. Read B.A. (Law)
Arthur Thelwell D.P.A. Consultant
Magdih Lawrence LL.B. Associate
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DX 24653 West Kirby
Our Ref: AB.JG.D9467

Your Ref: RML.AMA.jd

Date: 9 April 1996

Messrs Alsop Wilkinson
Solicitors
DX 14103
LIVERPOOL

Dear Sirs

re: Bradford & Bingley Building Society -v- A P Dickson & A J Dickson

In your 26 February letter you indicated that all documents relating to the Merseyside Building Society were inadvertently destroyed in April/May 1995. Please note that when witness statements come to be exchanged we require evidence of the precise circumstances in which the Merseyside Building Society documents were destroyed and what it is claimed those documents would have comprised.

Kindly clarify whether it is your intention to call as a witness at the trial of the action Mr Lansbury Laurie previously of the Merseyside Building Society and then of the Bradford & Bingley Building Society.

Yours faithfully

A BOGLE for
Thelwell Fagan

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20/04/96

ALSOP WILKINSON



D. Adams	K. Paine	S. C. Jervis	N. W. Jackson	Sally Jackson
D. M. Quinn	M. H. Vickers	L. Leitch-Walker	R. J. O'Neil	
H. L. Smith	O. K. Jinks	D. A. Dain	R. J. Campbell	
D. P. Stone	W. H. Duffell	M. A. Miles	T. D. Dwyer	
D. L. Davidson	A. T. Cook	A. S. Stone	G. C. Hardisty	
C. W. Walker	R. J. Thomas	M. P. Robinson	Mary Clarke	
P. H. Wyle	R. J. Reaney	G. D. Butler	R. J. Hurst	
D. H. Manning	N. W. Jones	M. G. Hill	B. Searle	
P. D. Gordon-Smith	Alain Roseman	S. C. Lee	H. B. Schofield	
S. H. Withers	M. J. Power	J. G. Leonard	Kate Lee	
R. J. Pidge	P. L. Wilson	A. D. Harris	W. J. Hill	
W. A. Parnell	P. J. Thomas	P. R. Manning	W. D. Wood	
A. J. Clark	Van Lynden	D. H. Curran	A. D. Young	
G. C. Day	D. S. Mather	J. G. Fenlon	R. Brainer	Consultants
C. A. Day	J. M. Lusk	P. J. Thomas	R. M. Lewis	S. C. Lee
S. M. Miller	S. J. Crockett	T. K. Greenwell	S. J. Price	D. P. O'Neil
S. T. Hancock	C. Parnell	M. C. Day	J. Trevel	

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Our ref: KML.AMA.Jd
Your ref: AB.LC.D9467



19th April 1996

Thelwell Fagan & Co
Solicitors
DX 24653
West Kirby

Dear Sirs

Bradford & Bingley Building Society v A P Dickson and A J Dickson

We refer to your letter dated 9th April. We envisage that it will not be possible to produce evidence of the precise circumstances in which the Merseyside Building Society documents were destroyed in April/May 1985 ie before the Transfer of Engagements took place. We have disclosed the title deeds in the List of Documents and the Merseyside Building Society documents (which had not been destroyed) in our client's Supplemental List of Documents. We do not know which documents you now require sight of. Perhaps you could be more specific? In any event, the title deeds are available and the whole basis of our client's claim is that a mortgage deed was signed in 1980 acknowledging the receipt of the full amount of the initial advance of £12,000.

With reference to Mr Lansbury Laurie, he does not have any particular recollection of this matter and in the circumstances there would appear to be little point in calling him as a witness to give evidence at the trial.

We look forward to receiving your client's Supplemental List of Documents by 25th April.

Yours faithfully


ALSOP WILKINSON

0058d

Other Offices in London • Manchester • Bristol • Hong Kong • New York

This firm is qualified to take business in the various jurisdictions in which it is licensed to practice.



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Appendix 2

Attachments:

1. Document 40, pages 18-19. MBS statement of account from Aug 1980 to July 31 1982.
2. Document 58, page 20 Calculation of interest for Merseyside Building Society provided by B&B

Evidence of manipulation:

1. On attachment 1 page 2 the original MBS account number (0835) has been replaced with a B&B account number (097A 662243F). A procedure which is not repeated on other MBS documentation.
2. The date/item entry for 1 June 82 is not in chronological order, unlike all other entries. This incorrect placement is compounded by the fact that the entry refers to an interest credit figure which is incorrect.
3. The interest rate credit applied on 1 June 82 is mistakenly applied for one month rather than two months. However, the real evidence of fraud is the fact that the figure is arrived at by applying a method for calculation of interest rate changes which the B&B wrongly assumed to be used by MBS.

Attachment 2 shows clearly that B&B believed that MBS calculated interest rate changes on a daily basis. This assertion was incorrect as MBS applied interest rate changes on a monthly basis.

Proceeding on this incorrect premise the interest credit on 1 June 1982 was £13.95.

Interest applied on a daily basis:

Capital for interest	£13,142.72
Rate change applied	1.25%
Remaining term	31 DAYS
Interest credit	£13.95
Calculation	$((£13,142.72 \times 1.25\%) / 365) \times 31 = £13.95$

If this was an authentic document the MBS calculation would have been;

Capital for interest	£13,142.72
Rate change applied	1.25%
Remaining term	1 MONTH
Interest credit	£13.69

The interest rate credit applied on 1 June 82 should have been £27.38 (2x £13.69) as it should have applied for two months. A genuine error could have resulted in one month being applied and a figure of £13.69. However, the specific figure of £13.95 which was applied proves beyond doubt that the document has been tampered with.

A genuine interest rate change on attachment 1 is applied on Nov 1 1982 for £197.14 which has been calculated on a monthly basis. The interest rates at the top of the page show this change to be from 15.75% to 17.75% a difference of 2%.

Capital for interest	£13,142.72
Rate change applied	2%
Remaining term	9 months
Interest debit	£197.14
Calculation	$((£13,142.72 \times 2\%) / 12) \times 9 = £197.14$

MORTGAGE LEDGER

No. DICKSON MRS. ANN PATRICIA

2835 Account No.

Advance £12,000 Rate % 17.5 Terms 20, 1st Payment Due 24 AUG '80

Monthly Repayment	
£	186.00
£	
£	

Insurance £ 60,000 30-HE-88052 A.P.E. Due MARCH

Repayment Due	Date/Trans	Debit/Credit	Account Balance	Arrears Balance	Check Total
	1 AUG 80 ADV	12,000.00	12,000.00	0.00	14,835.00
	1 AUG 80 INT	2,100.00	14,100.00	0.00	16,935.00
188.00	22 AUG 80 FEE	2.00	14,102.00	0.00	16,937.00
188.00	19 SEP 80		14,102.00	376.00	17,313.00
188.00	17 OCT 80		14,102.00	564.00	17,501.00
188.00	15 NOV 80 REP	125.00	13,977.00	439.00	17,251.00
188.00	13 DEC 80 REP		13,977.00	627.00	17,439.00
188.00	11 JAN 81 REP		13,977.00	815.00	17,627.00
188.00	9 FEB 81 REP	26.50	14,003.50	815.00	17,653.50
	3 FEB 81 REP	100.00	13,903.50	1,003.00	17,843.50
	19 FEB 81 REP	200.00	13,703.50	903.00	17,243.50
	23 FEB 81 REP	200.00	13,503.50	503.00	16,843.50
	19 FEB 81 REP	200.00	13,703.50	703.00	17,243.50
238.87	14 FEB 81 FKS	50.87	13,756.37	703.00	17,294.37
	27 FEB 81		13,756.37	841.87	17,533.24
INS PREM	25 MAR 81 IP	100.38	13,856.75	941.87	17,633.62
	16 MAR 81 REP	100.00	13,756.75	841.87	17,433.62
188.00	31 MAR 81		13,756.75	1,029.87	17,621.62
	6 APR 81 REP	100.00	13,656.75	929.87	17,421.62
188.00	24 APR 81 REP	100.00	13,556.75	829.87	17,221.62
	30 APR 81		13,556.75	1,017.87	17,409.62
74.75	1 MAR 81 INT	52.52	13,504.23	1,017.87	17,357.10
188.00	5 MAY 81 FKS	74.75	13,578.98	1,017.87	17,431.85
	29 MAY 81		13,578.98	1,280.62	17,694.60
	15 JUN 81 REP	100.00	13,478.98	1,180.62	17,494.60
188.00	23 JUN 81 REP	100.00	13,378.98	1,080.62	17,294.60
	30 JUN 81		13,378.98	1,268.62	17,482.60
	8 JUL 81 REP	150.00	13,228.98	1,118.62	17,182.60
	9 JUL 81 FKS	63.74	13,292.72	1,118.62	17,246.34
251.74	16 JUL 81 REP	150.00	13,142.72	968.62	16,946.34
	17 JUL 81		13,142.72	1,220.36	17,198.08
	1 AUG 81 INT	2,069.97	15,212.69	1,220.36	19,268.05
	4 AUG 81 REP	150.00	15,062.69	1,070.36	18,968.05
	12 AUG 81 REP	100.00	14,962.69	970.36	18,768.05

Date of Advance AUG 80 17.5% Property DARBYSHIRE FARM HOUSE SCHOOL LANE WESTHEAD NR. ORMSK LANCs.

FINES £217-86

(4)

MORTGAGE LEDGER

DICKSON MRS ANN PATRICIA

002243 P. Acco

Advance £12,000

Rate % 15.75

(16) Terms

20

1st Payment Due

24

Monthly Repayment

159

72.680

Insurance 60.000

A.P. 109.02

Due

3ONE. 11582398

109.02

Repayment Due	Date/Item	Debit/Credit	Account Balance	Arrears Balance	Check Total
			14,962.69	\$ 970.36	18,768.05
	27 APR 81 REP	100.00	15,062.69	\$ 1,070.36	18,968.05
188.00	27 APR 81		15,062.69	\$ 1,258.36	19,156.05
188.00	27 APR 81		15,062.69	\$ 1,446.36	19,344.05
188.00	27 APR 81		15,062.69	\$ 1,634.36	19,532.05
	1 NOV 81 INF	197.10			
	1 NOV 81 INF		15,259.79	\$ 1,634.36	19,729.15
	1 NOV 81 INF	.64	15,259.83	\$ 1,634.36	19,729.19
188.00	29 JAN 82		15,259.83	\$ 1,822.36	19,917.19
188.00	29 JAN 82		15,259.83	\$ 2,010.36	20,105.19
188.00	29 JAN 82		15,259.83	\$ 2,198.36	20,293.19
188.00	26 FEB 82		15,259.83	\$ 2,386.36	20,481.19
	25 MAR 82 IP	109.02	15,368.85	\$ 2,386.36	20,590.21
188.00	30 MAR 82		15,368.85	\$ 2,574.36	20,778.21
188.00	30 APR 82		15,368.85	\$ 2,762.36	20,966.21
188.00	28 MAY 82		15,368.85	\$ 2,950.36	21,154.21
188.00	29 JUN 82		15,368.85	\$ 3,138.36	21,342.21
188.00	1 JUL 82	13.95	15,354.90	\$ 3,138.36	21,328.26
188.00	30 JUL 82		15,354.90	\$ 3,326.36	21,516.26
	LAST	£2,687.00	18,041.90		
		£1,976.00		6,913.00	

Date of Advance 8/1780

AUG. 80 17.5%

Property

DARBYSHIRE FARM HOUSE SCHOOL LANE WESTHEAD, NR. UNWICK

Coll. Security

FH

(5)

CHARGE 2211378 - 8100

Calculation of Interest for Merseyside Building Society
based on Year End figures already supplied and Year End Report and Accounts

Aug 80 - July 80		Balance	
		£12000.00	
01/08/80 - 30/04/81			
273 days @ 17.5%	£1570.68		
01/05/81 - 31/07/81			
92 days @ 15.75%	£ 476.38		

	£2047.06		
Aug 81 - July 82		£15142.72	
01/08/81 - 30/10/81			
92 days @ 15.75%	£ 521.75		
01/11/81 - 31/05/82			
212 days @ 17.25%	£1316.80		
01/06/82 - 31/07/82			
61 days @ 16%	£ 351.43		

	£2189.98		
Aug 82 - July 83		£15354.90	
01/08/82 - 31/08/82			
31 days @ 16%	£ 208.70		
01/09/82 - 31/12/82			
122 days @ 14.75%	£ 757.02		
01/01/83 - 30/06/83			
181 days @ 13%	£ 989.90		
01/07/83 - 31/07/83			
31 days @ 14.5%	£ 189.10		

	£2144.72		
Aug 83 - July 84		£18606.18	
01/08/83 - 30/04/84			
273 days @ 14.5%	£2017.88		
01/05/84 - 31/07/84			
92 days @ 13.5%	£ 633.12		

	£2651.00		

21
182

Appendix 3

Attachments

1. Document 41, page 23-26 Handwritten Mortgage statements for year endings 31 July 1983, 1984,
2. Document 58 page 27 Calculation of interest for Merseyside Building Society provided by B&B

Document 41 was produced by B&B in January 1986. This is evident by the fact that it is handwritten up to 31 Dec 1985. With no MBS account record figures were required in order to link the alleged debt to the 1980 mortgage account in Mrs Dickson's name. The existence of this handwritten document was not disclosed until 2000 and is clearly the source document for this part of the account.

Each mortgage statement has annual interest applied on the 1 August each year. As it would be impossible to know in advance any interest rate changes during the year it must be assumed that the annual interest figure is simply the sum total of interest charged. A figure that can be ascertained at year end by calculating the effect of interest rate changes in that period.

I have applied the actual interest rate changes that occurred in the years ending July 83 and 84 from Attachment 2 and calculated the total annual interest applicable for those financial periods. In each case the interest applied in the mortgage statements are incompatible with the alleged balances brought forward /capital for interest:

Year ending 31 July 1983

Interest applied to mortgage account	£1,976.66	attachment 1 page 23
Actual interest applicable	£2,143.29*	

Actual interest rate changes during the year and credit/debit effect

1 Aug 1982	£15,354.90 @ 16%	£2,456.78 debit
1 Sept 1982	1.25% reduction	£175.94 credit
1 Jan 1983	1.75% reduction	£156.74 credit
1 July 1983	1.5% increase	£19.19 debit

TOTAL interest for y/e 31 July 1983 = £2,143.29*

Examples of how interest is calculated:

Start figure £15,354.90 x 16% = £2,456.78

Rate decrease ((£15,354.90 x 1.25%) / 12) x 11 = £175.94 credit

Rate increase ((£15,354.90 x 1.5%) / 12) x 1 = £19.19 debit

Year ending 31 July 1984

Interest applied to mortgage account £1,889.18
Actual interest applicable £2,651.38*

attachment 1 page 24

Actual interest rate changes during the year and credit/debit effect

1 Aug 1983 £18,606.18 @14.5% =£2,697.89 debit
1 May 1984 1% reduction =£46.51 credit

Total interest for y/e 31 July 1984 = £2,651.38*

BRADFORD & BINGLEY BUILDING SOCIETY

PO BOX No 99, BINGLEY, WEST YORKSHIRE BD16 2LX. TELEPHONE: 0274 548111
 CHIEF EXECUTIVE: G. R. LISTER FCA

MORTGAGE STATEMENT FOR YEAR ENDED 31st ~~DECEMBER 1985~~ JULY 1983.

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Name & address:

Where you have more than one mortgage account a separate statement has been issued in respect of each account so that full details can be shown

Please refer to notes overleaf

DATE AND DETAILS	DEBITS	CREDITS	BALANCE
01 AUG 1982 Brought Forward			15,354.90
01 AUG INTEREST			
01 MAR 83 INSURANCE PREMIUM	1,976.66		
29 MAR FINES	117.39		
29 APR FINES	708.68		
12 JUL FINES	141.45		
12 JUL FINES	183.30		
31 JUL BALANCE CARRIED FORWARD	153.30		18,606.18

INTEREST RATES CHARGED	GROSS %	NET %

IMPORTANT - MONTHLY PAYMENT