

Our Ref: RM/FL/AWD/446491.2AWD

Your Ref:

Summit House  
12 Red Lion Square  
London WC1R 4QD  
DX 37954 Kingsway

www.mishcon.com

**STRICTLY PRIVATE & CONFIDENTIAL  
NOT FOR PUBLICATION**

FAO Ms C Forde  
Monitoring Officer  
Coventry City Council  
1st Floor  
Christchurch House  
Greyfriars Lane  
Coventry  
CV1 2QL

12 May 2015

**BY POST AND EMAIL (CHRISTINE.FORDE@COVENTRY.GOV.UK)**

Dear Sirs

**Complaint to the Monitoring Officer**

We act on behalf of Arvo Master Fund Limited ("Arvo"), SISU Capital Limited ("SISU"), Sky Blue Sports and Leisure Limited, Otium Entertainment Group Limited (trading as Coventry City Football Club), Ms Joy Seppala and Ms Laura Deering and are instructed to make this complaint on their behalf.

**Introduction**

This complaint relates to breaches of the Member Code of Conduct ("the Code") by the most senior Members of Coventry City Council. Over the period in which these breaches have taken place, the Monitoring Officer has been involved in the negotiations and transactions about which our clients complain. As such, it is appropriate for the Monitoring Officer to refer this complaint to an external, independent investigator at the earliest opportunity as is provided for at paragraph 3.2 (i) of the Complaints Procedure so that the external, independent investigator may decide whether to investigate this complaint.

We ask that the external, independent investigator refers to the enclosed documentation and the summary of the Complaint below to support our client's request that the relevant Members are referred to the Ethics Committee of Coventry City Council.

Please find enclosed the following documents in support of the Complaint:

1. Councillor profiles for John Mutton and Ann Lucas;
2. Charity Commission Report for The Alan Higgs Centre Trust;
3. Summary of facts, chronology and dramatis personae;
4. Schedule of comments by Members and related persons;
5. Letter from Ms Joy Seppala; and

26259485.1  
Switchboard: +44 20 7440 7000  
Main Fax: +44 20 7404 5982

London: Mishcon de Reya Solicitors  
New York: Mishcon de Reya New York LLP

Authorised and regulated by the  
Solicitors Regulation Authority, SRA  
Number 68218.

A list of partners is available for  
inspection at the above address.

6. Copy of our clients' complaint to the Local Government Ombudsman.

### **Summary of Complaint**

Our clients assert that Councillor Mutton and Councillor Lucas have breached the Code. They have failed to "secure better social, economic and environmental outcomes for all" and have failed to "behave in a manner that is consistent with the ... principles to achieve best value for ... residents and maintain public confidence in the Council." The particulars of the breaches of the Code by Councillor Mutton and Councillor Lucas are summarised below and in the enclosed letter from Ms Seppala, Schedule of Comments and letter of complaint to the Local Government Ombudsman.

### **Relevant Code Principles**

*Principle 2 (c) Objectivity: "I will make choices on merit, in carrying out public business."*

*Principle 2 (d) Accountability: "I am accountable for my decisions and actions to the public and must submit myself to whatever scrutiny is appropriate to my office."*

*Principle 2 (e) Openness: "I will be as open as possible about all the decisions and actions I take. I will give reasons for my decisions and restrict information only when the wider public interest or the law clearly demands."*

Breaches of the following terms:

*3 (b) "Deal with representations or enquiries from residents, members of our communities and visitors fairly, appropriately and impartially."*

*3 (d) "Exercise independent judgement and not compromise my position by placing myself under obligations to outside individuals or organisations who might seek to influence the way I perform my duties as a Member"*

*3 (e) "Listen to the interests of all parties, including relevant advice from statutory and other professional officers, take all relevant information into consideration, remain objective and make decisions on merit."*

*3 (f) Be accountable for my decisions and cooperate when scrutinised internally and externally, including by local residents."*

*3 (g) Contribute to making the City Council's decision-making processes as open and transparent as possible to ensure residents understand the reasoning behind those decisions and are informed when holding me and other Members to account but restricting access to information when the wider public interest or the law requires it."*

*3 (j) Always treat people with respect, including the organisations and public I engage with and those I work alongside."*

*8.1 "I understand that I have another Relevant Interest (which is not a disclosable pecuniary interest) in any matter to be considered or being considered at the meeting where:*

*a. a decision in relation to that matter might reasonably be regarded as affecting the well-being or financial standing of ... an organisation or body ... to a greater extent than it would affect the majority of the Council Tax payers, ratepayers or inhabitants of the ward or electoral area for which I have been elected or otherwise of the authority's administrative area; and*

*b. the interest is one that a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice my judgement of the public interest."*

### **Breaches of Code Principle 3**

#### **Councillor Mutton**

We refer you to the enclosed Councillor Profile which details Councillor Mutton's positions within Coventry City Council ("CCC") and appointment as Leader of the Council from 2010 to 2013. The breaches outlined in this Complaint in relation to Councillor Mutton took place whilst Councillor Mutton was Leader of CCC.

Councillor Mutton's conduct in private meetings with our clients was often unprofessional, obstructive and, at times, extremely rude. We refer to you to Ms Seppala's statement in confirmation of Councillor Mutton's behaviour during those private meetings to evidence the breach of Code Principle 3 as quoted above. We further refer you to the enclosed extract from the Charity Commission register identifying that Councillor Mutton was a Trustee of The Alan Higgs Centre Trust during the relevant time. We submit that this close affiliation with another of the relevant parties in this matter prevented Councillor Mutton from being objective when carrying out his duties and affected his conduct towards our clients, in breach of Code Principle 3. Our attempts to view the Register of Interests (the "Register") to identify how, and if, Councillor Mutton declared this affiliation were frustrated as the Register is unavailable on the CCC website and was only available to view in person on a specific written request. We ask that it be investigated as to whether Councillor Mutton has declared his interests fully and in accordance with his duties under the Code.

We further refer you to the enclosed Schedule of Comments evidencing Councillor Mutton's public comments about our clients and the context in which they were made. The tone and the timing of these comments were calculated to cause maximum damage to our clients and were made in breach of Code Principle 3, as quoted above.

#### **Councillor Lucas**

We refer you to the enclosed Councillor Profile which details Councillor Lucas' positions within CCC and her current appointment as Leader of CCC. Our clients had cause to meet Councillor Lucas on her appointment to Leader of CCC in relation to CCFC. During these meetings and in subsequent correspondence our clients found Councillor Lucas to remain steadfast against any proposal our clients made to progress negotiations, particularly in relation to the terms on which CCFC returned to Ricoh Arena, and in breach of Code Principle 3 as quoted above. In addition, her public conduct in relation to the administration of CCFC Limited and the proposed bid by ACL shows a distinct lack of objectivity which we submit is in breach of the Code. We refer you to Ms Seppala's statement enclosed in confirmation of her behaviour towards our clients.

We further refer you to the enclosed Schedule of Comments evidencing Councillor Lucas' public conduct towards our clients in breach of Code Principle 3, as quoted above.

### **Breaches of Code Principle 2**

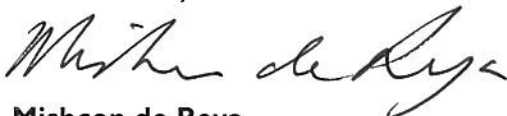
As Leaders of the Council at the relevant times, we submit that both Councillor Mutton and Councillor Lucas were ultimately responsible for the conduct of the Council Members and Officers. They were also responsible for setting an example of the high standards of behaviour required by Members and Officers of CCC in service to the taxpayers of Coventry. We refer you to the enclosed complaint to the Local Government Ombudsman which details the ways in which the Council Members and Officers were in breach of Code Principle 2.

### **Conclusion**

It is clear that the conduct of both Councillor Mutton and Councillor Lucas should be investigated by an independent assessor and brought to the attention of the Ethics Committee of Coventry City Council. The public statements published in local newspapers are, in our clients' view, sufficient to trigger a breach of Code Principle 3 and the further evidence above and enclosed demonstrates that a wider investigation is required.

The matter about which our clients complain is a course of conduct by Councillor Mutton and Councillor Lucas that spans several years. Our clients hold a great amount of information and further documentation which may be deemed relevant to this matter. We have provided a summary of their complaint which we deem sufficient to warrant further investigation into the wider matters complained of. Should you have any questions or requests for further information and documentation, please contact the writer.

Yours faithfully

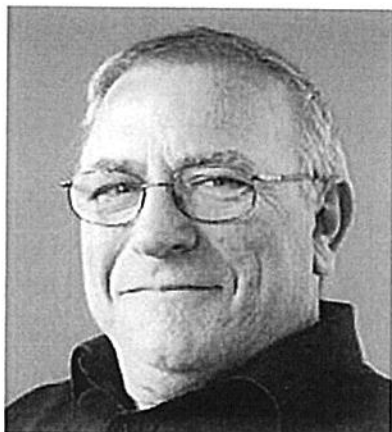


**Mishcon de Reya**

Direct Tel: +44 20 7440 7294  
Direct Fax: +44 20 7430 0683  
E-mail: [Ramona.Mehta@Mishcon.com](mailto:Ramona.Mehta@Mishcon.com)



## Councillor John Mutton



**Party:** Labour

**Ward:** Binley and Willenhall

**Other councillors representing this Ward:**

[Councillor David Chater](#) (Labour)

[Councillor Ram Parkash Lakha OBE](#) (Labour)

More information about this councillor

- [Attendance record](#)
- [Declarations at meetings](#)

Surgery details

Call 024 7683 1039 for an appointment or advice.

Contact information

**Correspondence address:**

C/O Member Services  
The Council House  
Earl Street  
Coventry  
CV1 5RR

**Phone:** 024 7630 4497

**Fax:** 024 7683 3764

**Email:** [john.mutton@coventry.gov.uk](mailto:john.mutton@coventry.gov.uk)

**Phone:** 024 7683 1039

[Download Councillor John Mutton contact details as VCard](#)

Committee appointments

- [Binley and Willenhall Ward Forum](#)
- [Council](#)
- [Finance and Corporate Services Scrutiny Board \(1\)](#)

- Health and Social Care Scrutiny Board (5)
- Licensing and Regulatory Committee

#### Terms of Office

03/05/1984 - 10/06/2004  
10/06/2004 - 04/05/2006  
04/05/2006 - 06/05/2010  
06/05/2010 - 26/05/2014  
26/05/2014 -

#### Appointments to outside bodies

- Local Government Association - General Assembly

#### Additional Information

Councillor Mutton was Lord Mayor of Coventry in 1997/98. He was Deputy Leader from 2000 to 2003, Leader from 2003 to 2004, Leader of the opposition from 2004 to 2010 and then Leader of the Council from 2010 to 2013. He has been a councillor since 1984 and serves the Binley and Willenhall Ward. Councillor Mutton is a 'Coventry kid' and was born in the city on the 20th September 1947. He attended Manor Park Junior and Infants School and Whitley Abbey Comprehensive.

Councillor Mutton is a lifelong trade unionist, first as a shop steward at the City Engineers depot for the T&GWU and also for USDAW at the Co-op Dairy in Coventry. He has been a Labour Party member for 30 years.

When he was younger John was a useful footballer and played for Coventry City's youth team and reserves from 1963 through to 1965. Later he went on to play as a semi-professional for St Neots and Tring Town. He continues to support the Sky Blues and is a season ticket holder. John also enjoys fishing and likes going further afield, he has fished in Denmark, Ireland, Holland, France, Cuba, Kenya and South Africa.

For seventeen consecutive years Councillor Mutton has taken a group of young athletes and swimmers to the Children's International Games - in 2005 it was held in Coventry, the first time the Games had been held in England. In the past Coventry has been the only English city represented. Previous Games have been in Spain, Greece, Romania, Canada, Poland, Hungary, Austria, USA, Thailand, Iceland, Bahrain and South Korea.

John has strong links with the local Irish community through the city's links with the Mayo Association and also through work with the Dublin based charity Rehab-care - an organisation dedicated to care for elderly expatriate Irish citizens. He developed these relationships during his term as Lord Mayor although he doesn't have any Irish family connections himself.

Councillor Mutton has sold his milk round business so that he can work full time on council business. He lives with his wife Mal and they have two sons and nine grandchildren and two great-grandchildren.



## Councillor Ann Evelyn Lucas OBE



**Party:** Labour

**Ward:** Holbrook

**Other councillors representing this Ward:**

[Councillor Joseph Clifford](#) (Labour)

[Councillor Rachel Lancaster](#) (Labour)

More information about this councillor

- [Attendance record](#)
- [Declarations at meetings](#)

Surgery details

First Monday of each month 9.30-10.30am at Holbrook Health Centre, Wheelwright Lane.

Please call 024 7683 1103 for a chat or an appointment.

Contact information

**Correspondence address:**

The Leader's Office  
The Council House  
Earl Street  
Coventry  
CV1 5RR

**Bus. phone:** 024 7683 1103

**Email:** [ann.lucas@coventry.gov.uk](mailto:ann.lucas@coventry.gov.uk)

[Download Councillor Ann Evelyn Lucas OBE contact details as VCard](#)

## Responsibilities

- [Cabinet Member \(Policy and Leadership\)](#)

## Committee appointments

- [Cabinet \(Chair\)](#)
- [Cabinet Member \(Policy and Leadership\)](#) (Cabinet Member)
- [Children's Services Cabinet Committee](#)
- [Council](#)
- [Coventry Health and Well-being Board](#)
- [Coventry Investment Fund Cabinet Committee](#)
- [Holbrook Ward Forum](#)

## Terms of Office

04/05/1995 - 06/05/1999  
 04/05/2000 - 10/06/2004  
 10/06/2004 - 04/05/2006  
 04/05/2006 - 06/05/2010  
 06/05/2010 - 26/05/2014  
 26/05/2014 -

## Appointments to outside bodies

- [Coventry and Warwickshire Local Enterprise Partnership Board \(LEP\)](#)
- [Coventry Partnership](#)
- [Local Government Association - General Assembly](#)
- [Police and Crime Panel](#)
- [West Midlands Employers](#)
- [West Midlands Integrated Transport Authority](#)
- [West Midlands Joint Committee](#)

## Additional Information

Ann Lucas was born in Coventry in July 1949 and has lived here all her life. She has been married for 44 years to Ray, has two children - Claire, a teacher at a local school, and Ray Junior, a salesman - and six grandchildren.

She joined the Labour party in 1978 and was the union rep at Whitley Council between 1967-72. She was the GMB (hotel and catering) shop steward between 1978 and 1988. She is Chair of the Bablake Ward Labour Party, and the vice-chair of Coventry North West Labour Party. Ann is also a member of the National Policy Forum, which gives grass root political input to shadow ministers at Westminster. She is a member of Labour Party's ruling National Executive Committee and is National Champion for domestic violence issues.

Ann was a Coventry City Council Ward Councillor for Bablake Ward between 1995-99 and was re-elected in the Holbrook Ward in 2000.

At Coventry City Council, Ann has held Cabinet positions in Social Services and Culture and Leisure, and was Cabinet member for Health and Community Services before becoming Leader of the Council in May 2013. She is the first female leader of Coventry City Council.

Ann has been a Board Director for Coventry and Warwickshire Local Enterprise Partnership since May 2013 and she chairs the management committee of a local advice and counselling service and is a governor for two school in Coventry.



Ann was awarded an OBE in the Queen's New Year Honours List this year.

Ann lists her interests as reading, politics, dancing, socialising, and eating out. She is a Coventry City Football Club fan, is a season ticket holder and has been going to Highfield Road (and now the Ricoh!) since 1962. She has had a flying lesson, joined a white water rafting team to raise funds for cystic fibrosis and has done a parachute jump to raise funds for Baby Lifeline.

**Charity  
Commission**

**The Regulator for Charities  
in England and Wales**

1099308 - THE ALAN HIGGS CENTRE TRUST

DUE DOCUMENTS RECEIVED

### Activities

PROVISION OF RECREATIONAL FACILITIES

### Financial summary

| Financial year end (FYE) | Income   | Spending | Accounts received          | Annual Return/Annual Update received |
|--------------------------|----------|----------|----------------------------|--------------------------------------|
| 31 Mar 2014              | £153,916 | £300,732 | 19 Dec 2014                | 12 Jan 2015                          |
| 31 Mar 2013              | £209,584 | £221,951 | 22 Jan 2014                | 29 Jan 2014                          |
| 31 Mar 2012              | £189,406 | £178,563 | 20 Dec 2012                | 20 Dec 2012                          |
| 31 Mar 2011              | £173,901 | £191,475 | 22 Dec 2011                | 20 Feb 2012 (20 days late)           |
| 31 Mar 2010              | £216,919 | £227,213 | 16 Feb 2011 (16 days late) | 25 Feb 2011 (25 days late)           |

### Contact

THE ALAN HIGGS CENTRE TRUST  
PETER KNATCHBULL-HUGESSEN  
RICOH ARENA  
PHOENIX WAY  
COVENTRY  
CV6 6GE

Tel: 02476221311  
Email: clerk@higgscharity.org.uk

### Charity trustees

P W KNATCHBULL-HUGESSEN  
MR JOSEPH WARDEN ELLIOTT

CLLR JOHN MUTTON

### Date of registration

08 Sep 2003

### Other names

- THE ALAN HIGGS CENTRE (Working Name )

### Governing document

MEMORANDUM AND ARTICLES OF ASSOCIATION INCORPORATED 11 MARCH 2003.

### Organisation type

STANDARD REGISTRATION

### Registration history

08 SEPTEMBER 2003 REGISTERED

### Charitable objects

TO PROVIDE, IN THE INTERESTS OF SOCIAL WELFARE, FACILITIES FOR RECREATION OR OTHER LEISURE TIME OCCUPATION AT A MULTI-SPORTS FACILITY IN SOUTH-EAST COVENTRY TO BE KNOWN AS "THE ALAN HIGGS CENTRE" WITH THE OBJECT OF IMPROVING THE CONDITIONS OF LIFE WHOLLY OR MAINLY OF PEOPLE OF COVENTRY AND ITS SURROUNDING AREA.

### Classification

#### What

- AMATEUR SPORT

#### Who

- THE GENERAL PUBLIC/MANKIND

#### How

- PROVIDES BUILDINGS/FACILITIES/OPEN SPACE

### Area of benefit

COVENTRY AND ITS SURROUNDING AREA.

### Where the charity operates

- COVENTRY CITY

Note: This report is compiled from public information that the Charity Commission holds on the Register of Charities on 28 April 2015.

© Crown Copyright 2015

## Outline Chronology, Factual Summary and Dramatis Personae

| Date        | Event  |
|-------------|--|
| 2008        | SISU Group purchased CCFC  |
| March 2012  | ACL CCFC rent agreement  |
| 21.04.12    | CCFC relegated from the Championship to League One   |
| August 2012 | Heads of Terms between CCC and SISU signed   |
| 15.01.13    | CCC decision to lend £14.4m to ACL which manages Ricoh Arena   |
| 13.03.13    | ACL made application to put CC Limited into administration for non-payment of rent and licence fees due to ACL |
| 21.03.13    | Arvo put CCFC into administration  |
| 3.04.13     | CCC publish press release on Council meeting decision  |
| 08.07.13    | CCFC move to Northampton Town  |
| 21.08.14    | CCFC return to Ricoh Arena   |
| 19.09.14    | CT 'exclusively' reveals secret WASPS talks  |
| 7.10.14     | CCC renegotiate loan   |
| 8.10.14     | WASPS acquire 50% ACL  |
| 14.11.14    | WASPS acquire 100% ACL   |

### Factual Summary

Given the time span of the matters complained of, we have simplified and summarised the key facts. The key dates are set out in the chronology above.

In 2008, SISU Group purchased CCFC and remains the corporate owners and principal investors. From August 2005 until May 2013, CCFC played home games at Ricoh Arena. CCFC returned to play home games at Ricoh Arena from 5 September 2014 to date.

The freehold of Ricoh Arena is owned by CCC. ACL is the operating company and, through its subsidiary, leaseholder of Ricoh Arena. Until October 2014 CCC owned indirectly 50% of the shares in ACL with the remaining 50% being indirectly owned by the Alan Edward Higgs Charity ("AEHC"). Christopher West, Christopher Hinde, Stella Manzie, John Mcguigan, Angela Ridgwell and Martin Reeves were all CCC Officers and Directors of ACL at various times. Councillor John Mutton was a Trustee of The Alan Higgs Centre Trust during the relevant time.

ACL's lease of Ricoh Arena ("the Lease") was originally for a term of 50 years and was due to expire in December 2053. In 2006, ACL paid CCC a premium of £21m to reduce its liabilities under the lease to a peppercorn rent. Therefore, CCC did not receive any rent under the lease after 2006. As a result of CCC's financing arrangements for the Arena project, ACL had taken out a substantial loan from Yorkshire Bank and had used that to discharge CCC's loan investment in the project. The need to finance that loan meant that ACL was highly dependent on CCFC to continue as anchor tenant on terms which required CCFC to pay over £1m in annual licence payments (several times what its

competitors typically pay) and overheads. However, CCFC were denied access to crucial match-day revenues (such as food and beverage sales), which is industry standard in British football. By early 2012 CCFC's financial difficulties became acute as a result of the new financial fair play rules coming into effect, and in March 2012, CCFC informed ACL that it was no longer able to meet the rent payments due for its occupation of the Arena, although ACL was able to draw down monies held in CCFC's rent deposit account. The situation was further exacerbated in April 2012, when it was confirmed that CCFC would be relegated to League One. The parties agreed an interim rent arrangement. The net effect of these arrangements was that ACL continued to receive a substantial proportion of the sums due for CCFC's occupation of the Arena.

During 2012, with Heads of Terms being signed in August 2012, our clients were in negotiations with ACL and CCC to find a mutually beneficial solution to the financial difficulties facing ACL and CCFC as ACL's anchor tenant.

The negotiations were conducted on the behalf of our clients primarily by Ms Joy Seppala ("Ms Seppala"), founder and Chief Executive Officer of SISU Capital Limited which is an investment manager and part of the SISU corporate group. There was an apparent initial consensus between our clients and ACL regarding the need to find a solution. SISU made an offer to buy and then write off ACL's debt to the Yorkshire Bank in its entirety, which would have left ACL debt-free and able to agree commercially sustainable terms for CCFC to occupy the Arena in return for CCC extending the term of ACL's lease to 125 years and consenting to CCFC's exercise of its option to reacquire the 50% share in ACL it had once held, thereby securing access to a share of match-day revenues. However, negotiations stalled in the later part of 2012.

Our clients later learnt that throughout this time CCC was conducting secret, parallel negotiations with the Yorkshire Bank to buy ACL's debt alone. These negotiations culminated in CCC making a loan to ACL of £14.4m. It is significant to note that SISU's offer would have been to write off that debt.

The decision to make that loan was taken on 15 January 2013 at a full Council meeting ("the January 2013 decision"). We draw your attention to the fact that the meeting was held in private pursuant to Section 100(A)(4) of the Local Government Act 1972 for reasons of commercial confidentiality.

We invite you to read the enclosed Press Release with particular scrutiny. We discuss this in more detail as part of the main substance of the Complaint.

On 7 October 2014, our clients understand that CCC decided to maintain (and to vary) the loan made to ACL, or to substitute with a fresh loan to ACL, and to extend ACL's lease over the Arena from approximately 40 years to 250 years ("the October 2014 decision"). It was also at about this time CCC sold its 50% shareholding to the owners of WASPS. In approximately November 2014 AEHC sold its 50% shareholding to WASPS as well, with the result, we understand, that WASPS are the owners of the entire issued share capital in ACL. The resulting position is that a wholly-owned subsidiary of WASPS have the benefit of a loan from CCC.

## Dramatis Personae

| Name   | Description  |
|--|--|
| Ann Lucas  | Leading Councillor at Coventry City Council  |
| Arena Coventry Limited ("ACL")   | The company that manages Ricoh Arena   |
| Arvo Master Fund Limited ("Arvo")  | Shareholder and secured creditor of Otium Entertainment Group Limited  |
| Coventry City Council ("CCC")  | Formally 50% shareholders of ACL.  |
| Coventry City Football Club ("CCFC")                                       | Owned by Otium Entertainment Group Limited   |
| Grant Thornton UK LLP  | CCC's auditors   |
| John Mutton  | Councillor at Coventry City Council  |
| Joy Seppala  | Founder and CEO of SISU  |
| Laura Deering  | Investment manager employed by SISU  |
| London Wasps Holdings Limited ("WASPS")                                    | 100% shareholder of ACL  |
| Otium Entertainment Group Limited (trading as Coventry City Football Club) | Subsidiary of Sky Blue Sports and Leisure Limited and Arvo. Shareholders of CCFC.                                      |
| SISU Capital Limited ("SISU")  | Privately owned investment manager   |
| Sky Blue Sports and Leisure Limited  | Subsidiary of Sconset Capital LP and shareholder of Otium Entertainment Group Limited, managed by SISU Capital Limited |
| Strutt and Parker  | Estate Agents & Property Consultants   |
| The Alan Higgs Centre Trust  | A charity to provide facilities for recreational use for the people of Coventry  |
| The Alan Higgs Charity Trust   | A grant making Charity to benefit the inhabitants of Coventry. Formally 50% shareholders of ACL                        |
| Weber Shandwick  | ACL's public relations advisor   |

Schedule of Comments

| Date of publication | Publication                | Article Title  | Councillor/MP                            | Comment   | Context of Publication  |
|---------------------|----------------------------|--|--|---|---|
| 15.12.11            | Daily Mirror               | Spent to Coventry; Sky Blues Club on the Brink Fans Fear Club will Go Bust as Owners Look to Slash Costs | Bob Ainsworth (MP Coventry North East) * | "We are all desperate to see the club turned around, but wonder whether or not the present owners are really the right people to be able to do this"  | 25.10.11<br>Meeting between CCC Members and ACL Shareholders on shareholder principles including an attempt to rule out CCFC's current owners from future ownership of ACL      |
| 21.04.12            | The Independent            | Dark clouds hover menacingly over fading Sky Blues   | John Mutton                              | "I don't think we will be able to help while there is a hedge fund involved. They won't sell even though there has been interest, because no one will pay the money they want to offset their losses. That's their own fault, there is no sympathy from local people. We won't consider selling our shares to Sisu. If we had a company we thought would take it forward we might."   | April 2012<br>CCFC relegation to League One<br><br>19.04.12<br>Series of meetings between CCFC, ACL and shareholders in relation to buy out proposal and disposal of ACL's debt |
| 23.04.12            | Coventry Evening Telegraph | No Talks over Ricoh Rent Cut   | John Mutton                              | <p>"At the moment, there seems to be more threats than negotiation – the threat to put the club into liquidation. It really is time for Sisu to realise Coventry doesn't bow at the knee to threats."</p> <p>"I blame Sisu. When the fans were chanting "Sisu out" I was on my feet singing it with them. Sisu have destroyed the club I've supported for 57 years, since I was seven... They don't give a damn about the football club or the city. They simply saw it as a way to make money. The</p> | On-going negotiations between council officers, CCFC, and CCC re rent and disposal of ACL's debt on-going   |



| Date of publication | Publication                | Article Title  | Councillor/MP | Comment   | Context of Publication  |
|---------------------|----------------------------|--|---------------|---|---|
| 26.04.12            | Coventry Observer          | Former Arena chief – give SISU the Ricoh   | John Mutton   | sooner they go, the better."<br>"Coun Mutton added the Council would never sell its stake to SISU and said they were threatening liquidation to because of that [sic]. "Its been a shambles ever since SISU took over" said the lifelong Sky Blues fan."  | Negotiations re rent and disposal of ACL's debt on-going  |
| 27.04.12            | The Guardian               | Coventry's decade of decline leaves them dicing with death as relegation sets out a bleak future | John Mutton   | "Sisu have allowed experienced players to leave, losing the backbone of the team, there is constant change of executives running the club, they say that they are losing £500,000 a month yet identify the £100,000 a month rent as the root of their problems ... If they cannot return Coventry City into a successful club, they should go now and let others pick up the pieces." | Negotiations re rent and disposal of ACL's debt on-going  |
| 23.05.12            | Coventry Evening Telegraph | We have concerns about Sisu's levels of transparency over the last five years                    | John Mutton   | "We've got concerns anyway about Sisu's level of transparency over the last five years."  | 18.05.12<br>Meeting between CCC, Sisu negotiating purchase of 50% share in ACL and write off debt         |
| 26.05.12            | Coventry Evening Telegraph | Sisu: our focus is to find a solution  | John Mutton   | "John Mutton had told us it underlined his concerns Sisu might be wanting to acquire a half-stake in the part council – owned Ricoh stadium to use it as collateral, or reimburse investors in the event of the Sky Blues' administration or liquidation"   | Scaremongering in response to Sisu's public transparency about intentions to engage in constructive talks |

| Date of publication | Publication                | Article Title   | Councillor/MP  | Comment  | Context of Publication   |
|---------------------|----------------------------|---|----------------|--|--|
| 09.06.12            | Coventry Evening Telegraph | Sky Blues' Ricoh Bid is Rejected  | George Duggins | "There is nothing new to say. There are no further meetings planned... People can read into that what they like. We want a successful football club, and we're as frustrated by what has happened as anyone else"          | On-going talks about the future of CCFC and part ownership of the stadium  |
| 30.08.12            | Coventry Telegraph         | Sky Blues Boss Wants Massive Ricoh Rent Cut   | John Mutton    | "Coventry City Council leader John Mutton is among those who have pointed out any movement on rent would not make a major impression on the club's deficit."   | 02.08.12<br>Heads of Agreement signed between ACL, CCC and Sisu<br><br>Private negotiations on rent value  |
| 12.12.12            | The Guardian               | Coventry City rent stand-off threatens League One club's existence                  | John Mutton    | "The council fully supports ACL's action; CCFC has a legal obligation to pay its rent and ACL's financial position should not be undermined by CCFC's owners failing to do the right thing by the club, ACL and the city." | 02.08.12<br>Heads of Agreement signed between ACL, CCC and Sisu<br><br>10.12.12<br>Accepted by CCC and ACL that debt due from ACL to Bank was "distressed" and could be purchased from the bank at a discount. |
| 16.01.13            | Coventry Telegraph         | Game Changer: Council's dramatic £14 million intervention to safeguard city stadium | John Mutton    | "We're now effectively acting as a banker to ACL."   | 02.08.12<br>Heads of Agreement signed between ACL, CCC and Sisu<br><br>10.12.12<br>Accepted by CCC and ACL that debt due from ACL to Bank was "distressed" and could be purchased from the bank at a discount. |
| 17.01.13            | Coventry Telegraph         | Let's talk, say Sky Blues after Ricoh   | John Mutton    | "He urged Sisu yesterday to "get their heads   | 02.08.12<br>Heads of Agreement signed between ACL,   |

| Date of publication | Publication         | Article Title   | Councillor/MP                                     | Comment   | Context of Publication  |
|---------------------|---------------------|---|---|---|---|
|                     |                     | Rescue  |   | out of their backside""   | CCC and Sisu<br>10.12.12<br>Accepted by CCC and ACL that debt due from ACL to Bank was "distressed" and could be purchased from the bank at a discount<br>15.01.13<br>Full CCC meeting at which decision was taken re the Loan<br>March 2013<br>Identified that rate rebate in the sum of £339,265.91 was due |
| 13.03.13            | Coventry Observer   | Sky Blues director calls for arbitration in Ricoh row | Bob Ainsworth (MP Coventry North East) *          | "Mr Ainsworth branded Sisu "cheeky beyond belief" because of their hopes to hold the meeting in public. "This from a company deliberately structured to prevent anybody from seeing what its business is, where the money is moved and who the eventual beneficiaries are"" |   |
| 13.03.13            | Radio Interview     |   | John Mutton                                       | "It is absolutely true that SISU [is] a predator with greed running through its DNA"  |   |
| 12.06.13            | Press Statement     |   | Ann Lucas   | "Im delighted that ACL's offer today gives us the opportunity to see our team play in its home at the Ricoh Arena next season."   | ACL – 50% owned by CCC put in bid to acquire CCFC Ltd (in administration) against Sisu to whom CCFC Ltd owed in the region of £45 million   |
| 13.08.?[12/13]      | Hearing on 10.06.14 | Submissions by Mr Thompson on behalf of the Claimants | Ann Lucas/<br>some other Councillor called "Anne" | "Deal with SISU when hell freezes over."<br>"Could SISU sell on to another shyster?"  | 12.04.13<br>CCC accepted that value of the lease is lower than the debt outstanding to the bank   |

| Date of publication | Publication        | Article Title  | Councillor/MP  | Comment  | Context of Publication  |
|---------------------|--------------------|--|----------------|--|---|
| 02.12.13            | The Guardian       | Coventry City owners lead club to Northampton and towards the abyss                  | Ann Lucas      | "The council leader, Ann Lucas has said that although they want City back, she will not allow "paralysis" to continue. The suggestion is that if Sisu maintains its refusal, in the new year ACL will seriously consider a Ricoh Arena future without Coventry's football club." | 23.09.13<br>ACL accounts for year ended 31.01.13 record CCC's shareholding in ACL as having a net value of "nil"      |
| 21.08.14            | Coventry Telegraph | Council chief: We need time to rebuild trust before we discuss Ricoh Arena ownership | Phil Townshend | "Time [is] needed for trust to be rebuilt before looking at the potential of the council agreeing a deal for ownership of the Ricoh Arena with the club"   | CCC and ACL conducting negotiations with WASPS whilst stating to the public that CCFC could still own the Ricoh Arena |
| 27.11.14            | Coventry Telegraph | Who's taking the pitch at Coventry City?   | Ann Lucas      | "According to the leader of Coventry City Council, Ann Lucas, the sale of the Ricoh is "the best deal for taxpayers, football fans, rugby supporters"  |   |
| 15.01.15            | Coventry Telegraph | Council admits Ricoh Arena 'not sustainable' without Coventry City FC                | Ann Lucas      | "Coun Lucas said, "We said that ACL was profitable without the football club, the accounts show different. I fully accept that. The actual reality of not having the football club there for that year meant ACL couldn't wash its face."  |   |

| Date of publication | Publication       | Article Title  | Councillor/MP | Comment   | Context of Publication |
|---------------------|-------------------|--|---------------|---|------------------------|
| 19.01.15            | Coventry Observer | More false Coventry council claims exposed over Ricoh Wasps deal | Ann Lucas     | "courts heard claims that she [Coun Ann Lucas] had said "hell would freeze over" before a deal was done with Sisu." |                        |

\*Included to demonstrate general tenor of political communications



# SISU Capital Limited

SISU Capital Limited  
4TH FLOOR  
1 RED PLACE  
LONDON  
W1K 6PL

TEL: +44 (0) 20 7290 5450  
FAX: +44 (0) 20 7493 0471

8 May 2015

Dear Sirs

I am writing to explain my position and involvement in the matters complained of and to offer my assistance with the investigation of this complaint.

I am the founder and Chief Executive Officer of SISU Capital Limited which is an investment manager and part of the SISU corporate group ("SISU Group"). SISU Group acquired Coventry City Football Club in early 2008 and we are proud to be owners of a great football club.

Following an MBA at The Wharton School of the University of Pennsylvania, I enjoyed a successful and varied career in the finance and commerce sector. Before founding SISU Group in 1998, I worked for a number of years at Kidder Peabody & Co Incorporated, Drexel Lambert Incorporated, Mitsubishi Trust & Banking Corporation. I joined Paribas Corporation as Vice President in 1992 and subsequently became the Worldwide Head of the Special Situations Investment Group at Paribas Corporation in London.

When we commenced negotiations with CCC I expected them to be conducted in the way that such negotiations normally are: tough but professional. I never expected that Members of Coventry City Council would unilaterally support all or any of our decisions as owners of the Club, indeed it would be improper for them to do so without due consideration and interrogation of the evidence and possible impact on the residents of Coventry. However, I did not expect such pointed opposition or the offensive personal attacks directed at me, my colleagues at SISU Group and the management of the Club. As a professional woman, who was worked in business all over the world, I have never before encountered such a destructive commercial environment and such unprofessionalism.

As an indication of the course of conduct of the Member and Officers of the Council, I would like to recount my experience of negotiations that took place in 2012 in regard to the proposed acquisition of a share in ACL and discharge of debt. I expected that the Council would tenaciously defend their commercial position on behalf of the Coventry City tax payer. I did not expect the destructive and appalling behaviour that we were faced with during those meetings. On several occasions, these meetings would dissolve into an aggressive attack against me as owner of Coventry City Football Club where I would have to apologise to Councillor Mutton for the performance of the team on the pitch before any economic solution could be discussed.

It is clear to me now that the Members and Officers of the Council were unwilling to engage productively. I was personally and professionally attacked and disrespected along with my colleagues both in these private meetings and in public. We continued to attempt to co-operate with the Council Members and Officers in an effort to find a mutually beneficial way forward for all parties. However, the conduct of Members and Officers has meant that working together is extremely

difficult. We have done our utmost in trying to do the best for CCFC in these extremely challenging circumstances.

I hope that the above assists in the process of investigation. Please do not hesitate to contact me on 020 7290 5450 should you require any further information or documentation or to discuss these submissions.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Joy Seppala', written over a vertical line that serves as a placeholder for a printed name.

Joy Seppala