

Coventry City Council

Weightmans reference: SG/62030/6

Report of an investigation into an allegation concerning the conduct of Councillors
Ann Lucas and John Mutton

SG13

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NOT FOR PUBLICATION**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

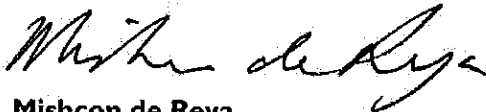
As Leaders of the Council at the relevant times, we submit that both Councillor Mutton and Councillor Lucas were ultimately responsible for the conduct of the Council Members and Officers. They were also responsible for setting an example of the high standards of behaviour required by Members and Officers 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

Coventry City Council

Weightmans reference: SG/62030/6

Report of an investigation into an allegation concerning the conduct of Councillors
Ann Lucas and John Mutton

SG14

13, Gunton Avenue, Willenhall,
Coventry

6. Licenses

**Any Licence to occupy land in the
area of the City Council for a month
or longer**
None

7. Corporate Tenancies

Corporate Tenancies
None

8. Securities

Securities
None

9. Membership of certain organisations

**Membership of certain
organisations**
Trustee of Higgs Centre Trust

10. Declaration

**Confirmation that you have read and
understood the Declaration - please
indicate yes or no**
Yes

Coventry City Council

Weightmans reference: SG/62030/6

Report of an investigation into an allegation concerning the conduct of Councillors
Ann Lucas and John Mutton

SG15

From: [REDACTED] -WSV
 To: [REDACTED] -WSV
 Subject: RE: Social media update - 18 October
 Date: 18 October 2012 12:44:50

A thought - Is it worth you forwarding on to [REDACTED] (and ccing rest of board) with your comment on Seppala (perhaps about word alignment) to increase the urgency?

From: [REDACTED] -WSV
 Sent: 18 October 2012 12:43
 To: [REDACTED] -WSV; [REDACTED] -WSV; [REDACTED] -WSV
 Subject: FW: Social media update - 18 October

For me - the whole Joy Seppala gravy train is building momentum [REDACTED]

From: [REDACTED] -WSV
 Sent: 18 October 2012 12:38
 To: [REDACTED] @coventry.gov.uk; [REDACTED] @coventry.gov.uk; [REDACTED] @coventry.gov.uk; [REDACTED] @mgscharity.org.uk
 Cc: [REDACTED] @coventry.gov.uk; [REDACTED] -WSV; [REDACTED] -WSV
 Subject: RE: Social media update - 18 October

Thread	Post Date	Activity
Apparently Joy threatens liquidation if half stadium is vetoed	18/10/2012	<ul style="list-style-type: none"> Discussion between Joy Seppala (Sisu) and Council Leader [REDACTED] about the council voting against Sisu buying the Higge half of the Ricoh stadium. Joy Seppala has said if the council vote against Sisu's purchase then she will put the club into liquidation. Fans would like the council to veto the sale of half the ACL to DCFC/Sisu so that Sisu can then put the club up for sale. This would enable a new buyer to purchase half the ACL shares and unlock the ground and club.
[REDACTED]	16/10/2012	[REDACTED]
[REDACTED]	15/10/2012	[REDACTED]
Joy Seppala has studied the shippl	15/10/2012	<ul style="list-style-type: none"> Discussion into Joy Seppala, Director of Sisu capital [REDACTED]

From: [REDACTED]
 To: [REDACTED]
 Cc: [REDACTED]
 Subject: Housing update
 Date: 13 November 2012 11:43:00
 Attachments: CCFC Forum Arch by date

Please see attached update and summary table below

As you can see [REDACTED]'s post was well-received. While there were some follow up questions, fans generally appeared grateful for the intervention.

Kind regards

Thread	Post Date	Activity
[REDACTED]	[REDACTED]	<ul style="list-style-type: none"> [REDACTED] [REDACTED]
Prosecutions against [REDACTED] and Joy	12/11/2012	<ul style="list-style-type: none"> Fans discuss how ACL could prosecute Sleu members, [REDACTED] and Joy Sappala over the unpaid rent issues related to the Ritcoo Arena. [REDACTED]
[REDACTED]	[REDACTED]	<ul style="list-style-type: none"> [REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED]	<ul style="list-style-type: none"> [REDACTED] [REDACTED]

From: [REDACTED] WSW
To: [REDACTED] WSW; [REDACTED] WSW; [REDACTED] WSW; [REDACTED] WSW
Subject: RE: Ad want a conf call @ 11
Date: 11 December 2012 12:27:00

[REDACTED]
[REDACTED]
[REDACTED]

- [REDACTED] Joy said that she wouldn't pay any more than £200k and wanted all F&B income.

- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

- But upshot of call is that they want to go after Seppala (and sideline [REDACTED]).

- [REDACTED]
[REDACTED]

[REDACTED] - they are keen on us building up a new timeline to set out a PR attack on Joy. So taking Friday as the earliest point at which they'd attack.

- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

From: [REDACTED] WSW
To: [REDACTED] WSW; [REDACTED] WSW
Cc: [REDACTED] WSW
Subject: RE: SBT
Date: 12 December 2012 12:54:00

[REDACTED]
[REDACTED]
I think we need to discuss this Joy thing as a WS team. I don't really want to get into mud-slinging from ACL as I think that starts to eat away at credibility with fans.

[REDACTED] were discussing suggesting a meeting in public, chaired by Cov Telegraph editor or similar, to thrash out the deal and put Joy in the spotlight.

[REDACTED]
[REDACTED]
-----Original Message-----

From: [REDACTED] WSW
Sent: 12 December 2012 12:27
To: [REDACTED] WSW; [REDACTED] WSW
Cc: [REDACTED] WSW
Subject: Re: SBT

[REDACTED]
----- Original Message -----

From: [REDACTED] WSW
Sent: Wednesday, December 12, 2012 06:08 AM
To: [REDACTED] WSW; [REDACTED] WSW
Cc: [REDACTED] WSW
Subject: RE: WNSBT

[REDACTED]
[REDACTED]
-----Original Message-----

From: [REDACTED] WSW
Sent: 12 December 2012 11:58
To: [REDACTED] WSW; [REDACTED] higgscharity.org.uk
Cc: [REDACTED] @ricoharena.com; [REDACTED] @ricoharena.com; [REDACTED] WSW; [REDACTED] WSW
Subject: RE: SBT

-----Original Message-----

From: [REDACTED]@virginmedia.co.uk]

Sent: 12 December 2012 08:09

To: [REDACTED] WSW; [REDACTED]@hlgscharity.org.uk; [REDACTED] -WSW

Cc: [REDACTED]@coventry.gov.uk; [REDACTED]@coventry.gov.uk; [REDACTED]

[REDACTED]@ricoharena.com; [REDACTED]@ricoharena.com

Subject: Re: SBT

[REDACTED]

It would also be helpful if WS could source a photograph of Joy as any negotiations pertinent to CCFC are with the owner not Mr [REDACTED].

----- Original Message -----

From: [REDACTED] WSW

Sent: Wednesday, December 12, 2012 07:59 AM

To: [REDACTED]@hlgscharity.org.uk>; [REDACTED] WSW

Cc: [REDACTED]@coventry.gov.uk>; [REDACTED]@coventry.gov.uk>;

[REDACTED]@gmail.com>; [REDACTED]

[REDACTED]@ricoharena.com>; [REDACTED]@ricoharena.com>

Subject: RE: SBT

[REDACTED]

I agree this gives an opportunity to address Seppala's involvement [REDACTED]

-----Original Message-----

From: [REDACTED]

Sent: 12 December 2012 07:50

To: [REDACTED] WSW; [REDACTED] WSW

Cc: [REDACTED]

Subject: SBT

[REDACTED]

Now must be the time to release the Seppala statement.

From: [REDACTED] WSW
To: [REDACTED] WSW; [REDACTED] WSW; [REDACTED] WSW
Cc: [REDACTED] WSW
Subject: FW: seppala lies.docx
Date: 13 December 2012 09:57:22
Attachments: seppala lies.docx

[REDACTED] very much agrees the way to get to Joy is through the financial pages. He has this on record and has sent along. He believes her Google profile has been 'cleaned' since he garnered this information though..

From: [REDACTED] @higgscharity.org.uk]
Sent: 13 December 2012 09:49
To: [REDACTED] WSW; [REDACTED] WSW
Cc: [REDACTED] @virginmedia.co.uk; [REDACTED] @virginmedia.co.uk; [REDACTED] @coventry.gov.uk
Subject: seppala lies.docx

Notes on Seppala [REDACTED]

[REDACTED]

[REDACTED]

From: [REDACTED] WSW
To: [REDACTED] WSW; [REDACTED] WSW; [REDACTED] WSW
Subject: RE: How was the ad call?
Date: 14 December 2012 08:51:00

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

• They remain keen on bringing Seppala into spotlight but agree they can't muckrake. I've said that [REDACTED] will be exploring things with financial contacts. I've also drafted the comment below which we can issue to key contacts and use as holding statement if approached for updates on discussions.

• They [REDACTED] want to say we're in talks with organ grinder not monkey.

[REDACTED]

[REDACTED]

An ACL spokesman said:

"Arena Coventry Limited can confirm that they recently met with Joy Seppala, the chief executive of the Mayfair hedge fund Sisu, to discuss the outstanding rent issue. Discussions are continuing. ACL remain hopeful of a resolution to the outstanding debt issue but, as yet, no agreement has been reached."

[REDACTED]

[REDACTED]

[REDACTED]

From: [REDACTED] WSW
To: [REDACTED] WSW
Subject: Re: Our situation: a few thoughts to consider.
Date: 16 February 2013 15:12:00

[REDACTED]

From: [REDACTED] WSW
Sent: Saturday, February 16, 2013 07:44 AM Central Standard Time
To: [REDACTED] @coventry.gov.uk
[REDACTED] @ricoharena.com
[REDACTED] @coventry.gov.uk>;
[REDACTED] @coventry.gov.uk)
[REDACTED] @coventry.gov.uk>;
[REDACTED] @virginmedia.co.uk>;
[REDACTED] @hlggscharity.org.uk>; [REDACTED] @gmail.com
Cc: [REDACTED] WSW; [REDACTED] WSW
Subject: Our situation: a few thoughts to consider.

[REDACTED]

[REDACTED] Put them (Joy, [REDACTED]
in a corner and let them expose themselves.

Right now the situation seems to be:

- [REDACTED]
- [REDACTED]
- [REDACTED]

• Nobody seems to be asking [REDACTED] And more than anything where's Joy?

[REDACTED]

- Can we get any insight into [REDACTED] state of mind? Into [REDACTED] state of mind? Is there a chance they will turn on [REDACTED]? On Joy? [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] This tends towards
the question which no reporters have asked of whether [REDACTED] are implying
that Joy Seppala herself now needs to grasp the nettle and get involved. Perhaps
it's time the press got themselves down to London W8 - her address is on 192.com
to anyone who wants to pay a small fee - and ask her themselves? If we can position
such that [REDACTED] and she's not willing to talk - it
will corner them even more tightly.
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

From: [REDACTED] WSW
To: [REDACTED] WSW
Subject: RE: Update on situation. Group conversation needed. We need to be in possession of full facts and agree a comms position with you.
Date: 20 February 2013 11:17:00

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

From: [REDACTED] WSW
Sent: 20 February 2013 11:13
To: [REDACTED]
Cc: [REDACTED] WSW
Subject: Update on situation. Group conversation needed. We need to be in possession of full facts and agree a comms position with you.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- How hard we are going to push reporters to pressure / flush out (to use [REDACTED]'s apt phrase) [REDACTED] (if they won't be turned) and indeed Seppala. [REDACTED] is hounding me to help him get hold of all three of them and is considering

trying to doorstep Seppala without any pushing even being needed from me. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



weber
shandwick
engaging. always.

EMEA Consultancy of the Year 2012, *The Holmes Report*
Winner of two 2011 Digital Communication Awards

[REDACTED]

From: [REDACTED] WSW
To: [REDACTED] WSW
Subject: RE: Ricoh article up - suspect some on our side might panic a bit at it
Date: 20 March 2013 21:10:00
Attachments: Images002.png

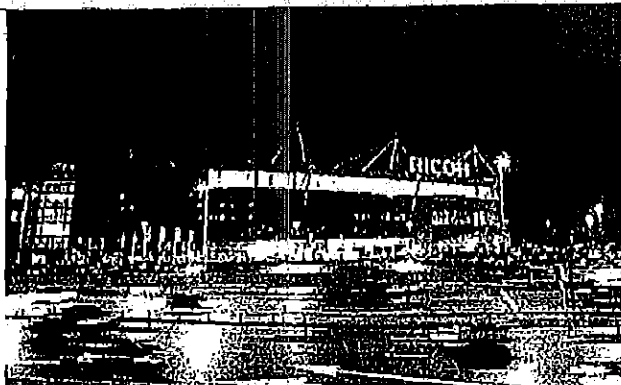
After sorry saga of infighting, moment of truth arrives for Coventry City

In the high court on Friday Coventry could be put into administration, which would result in a 10-point deduction and the end of the team's promotion dream

Show 7

inSharn0
Email

The Guardian, Wednesday 20 March 2013 20:10 GMT
[Jump to comments \(1\)](#)



Coventry moved to the Ricoh Arena in 2005 but unpaid rent on the stadium of £1.3m has led to a high court hearing. Photograph: Express Sport

"Coventry was alive when the team paraded through the city after we won the FA Cup and Coventry was alive today," said the former Sky Blues defender [REDACTED] in 2007, after the official opening of the Ricoh Arena. "I arranged for a meeting of 60 former Coventry City players last week and saw two 70-year-old men cry because they are so pleased with the changes they've seen."

Those comments came a year after Coventry had been playing in their new home, but one wonders what [REDACTED] thinks now, six years on, with City due to appear at the high court on Friday when a judge will decide whether to place the club into administration, resulting in the deduction of 10 points and an end to the team's hopes of promotion from League One this season. A penny also for the thoughts of [REDACTED], the manager appointed only two weeks ago who has guided his new side to two wins from three and within grasp of a play-off spot.

For those unfamiliar with City's plight, it is a sorry tale that is sure to depress any football fan who believes the game has lost touch with reality. This sepulchral saga has been driven to the brink of implosion by two parties that have endured a bitter relationship over the past six years. Inevitably, something has had to give.

Coventry city council and the Higgs Trust both hold a 50% stake in Arena Coventry Ltd, the company that owns the Ricoh Arena. ACL have been at odds with the

club's owners since 2007, when the Mayfair-based hedge-fund Sisu, run by the American-Scandinavian Joy Seppala, took control of Coventry with the help of [REDACTED]. The outgoing chairman, [REDACTED], said at the time: "I am sure that [REDACTED] and Sisu Capital will help drive Coventry City forward into a brand new era for the club."

It has certainly been a new era, but perhaps not the one that [REDACTED] would have expected.

Previous mismanagement meant the club was forced into renting the stadium instead of owning it, despite Sisu's attempts since to purchase a stake in ACL, with the stadium owners last week issuing an administration order to the high court over £1.3m in unpaid rent since April last year. ACL, which issued third party debt orders against the club in February having previously issued a statutory demand, offered to reduce that annual rent to £400,000. The club agreed to that offer but a row over who would retain matchday revenue at the stadium led to a breakdown in negotiations and a stand-off.

The club's chief executive, [REDACTED], told the Guardian last week that unless the negotiations recommenced there would be "no option" but to file for administration. "The only thing I will say at this stage is that ACL and the council have got their own purpose and their own agenda for putting us into administration," [REDACTED] said on Wednesday. It remains to be seen how Sisu responds to the administration order in court, although it could still pay the £1.3m before a hearing and potentially avoid a doomsday scenario. It could also make its own representations in court and an adjournment is another possibility.

[REDACTED], a partner for Walker Morris, who will represent ACL, said: "Based on experience, the business and assets of the club are more valuable if there is certainty to what has happened with the points, that's why if unfortunately there was to be a deduction we would prefer that to happen this season so that a potential purchaser has the certainty of knowing it's happened."

"I think you've got to look at the facts the best you can. Action had to be taken because the danger of going into liquidation was so high that we had to act. The Guardian's article of Monday last week was supportive of the decision to go down this route. The opposition's interest may be to fight but is that in the best interest of the club?"

[REDACTED], a potential new owner, has been lined up by ACL for a future takeover should the club enter administration and [REDACTED] is ACL's choice to be the administrator. [REDACTED], an American property tycoon who was interested in a deal with Leeds United last year, has reportedly been shown around the Ricoh Arena by ACL's interim chief executive, [REDACTED], and has an estimated worth of \$250m (£157m).

[REDACTED] and club director [REDACTED], told the Guardian last week that they did not expect a wealthy backer to come in for the club and that alternative arrangements for playing away from the Ricoh Arena were already in place. They had been in lengthy discussions with the Football League about building a new stadium nearer to Coventry's city centre and in the meantime planned to ground-share with a League club in the west Midlands.

"The council seem to be quite naively hopeful that there is a Russian oligarch or a sheikh waiting to take over," [REDACTED] said. "I think that's unrealistic. I do a lot of work in the Gulf and know a lot of the sheikhs who are interested in football quite well, they want trophies. They don't talk to another Gulf royal and say 'I've bought Coventry City'.

"I was staggered when they first mentioned building a new stadium but when you look at the way we are denied revenues that we used to have at Highfield Road, that were given away and had nothing return, it is strange that the economics of building a new stadium actually stack up. It is ridiculous and wasteful because what would happen to the Ricoh Arena is that weeds would come up through the cracks in the concrete and it would become a white elephant."

[REDACTED] said: "What I've found, whether I'm in Tesco car park holding two bags of shopping on a Friday night or walking around in the city centre on a Thursday morning, is supporters stopping you and saying 'just pay the rent, Tim, just pay it and we can all move on'. Then, when I unravel the argument in front of them, they then say 'for god's sake, you've got to get the right deal for the club, we've got to think long-term, [REDACTED]'."

The question of which side is in the right has been much debated by frustrated supporters, who have seen their team slide deeper into a gaping abyss since relegation from the Premier League in 2001, after 34 years in the top flight.

[REDACTED], spokesman for the Sky Blues Supporters Trust, believes the club had to move from their old stadium. He said: "People say 'we should never have moved', but we had to move. Highfield Road needed so much money spending on it, there was no room to expand because it was surrounded by housing and it only held 20,000 people. Looking back on it that's all we need now but had we stayed in the Premiership or Championship we would have been at capacity sometimes. The reasons for moving at the time were extremely valid." He continued: "The whole thing has got so stupid, it's now no longer about contracts, finance or anything else – it's just personal."

[REDACTED] may argue that, at Coventry City, that used to be a good thing.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

From:

To:

Cc:

Subject:

Date:



[Redacted] WSW
@coventry.gov.uk; [Redacted] @coventry.gov.uk; [Redacted] @rfcoarena.com;
[Redacted] @walkermorris.co.uk

[New post] Its [Redacted] Time...Urgent Review

02/06/2013 11:38:08 AM

The article below is a wonderful summation of the reality of the fiduciary duties of a Director and in particular the SISU/Seppala and [Redacted] way of accounting, which needs serious exposure.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Ⓜ

Ⓜ

[Redacted]

Ⓜ

[Redacted]

From: [REDACTED] WSW
To: [REDACTED]
Subject: RE: Telegraph
Date: 22 August 2013 15:43:00

I think part of it would be to send some of that 200% material over.

[REDACTED]

[REDACTED]

[REDACTED]

From: [REDACTED]@supporters-direct.coop]
Sent: 22 August 2013 15:38
To: [REDACTED] WSW
Subject: Re: Telegraph

[REDACTED]

For [REDACTED] the key is obviously to draw Seppala into the story as much as possible - either through the actual documents, or in the commentary: Connect her with corporate misdeeds, governance failures, rank hypocrisy et al.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

On 22 August 2013 15:29, [REDACTED] -WSW

> wrote:

Worth a shot. I'll drop them a line.

[REDACTED]

[REDACTED]

[REDACTED]

From: [REDACTED]@supporters-direct.coop]
Sent: 22 August 2013 13:37
To: [REDACTED] -WSW
Subject: Telegraph

Just happened upon this from several years ago when SISU got their hands on Coventry. Is it worth seeing whether the Telegraph might be interested in reviving their coverage of

From: [REDACTED]
To: [REDACTED] WSH
Subject: Fwd: Coventry City/SISU Capital
Date: 22 August 2013 16:59:35

[REDACTED]

[REDACTED]

I sent some information on the 12th June about the hedge-fund owners and would be owners of Coventry City FC,

The Sky Blue Trust (the football supporters' trust for Coventry City fans) have now sent this dossier out to The Football League, as well as [REDACTED] at The FA, [REDACTED], and [REDACTED], amongst other [REDACTED]

It's a substantial and detailed series of points being made about the operation of the Hedge Fund, SISU Capital, and its various related entities, and particularly Joy Seppala, the CEO, who also sits on the City of London Takeover Panel.

If you do wish to discuss this further, please let me know and I can put you in touch with someone.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

From: [REDACTED] WSM
To: [REDACTED] WSM ; [REDACTED]
Subject: RE: £4.00 per ticket
Date: 30 August 2013 14:39:17

[REDACTED]

[REDACTED]

[REDACTED]
simply put out a public position which says [REDACTED]
[REDACTED]
[REDACTED] while we want the Club here It can't work with Seppala at the helm."

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

From: [REDACTED] WSW
To: [REDACTED] WSW
Subject: RE: Query from the Coventry Telegraph and proposed statement of response. [WCO-Legal01.580579.2060558]
Date: 30 August 2013 15:45:05

[REDACTED]

[REDACTED] - I'm assuming [REDACTED] not going to be standing for any flannel or shit from Joy

From: [REDACTED] WSW
Sent: 30 August 2013 15:42
To: [REDACTED] WSW
Subject: FW: Query from the Coventry Telegraph and proposed statement of response. [WCO-Legal01.580579.2060558]

We have an issue in that [REDACTED] has had a response to her letter inviting Joy to meet which has been accepted.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

From: [redacted] WSW
To: [redacted]@nicoharena.com; [redacted]@nicoharena.com; [redacted] WSW
Subject: [redacted] from Supporters* Direct just called me
Date: 05 November 2013 11:32:00

[redacted]

- Believes that Councillor [redacted] needs to be seen to win the public mud-throwing argument with Joy Seppala and was right to respond robustly last week

[redacted]

[redacted]

[redacted]



weber
shandwick
engaging. always.

*EMEA Consultancy of the Year 2012, The Holmes Report
The Sunday Times 100 Best Companies to Work For, 2012*

From: [REDACTED]
To: [REDACTED] WSM
Subject: Re: Latest Private Eye
Date: 25 April 2014 09:40:32

[REDACTED] and the job required was done on Seppala in the very early stages of the campaign.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

From: [redacted] WSW
To: [redacted] @higgscharity.org.uk; [redacted] @higgscharity.org.uk;
[redacted] @coventry.gov.uk; [redacted] @virginmedia.co.uk
[redacted] @gmail.com; [redacted] @coventry.gov.uk
Cc: [redacted] WSW; [redacted] @wragge.com; [redacted] @coventry.gov.uk
Subject: RE: [redacted] /Joy meeting
Date: 30 August 2013 09:37:35

Just been called by [redacted] who is going to email some claims from [redacted] (via Joy) about detail of rent deal they were last offered. [redacted]

From: [redacted] [mailto:[redacted]@walkermorris.co.uk]
Sent: 30 August 2013 09:32
To: [redacted] (-WSW); [redacted] @higgscharity.org.uk
[redacted] @coventry.gov.uk; [redacted] @virginmedia.co.uk
[redacted] @gmail.com; [redacted] @coventry.gov.uk
Cc: [redacted] @wragge.com; [redacted] WSW; [redacted] @wragge.com; [redacted] @coventry.gov.uk
Subject: RE: [redacted] /Joy meeting

Comes across as an additional mouthpiece for Joy Seppala. [redacted]

public pronouncements, has not facilitated a meeting. It is still with great regret that the Council inexplicably rejected the CVA, costing the club ten points.

One of the bars to the meeting has been the lack of recognition from the Council to the ownership of the club. This still remains a barrier to any future meeting.

Joy explained that a club that doesn't control its match day revenues is unsustainable, therefore, many attempts were made to renegotiate a fairer deal which would have been more sustainable for the club, securing its long term future and progress.

A great deal of time was spent with [REDACTED] putting forward many of the fans questions including the future stadium development, its continuing community work within the city, promised transport Northampton and shirt sponsorship.

The reason for a lack of shirt sponsor was given as the transfer embargoes. [REDACTED] suggested offering the shirt sponsorship to a charity in the interim period and the idea was warmly accepted.

They accepted and understand the Keep Cov in Cov campaign and that any possible return to the Ricoh would only happen if they were guaranteed some sort of security.

Joy also expressed sorrow that Cllr [REDACTED] had not agreed to meet with [REDACTED].

It was a positive meeting and communication lines will be kept open. [REDACTED] will monitor the situation about the topics discussed to ensure that actions are completed and fans concerns are fully addressed.

[REDACTED] remains open to discuss this situation with any of the stakeholders, either individually or collectively. Once again, she is also urging everybody to sit down and have talks, as that is what the fans deserve.

The future of Coventry city starts here, not at some wish point in the future.

[REDACTED]

[REDACTED]

From: [REDACTED] [mailto:[REDACTED]@coventry.gov.uk]

Sent: 20 November 2013 10:41

To: [REDACTED] WSW; [REDACTED] -WSW;

Cc: [REDACTED]@hlgscharity.org.uk; [REDACTED]@virginmedia.co.uk; [REDACTED]@ricoharena.com)

Subject: RE: [REDACTED] Joy "talks"

[REDACTED]

[REDACTED] we were asked some weeks back to meet with [REDACTED] and [REDACTED] who are from the supporters consultative group who said that they would like to meet me and [REDACTED], because they have met Joy Seppala once and [REDACTED] several times and would like to get our take on events to 'balance' what they had and have been told by Sisu/Otium/CCFC.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

From: [REDACTED] WSW
To: [REDACTED] WSW
Subject: RE: Statement for use tomorrow (reactively)
Date: 10 December 2012 19:54:00

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

From: [REDACTED] WSW
Sent: 10 December 2012 19:36
To: [REDACTED]@coventry.gov.uk; [REDACTED]
[REDACTED]@ricoharena.com; [REDACTED]@ricoharena.com; [REDACTED]@coventry.gov.uk'
[REDACTED]@coventry.gov.uk
[REDACTED]gmail.com; [REDACTED]@coventry.gov.uk; [REDACTED]
Cc: [REDACTED] WSW
Subject: Statement for use tomorrow (reactively)

[REDACTED]

Further to our call and on the assumption that we will be happy to proceed down the route of emphasising Joy's involvement I propose the following statement for review. We very clearly need to move the story on to the bigger picture issue of Joy's true intentions and should proceed now to determine a) the precise timing of that move and b) the most appropriate spokesperson to lead it. In the meantime we can work (if agreed on our next call with all parties present) to attempt to lead the media's questioning down the path of a focus on Joy's longer term plans.

[REDACTED]
[REDACTED]

Members of the ACL Board met yesterday with representatives of the Mayfair based hedge fund Sisu, including Joy Seppala, Sisu's Chief Executive. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

From: [REDACTED] WSW
To: [REDACTED] @coventry.gov.uk
Cc: [REDACTED] WSW; [REDACTED] @coventry.gov.uk
Subject: Reactive ACL statement. For use in the event of a leak.
Date: 05 August 2013 17:59:08

[REDACTED]

[REDACTED]

[REDACTED]

"This decision makes it all the more remarkable that the Football League, as recently as last week, confirmed the transfer of the 'Golden Share' to Otium, one of Joy Seppala's Sisu-family of companies.

"That the Football League can conclude that Ms Seppala is a fit and proper person to run a football club, even as a Shadow Director, makes a mockery of The Football League's own regulations. [REDACTED]

[REDACTED]

"We hope that this judgement brings further scrutiny to bear on the operations of Sisu, of Otium and of Ms Seppala herself, including her credibility as a member of the Board of the City of London's Takeover Panel."

[REDACTED]

[REDACTED]

From: [REDACTED]
To: [REDACTED] WSW
Cc: [REDACTED]
Subject: Response to [REDACTED]
Date: 30 August 2013 11:38:27

[REDACTED]

[REDACTED]

[REDACTED] After hearing that Joy Seppala was back in the country earlier this week [REDACTED] wrote to her and again stressed her willingness to meet face to face as soon as possible. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Coventry City Council

Weightmans reference: SG/62030/6

**Report of an investigation into an allegation concerning the conduct of Councillors
Ann Lucas and John Mutton**

SG16

From: Commane, Lisa
Sent: 07 December 2012 11:52
To: West, Chris; Forde, Christine
Cc: Hastie, Barry
Subject: to pick up in Pinsents call and summary of informal Cabinet briefing today - commercial in confidence

Categories: Relevant

Pinsents

Need to find out what CCFC would need to do re football league to move to a new home?

Briefing

Endorsement to have the media war and go on the attack with SISU

Martin briefed that he has briefed Editor of ET on the ACL rent offer – Cabinet supportive
Understand that Joy is not going to "give in" and is going on the attack to try to seize the debt and the asset and control of ACL. She has made a counter offer to YB for the debt.

Ann Lucas said Chris and Martin have full Cabinet support and the risk is the Cabinet's and that they will not hang Chris and Martin out to dry. Other Members present agreed

We need to start talking about SISU's intentions being a takeover bid rather than just rent in the media

Meeting with Bank – Member authority given to say CCC will not/never do a deal with SISU

Chris briefed on the worst case scenario – that the Council may have to buy out the loan at a level ACL where ACL may still struggle to service the Council's debt

Members support to just getting hold and control of the asset, but do understand that at top end of buy out ACL assumptions on ACL's ability to cut costs/grow business will be needed

Members support going on the offensive around SISU wanting to get hold of the asset that was paid for with public funds

They do understand we may get into a bidding war with SISU

They do understand that the Bank has a lot of control and that they can choose to sell the debt to who they like

Chris explained the hedge. What if SISU do a deal with the Counterparty that owns the Hedge...we were clear that we think ACL consent is needed to sell on the hedge – however Joy may have a way to get around this and purchase the hedge though without consent.

Very clear that there are issues with ACL's ability to service the debt and there may be some risk and that we are doing more work on this today

We have to think about what an exit strategy may look like – does the Council want to continue to own its stake in the medium term and potentially pump more money in

Are we talking to Richard Keys?

Lisa Commane

Assistant Director Special Projects Finance
Finance and Legal Services
Coventry City Council
1st Floor Christchurch House
Greyfriars Lane
Coventry
CV1 2QL

Phone: 024 7683 3990
Fax: 024 7683 3770
Mobile: 07852 137 516

www.coventry.gov.uk

Coventry City Council

Weightmans reference: SG/62030/6

**Report of an investigation into an allegation concerning the conduct of Councillors
Ann Lucas and John Mutton**

SG17

Attention: Nicholas Carter
Arena Coventry Limited
Ricoch Arena
Phoenix Way
Foleshill
Coventry
CV6 6GE

Yorkshire Bank
Strategic Business Services
20 Merrion Way
Leeds
LS2 8NZ

Tel: 0113 807 2516

Our ref: CB

17 December 2012

Dear Sirs

BANKING FACILITIES MADE AVAILABLE TO ARENA COVENTRY LIMITED ("COMPANY") BY CLYDESDALE BANK PLC (TRADING AS YORKSHIRE BANK) ("BANK")

We refer to your second letter dated 14 December 2012, in which you set out a revised offer from Coventry City Council ("Council") of £12,000,000 in full and settlement of all monies owed to the Bank by the Company.

The increased offer is noted but remains unacceptable to the Bank. If there is to be a refinancing, the Bank is unwilling to accept anything less than repayment in full.

We are disappointed to note your comments in respect of the Company's cashflow forecasts. As you are aware we take the view that, with appropriate cost savings, a solvent debt restructuring could be agreed without any impairment of the Bank's debt.

The Bank is concerned that the Company's directors appear to be focusing on achieving a discounted settlement of the Bank's facilities rather than making the operational savings required to support the level of the Company's debts. We understand that the Company's directors are appointed by its shareholders, one of which is a wholly owned Council vehicle, and that certain of the Company's directors are employees of the Council. Accordingly, we are concerned about a conflict between the interests of the Company and those of the Council.

Please can you confirm the following:-

1. What steps the Company is taking to progress an operational restructuring of the Company's business in order to support the level of its debts?
2. How the Company is conducting its negotiations with the Council, in order to maximise any increased offers to refinance the Bank's debt? Who on the Company's board is leading such negotiations? What other parties have been approached so as to provide an alternative to the Council's offer?
3. What steps have been taken to resolve any conflicts of interests that have arisen in light of the Company's concurrent negotiations with the Council, the Bank and Coventry City Football Club? Please provide copies of any relevant board minutes or shareholder resolutions dealing with such conflicts of interest.

We remind you that in the circumstances, the directors of the Company owe a duty to act in the interests of the Company's creditors, rather than its shareholders, and should do everything possible to protect creditors' interests.

All of the Bank's rights and remedies arising under or in connection with the Facility Letter or otherwise remain fully reserved. Nothing contained in this letter and/or any associated correspondence or communications, nor any action or inaction by the Bank, shall operate as a waiver of any of the Bank's right or remedies which remain and shall continue in full force and effect.

We look forward to hearing from you as soon as possible

Yours faithfully



Craig Billups
Executive - Strategic Business Services
For and on behalf of
Glydesdale Bank Plc (trading as Yorkshire Bank)

Coventry City Council

Weightmans reference: SG/62030/6

Report of an investigation into an allegation concerning the conduct of Councillors
Ann Lucas and John Mutton

SG18

Phil - Option price - it says with input on our value

- 10 - pulling out - why would they w/d
input in other stream

13/08/2012

- Ed Ande - ACC
- ACC

Where we are Now

- We have seen SISU's plans for CCFC
- No detail of a new ACL/CCFC rent and revenues deal - In negotiation
- No information on basis and details for AEG's involvement
- How detail of all of this affects the Council
- The scale of future regeneration

to the
submits

Our Conditions

- SISU never allowed to use ACL assets as security for borrowing
- A detailed shareholder agreement for ACL - consent required to dispose of shares
- Commitments from SISU re CCFC
- Shareholder returns to the Council
- Back to back transactions and due diligence

Attendee purchase in Missis
Moores?

What % of ACL can
be used in CCFC. Can it be viable?

Richard Adams - O'Neil value

Risks of this approach

- Relationship/trust with SISU
- Lots of detail not known - especially round AEG
- CCFC continue to fall - we go round the circle again
- All very destabilising for ACL
- Public perception

Chris - will he not in? —
 Old loan - good deal —
 How to then claim end by on the board? — 13/08/2012

Ann - AEG will not work. Why do the line us?
 Deal with SISU - when will Higgs return.

Process

- Draft Heads of Terms agreed - NOT legally binding, except confidentiality clause
- Reflect this presentation
- Short period to try and agree a deal - weeks
- Decision to proceed to Group then full Council

SISU Deadline
 Term: Lack of transparency with ACC

• Risk Register, only need to crisis
 Deal: Small Deal?
 Investment to take back out? —
 Need SISU?
 • Can any club come by Higgs vote?
 What will SISU give by liquidation?

The Key Issues

- Does the Council wish to see a viable football club?
- Does the Council support ensuring the viability of ACL is secured?
- Would the Council agree to Higgs sale?
- Would the Council do a deal with SISU and if so on what basis?

Line: Lease extension? Base fee?
Any other plans re Higgs?

- Could SISU still be to another shareholder? —
 - YB - can they without debt.
 - Lease extension - ACC or SISU right renewable
 How much say did SISU have?

Lease length — • Why not had before
 • Hold land - see length - creditors - etc.
 • Pts?

Joe What do we say?
Paul SISU - what advice?

Coventry City Council

Weightmans reference: SG/62030/6

Report of an investigation into an allegation concerning the conduct of Councillors
Ann Lucas and John Mutton

SG19

EXCLUSIVE: Coventry City FC owners Sis make official complaint over Coventry councillors' conduct

17:33, 13 MAY 2015 | BY SIMON GILBERT

Lawyers have written to Local Government Ombudsman calling for conduct of Ann Lucas and John Mutton to be investigated



Receive news like this by e-mail



45 Shares

Share

Tweet

+1

LinkedIn



Coventry city councillors John Mutton and Ann Lucas

Coventry City FC owners Sis have launched a complaint to the official council watchdog about the conduct of two leading councillors.

The Telegraph can exclusively reveal the latest legal twist in a long running dispute over the ownership of the Ricoh Arena operating company ACL, which was bought by Premiership rugby club Wasps in November.

Lawyers acting on behalf of Sis have written to the Local Government Ombudsman (LGO) to complain about the conduct of Coventry City Council leader Ann Lucas and former leader Coun John Mutton.

Several accusations are levelled at the Labour Party pair, relating to their conduct during the Ricoh Arena saga since Sis took over the Sky Blues in 2008.

ADVERTISING

The Telegraph understands the written allegations have been sent to the independent LGO who has similar powers to the courts when it comes to the release of information and conducting investigations.

The LGO can recommend rectifying action, including suspensions, if any wrongdoing is believed to have occurred – but it has no power to actually force a local authority to take action.

The complaint includes quotes attributed to leading councillors, taken from various media outlets, which Sisu claim have been damaging, and a letter from Sisu boss Joy Seppala, who complains about the conduct of Coun Mutton during discussions about the Ricoh Arena.

Coventry City FC owners Sisu: New court date announced for appeal against Ricoh Arena sale

It's understood Sisu have called for possible wrongdoing to be investigated in relation to secrecy, misleading statements, failure to act in the public interest and financial loss.

No allegations of wrongdoing by Ann Lucas or John Mutton have been proven. The pair both declined to comment when approached by the Telegraph.

Sisu has not yet responded to requests for comment.

The club's owners took the council to court last summer claiming a loan from the authority to ACL was unlawful state aid, not made on commercially viable terms and killed off any possible deal with the club.

But a High Court judge comprehensively dismissed that accusation and criticised Sisu, accusing them of deliberately withholding rent in a bid to distress ACL to acquire the stadium company at a knock down price.

Sisu will seek to appeal that decision on July 7. They also subsequently launched another judicial review application into new loan terms agreed between Wasps and the council following the rugby club's takeover of ACL in November.

That application has been put on hold pending the outcome of the July 7 appeal.

Coventry City Council

Weightmans reference: SG/62030/6

Report of an investigation into an allegation concerning the conduct of Councillors
Ann Lucas and John Mutton

SG20



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



Councillor Ann Lucas
Leader of the Council
Member Services,
Customer & Workforce Services Coventry City Council
Council House,
Earl Street Coventry
CV1 5RR

13 November 2013

Dear Ann,

It was a pleasure to meet and to cut through the media hype. I do believe that you genuinely want to do the best for the city of Coventry and that you understand and value the hard economic, socio-economic and community benefits that a football club brings to a city.

I also accept that the present situation was not of your making, that you have never been one of the voices calling for "SISU Out" and that you cannot sanction any new agreements without a majority backing of the councillors.

That having been said, neither the Club nor its investors can countenance anything other than owning its stadium. Financial fair play alone dictates ownership. It seems to me that ACL is a problem child; managed by the executive of the Council as an independent business it is neither under your control nor truly operating as an independent business.

Whichever way one looks at it, the loan of £14,400,000 to a stadium management company that has the benefit of a lease on the football stadium when it has alienated its anchor tenant was utterly misconceived. This created the present impasse and gave the Higgs Charity a windfall and a ransom strip. It is not clear to me whether the Councillors were ever fully briefed as to the offers which we made in 2012, the heads of agreement which were signed or just how beneficial these were for the

City, the Council and the fans. Why ACL's board (comprising the two officers of the Council and Higgs representatives) then capriciously voted against the CVA to cost the Club (which it says it wants to support for the City) 20 points is beyond comprehension.

Looking back at the deal I proposed in 2012 we were to pay off the entirety of the bank borrowing and purchase a 50% stake in ACL from the Higgs Charity, provided that ACL secured a 125-year lease (increasing the value of the 50% being purchased to provide consideration for paying off the bank debt). As far as we can see a combination of ideological prejudice and misplaced motives resulted in your former leader and your executive withdrawing from the discussions deliberately to force a sale of the Club.

As must be obvious the plot was utterly misconceived and has backfired spectacularly; control was not obtained over the Club and the Council has a debt to its own management company of £14,400,000 secured on an asset worth, on your figures, £6,000,000 odd (with revenue from a football franchise) and a cashflow which might break even but cannot hope to repay the loan. This is a classic financial zombie and ACL is presumably not in default of rent or loans so there is clearly no possibility of the Council releasing the freehold. At the same time Higgs is (as we understand) demanding a premium for any sale of its interest (in ACL) or consent to ACL surrendering its interest?

In the meantime, in order to flourish the Club needs a stadium where it has the benefit of all the revenue generated from its playing activities and where it is totally free from the sort of politics and malign motives under which it laboured before your elevation to the Leadership. When I said I would not "rule out a return to the Ricoh", I meant it. I just cannot see any way in which the competing interests can be resolved and deliver what is needed to bring the Club back to the City.

ACL and your officers acting as a number of its directors continue to publish vacuous offers of rental arrangement which have been roundly rejected and are transparently directed at destabilising support for the Club. Council officers appear to be acting independently when it suits their purpose and filtering and glossing the information the Councillors are receiving. When that is cumulated with the previous leader's ideological prejudice, it is little wonder that it has been so difficult to create an open dialogue.

We have debated internally whether the City might transpose its loan into a permanent charitable foundation or endowment that also holds the freehold. In any scenario we need a freehold or clean restriction free long lease. As matters stand that does not appear to be something you can deliver commercially, legally or politically. We respect your candour, integrity and genuine desire to work with the Club; sadly unless you have the co-operation of all interested parties to break the constraints imposed by your predecessor's actions it would seem that our best outcome is delivered

by building a new stadium. For the avoidance of any doubt our desire to build a stadium has never been driven by any malign intent but by a clear perception that there was no deal that the City Council or ACL were capable of delivering which would secure the future needs of the Club.

My investors and the Club have suffered from the events triggered by the Council's misconceived loan, the flawed application for the administration of Coventry City Football Club Limited and the subsequent campaign of vilification.

Ann, if I am wrong and there is a way to provide an unencumbered freehold or very long unrestricted lease in a way which is politically acceptable to the Council, then I am here to talk. There is clearly a socio-economic and community value to having the Club in the Ricoh which I would expect those who have been so vocal to recognise.

We cannot delay our other plans to build a new stadium and I am being pressed to bring civil action to recover the millions of pounds in losses attributable to the conspiracy to wrest control of the Club from the investors.

Please do not hesitate to ask if you need any information or data to assist you.

Yours sincerely

Joy Septhala

Coventry City Council

Weightmans reference: SG/62030/6

**Report of an investigation into an allegation concerning the conduct of Councillors
Ann Lucas and John Mutton**

SG21

24/7/12. JM/GD/SW/TF/CW/MR/PH/SB @ MR's office
+JMS(phone)

TF - reiterated need for confidentiality
Went thru 3yr plan presentation.

JM: also director @ Higgs. CCFC 2 pay for main pitch renovation
cost £450k ?? Not aware @ CCFC

JM slide 8: escrow a/c not been topped up → come back 2 letter.

slide 11: SMT: TF/SW/SB

Rent comp: av 150k ch
100k LI

Resubmitted offer from FC → ACL re rent: @ an impasse?

MR/page 4: mthly loss based on £200k rent.

L1 → 60% yr 2.

Champ → P+L max loss

L2 → 50% max waps.

JM: rental decision between ACL + CCFC

Financially loss @ Elm rental y. cld put ACL @ a loss
too

TF: summary judgement causes major issues.
Downward spiral?

CW: length of time for non-payment of rent? Need 2 conclude
An interim position on rent?

TF: Agree timeline on rent negotiation?

ACL board mtg tomorrow → revert post mtg re structural
timeline.

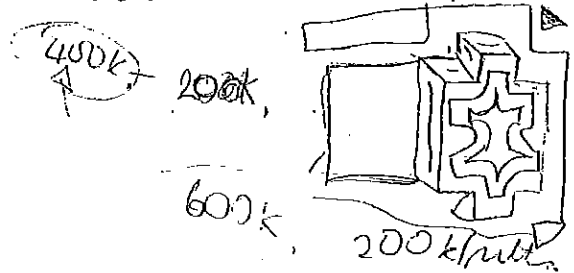
MR : level of gap between business doj + comp. team
- next push? what ^{other} ~~else~~ non-football costs can be made?

CW : finance cash gap?

↳ JVS written loan notes (£1.15m)

or ↑ revenue.

Are SISU saying will fund gap? Conditional upon a buybacking @ ACL.



CW : how does ACL ~~become~~ ^{become} profitable going forwards.

LD presentation presented the tra next steps.

AEG framework → how it will work w council / SISU.
(big plan lite')

CW + LD to discuss term sheet.

1) No T 1 week from now.

2) Review stage 1 due dili → revert post board.

3) AEG MR/CW meeting. in cov.

4) YB → board re triggering valuation.

don't know if YB know re summary judgement.

CW / LD discuss YB strategy

Pre-AEG agreement?

1212175341 Vitality

PH | BK | JVS | PS | MR | RR-H | JM | G.D. | CW | IF 18/5/12

Business case → how to take football club forward.

For response to date: don't let SISU get hands on stadium, let them prove re. fc/development 1st.

CC: must look at bigger picture w/ development of stadium.

TF: how to turn around?

JVS: community ownership + community programme. Need for support to ensure viability of clubs in future.

Large PR jobs: - broken promises?

MR → key is invt gap ST. Eg hotels. New hotel c £5.2m.

PKH → mindful mtg 16/5 → expect product end Thurs

TF: invt not enough → need the IP to apply invt correctly.

JVS: sustainable biz → lower invt amount required.

JM: doesn't want to do if fc doesn't make any ~~new~~ money from stadium improvements
ie where are additional profits going?

BK - speaking on behalf of facilities.

Re div - no opportunity to do analysis of surrounding land, wld like to advise on the opportunity.

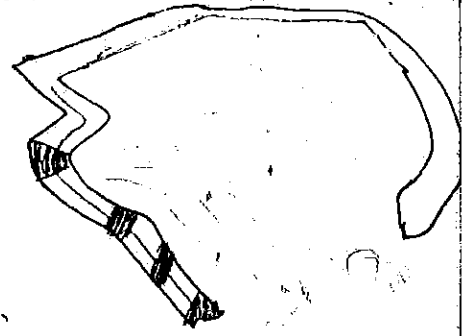
FS: need guidance / council to be part of vision for development

PH 2yrs until search out
Higgs? 5m
JVS 5? 10?
FC 8w/10 } £30m
H201 5?

TF → FC adv. bleven
→ hotel news no
→ will get co. inv for some of this
→ need no.s + vision.

Timing of tax vs re funding.

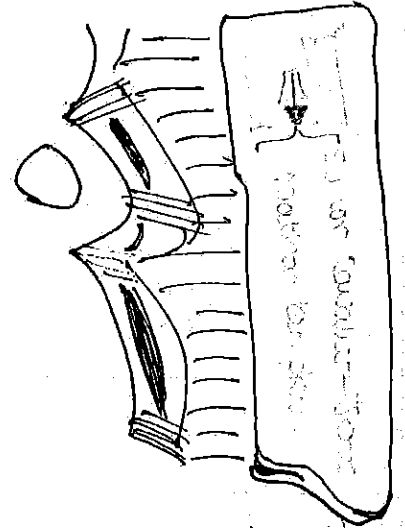
Needed: bridging fc
hotel invt } next move → scorpium.
competitive fc → don't lose fans.



TF → cost cutting underway

- need to get out of transfer embargo, footballer ready to go.

All → speaking to BDO re a/c sign-off.

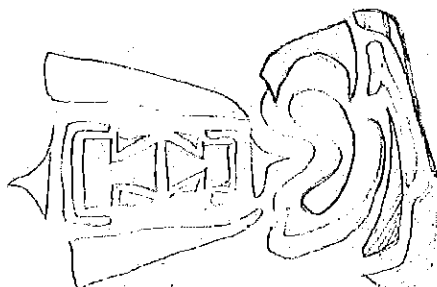
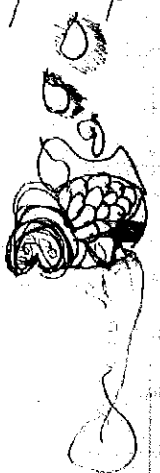


① Upfront Alm

② Annuity x 1yrs

③ Security

Situation analysis:



PB | ME | SVS | JM | George

1/5/12

PB intro: relationship look to improve

Look to improve FC → talking 2 MR as part of this

Trying 2 get club to blend

~~look~~ Exec + CD going thru no.s

JM: Aug 11 cost spike of team

For base ~~was~~ was 25,000 now 15,000

Losses from cost of ticket revenue? £4m

£40m has gone into club not been well-managed

Realigning cost base

Strong mgt team 2 build relationships (not overnight)

Aligning stadium + FC



George: Club (see Chris C) was promised £20m to invest?
 Didn't happen → sd be in Prem @ moment.
 Potential is there → eg Cov vs Leeds. 28,000.

Jm: - has been told in the past?
 - people disillusioned w club → 100's of emails (week re no to
 BSU as take huge mortgage then disappear.

JVS: never £20m support. + £5m HMVCC not expecting.

G: eg said new loan players - never happened.
 Supported previously said 'not come around'. Now not saying anymore.

Amount invested not clearly documented to fans.

JVS: KD huge mistake. All agreed.

G: Issue is on the pitch?

Jm: where is business plan?
 What are plans to turn around? Otherwise £40m becomes £60m.

JVS: cannot put more cash in unless understanding that money
 forward in partnership w community.
 Need to get breakeven asap.
 Still need to cut £2m to get to breakeven.

£200k provib Acc.

Suspensions will still be there if BSU takes ownership of Stadium.
 BSU agrees min. leverage

Jm. 1. Understanding of big plan.

PB: need a strong mgt team
11 players walking → mgt mismanagement.

Arena - lot more potential but cannot do, needs invt.

JM: welcome mtg, want 2 understand position.

Force greater problems?

Tx embargo due to all not signed off

∴ How improve team w/out 12mths

£3m funding over summer → not investing in team

Must align + grow revenues of stadium.

I can't survive without the other.

G: extra revenues from where?

PB: look 2 ↑ exploitation of asset.

Right mgt not in place previously → how can guarantee mgt?

from S&SU

Not S&SU → bring in world-class operator → Look @ O₂ Arena

as ACC
MR: don't see FC demise as catastrophic.

Maybe w/out S&SU history could look @ restructuring w/ UB

S&SU → UB only talk to S&SU w/ ACC as collaborate

UB happy to sell as don't want to fund FC.

Demonstrate that ppl to operate → building eqy value.

JM: even if can bring in ppl in + demonstrate model of growth,
next council mtg not until 3 July.

JM := 315,000 pd in city, but must get max value for every £1 spent.

- but doesn't want to see it go non-league
- job creation / hotels built also is value not just cash

PB : no white knight
stadium is critical.

JM/G key in city + stadium.
Pathway to doing this?

Glad 2 understand from JM's perspective

Wld want to speak to potential inv + venue operators.

Need to fully understand direction.

+ a clear plan

Restructure

before can
put to
members.

track record
blower
kid
or int
abs

Mayor-making mtg 17 May. Ceremonial mtg only.

Cld call on emergency mtg though?

MC : what are alternatives?

liquidation - want 2 avoid but will do.

Admin - not an option as no additional funding.

JVB : trusted the wrong people + didn't act quickly enough.

Ppl in place now working asap. → blower
Barber committed to community.

Wants to right the wrongs from past.

Give Ely stake → community.

JM If a necessity & if members agreed, could call

special members may, but wld need to be convinced
1st as massive selling jobs.

ME : council 50% not up for sale dev /
Ph says -> veto

Legal protection re "kip"

Regeneration was original reason for building . : valde + plan to
create job opps in north city.

10

Coventry City Council

Weightmans reference: SG/62030/6

**Report of an investigation into an allegation concerning the conduct of Councillors
Ann Lucas and John Mutton**

SG22



Coventry City Council

Joy Seppala
Chief Executive Officer
SISU Capital Limited
By email: jseppala@sisucapital.com

Our Ref: al/ljr/seppala
28 August 2013

Dear Joy

I'm aware from local media reports that you will be in the country this week. I'd like to renew my invitation to meet with you privately to try and find a solution that will bring the Sky Blues back to the City on terms that makes sense for everyone involved.

It is so sad that the team is not playing in Coventry and I would be happy to sit down with you, in private, to see if we can thrash out a way forward.

This is a genuine offer, away from the glare of the media, which I hope that you will accept in the good faith that it is intended.

You can contact me direct on my mobile phone 07769735389 or my PA Lisa Ramsden in office hours on 024 76831103.

Look forward to hearing from you soon.

Yours sincerely

Councillor Ann Lucas
Leader of Coventry City Council



**The Office of the Leader
of Coventry City Council**

The Council House
Earl Street
Coventry
CV1 5RR

Telephone: 02476 831103
Email: ann.lucas@coventry.gov.uk
Website: www.coventry.gov.uk

Coventry City Council

Weightmans reference: SG/62030/6

Report of an investigation into an allegation concerning the conduct of Councillors
Ann Lucas and John Mutton

SG23

SpeechlyBircham

Speechly Bircham LLP
6 New Street Square
London EC4A 3LX
Tel +44 (0)20 7427 6400
Fax +44 (0)20 7427 6600
DX 54 Chancery Lane
information@speechlys.com
www.speechlys.com

By Email and Post

Ms Ann Lucas
Coventry City Council
The Council House
Earl Street
Coventry
CV1 5RR

Email: Ann.Lucas@coventry.gov.uk

Date
30 August 2013

Our ref
DPR/ACS/AMA/351818

Without Prejudice Subject to Contract

Dear Councillor Lucas

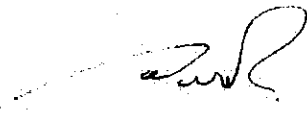
Re: Coventry City Football Club

Ms Seppala, in her capacity as representative of the investors, will be pleased to engage in an exploratory meeting with you at our offices. Ms Seppala requires that I be in attendance at that meeting.

Your officers have previously indicated how difficult it is for the Council to maintain confidentiality. However any potential for establishing constructive dialogue requires confidence that such discussions remain unreported.

Please would you let us know if this is accepted and when it might be convenient to convene this.

Yours sincerely



Alexander Carter-Silk
Partner
For Speechly Bircham LLP

Direct line: 020 7427 6507
General Fax: 020 7427 6600
Email: alexander.carter-silk@speechlys.com

15413821.1

Coventry City Council

Weightmans reference: SG/62030/6

**Report of an investigation into an allegation concerning the conduct of Councillors
Ann Lucas and John Mutton**

SG24

SpeechlyBircham

Speechly Bircham LLP
6 New Street Square
London EC4A 3LX
Tel +44 (0)20 7427 6400
Fax +44 (0)20 7427 6600
DX 54 Chancery Lane
information@speechlys.com
www.speechlys.com

By Email and Post
Ms Ann Lucas
Coventry City Council
The Council House
Earl Street
Coventry
CV1 5RR

Sent by E-Mail and by post
16:34 30th August 2013

Email: Ann.Lucas@coventry.gov.uk

Date
30 August 2013

Our ref
DPR/ACS/AMA/351818

Without Prejudice Subject to Contract

Dear Councillor Lucas

Re: Coventry City Football Club 2nd Letter"

Following our previous letter the football club has been contacted by the Coventry Telegraph to advise us of a statement issued by your office to the effect that;

"Ann Lucas has written directly to Joy Seppala, after hearing Mrs Seppala was back in the country this week, to arrange a meeting".

What that statement does not include is your statement to the effect that ;

"This is a genuine offer, away from the glare of the media, which I hope that you will accept in the good faith that it is intended..."

Ms Seppala accepted your assurance as to privacy and exclusion of the press. It is unfortunate that your office thought it appropriate to act contrary to that assurance barely before the ink was dry. The absence of any reliable assurance of confidentiality renders a meeting inappropriate.

If the Council has any constructive proposal to make, the directors of the Club will be pleased to receive these in writing and in confidence.

Yours sincerely



Alexander Carter-Silk
Partner
For Speechly Bircham LLP

Direct line: 020 7427 6507
General Fax: 020 7427 6600
Email: alexander.carter-silk@speechlys.com

15420115.1

Coventry City Council

Weightmans reference: SG/62030/6

**Report of an investigation into an allegation concerning the conduct of Councillors
Ann Lucas and John Mutton**

SG25



Coventry City Council



**The Office of the Leader
of Coventry City Council**

The Council House
Earl Street
Coventry
CV1 5RR

Telephone: 02476 831103
Email: ann.lucas@coventry.gov.uk
Website: www.coventry.gov.uk

29 July 2013

Dear Joy

I'm writing this open letter to you today because, as Leader of Coventry City Council, I want to do everything in my power to keep our football club playing in our city and make the maximum use of the Ricoh Arena as an engine to drive growth and create jobs in the city,

None of us wanted to see a day like today when the creditors meeting due to take place later is likely to see an outcome which is not in the interests of the city, ACL or the football club.

I know that you want the Company Voluntary Agreement to be approved today. I want a solution that will see the Ricoh Arena continue to develop and flourish with the Sky Blues playing a role in this success. I understand you will want to get ownership of at least some of the stadium and access to some match day revenues. But you need to understand, on behalf of the City Council as freeholder, 50% shareholder of ACL and owner of 7.5 acres of development land I will protect the asset of the Ricoh Arena for the city and its people.

I still think there is a chance that you and I could sit down and hammer out a way forward. I have not been Leader of the Council very long and I am prepared to take a fresh look at all the issues that have brought us to this stalemate.

Thousands of Coventry City fans have taken to the streets to express their passion for their club. Hundreds have told us how they feel. Lawyers have told me not to make public statements about this issue, because of ongoing litigation. I am saying to you, woman to woman, that we need to end this nonsense now.



Coventry City Council

Nikki Sinclair MEP

By email: nikkimep@googlemail.com

Our Ref: al/ljr/Sinclair
07 August 2013

Dear Nikki

Thank you for your letter e-mailed to me earlier today. I notice that this has already been published in full on your blog and reported on Sky Blues Talk. I had understood from Mr Calvert that those attendees invited and indeed the meeting itself would remain confidential. Anyway to be clear, in case this response is inadvertently put into the public domain – whilst I recognise the good intent of Mr Calvert – coming together in this way with an apparently randomly selected group of individuals; with little or no structure and unclear facilitation is not the way to conduct business.

I do understand the anxiety and frustration of Sky Blues fans – but this is not the way to discuss the issues in a structured and effective way.

My offer to sit down with Joy Seppala and any of her colleagues from SISU – related companies to discuss unconditionally the situation in front of us remains very much open.

Best wishes

Yours sincerely

Councillor Ann Lucas
Leader of Coventry City Council



**The Office of the Leader
of Coventry City Council**

The Council House
Earl Street
Coventry
CV1 5RR

Telephone: 02476 831103
Email: ann.lucas@coventry.gov.uk
Website: www.coventry.gov.uk



Coventry City Council

Joy Seppala
Chief Executive Officer
SISU Capital Limited
By email: jseppala@sisucapital.com



**The Office of the Leader
of Coventry City Council**

The Council House
Earl Street
Coventry
CV1 5RR

Telephone: 02476 831103
Email: ann.lucas@coventry.gov.uk
Website: www.coventry.gov.uk

Our Ref: al/ljr/seppala
28 August 2013

Dear Joy

I'm aware from local media reports that you will be in the country this week. I'd like to renew my invitation to meet with you privately to try and find a solution that will bring the Sky Blues back to the City on terms that makes sense for everyone involved.

It is so sad that the team is not playing in Coventry and I would be happy to sit down with you, in private, to see if we can thrash out a way forward.

This is a genuine offer, away from the glare of the media, which I hope that you will accept in the good faith that it is intended.

You can contact my office on 024 7683 1103.

Look forward to hearing from you soon.

Yours sincerely

**Councillor Ann Lucas
Leader of Coventry City Council**



Coventry City Council

Joy Seppala
Chief Executive Officer
SISU Capital Limited
By email: jseppala@sisucapital.com



**The Office of the Leader
of Coventry City Council**

The Council House
Earl Street
Coventry
CV1 5RR

Telephone: 02476 831103
Email: ann.lucas@coventry.gov.uk
Website: www.coventry.gov.uk

Our Ref: al/ljr/seppala
13 November 2013

Dear Joy


Thank you for your time last Friday; it was good to finally meet you, and I appreciate your courtesy throughout our meeting.

I am so sorry we failed to make any headway in our discussions in terms of the club returning to the Ricoh Arena. I really believe that if you were to do that everyone involved could build a new, positive relationship and both the city and the club would benefit enormously.

Although we agreed that there was little point in meeting again unless circumstances were to change dramatically. I would like to assure you that I would be happy to meet you again, if you thought it would be worthwhile for us to do so and my door will remain open to you for the time being, at least. I know you will appreciate, as well, that at some stage we will need to move on in terms of making the right decisions about the future of the Ricoh Arena.

I hope that, following our meeting, you understand the depth of my personal commitment to finding a way forward for the club, and the strength of feeling councillors of all parties have collectively for making the right decision for the city and Coventry taxpayers. Please feel free to contact me at any time in the future; you have all my contact details. Once again, thank you for meeting me last week.

Warm Regards



**Councillor Ann Lucas
Leader of Coventry City Council**