



May 2010 Update Report

On Tuesday 4th May Anthony Malpass met with Almudena on behalf of the SARC membership. The meeting lasted for over one and a half hours and the following was either said or discussed:

The closing date for the creditors vote:

The judge has agreed to extend the closing date for votes until **the 1st of June 2010**. SARC requested that an extension was sought, due to communications received from purchasers who had not had the opportunity to attend meetings or to record their acceptance of the agreement, for several reasons including travel restrictions caused by the volcano and postal issues.

UK HdT Meetings:

Many purchasers had emailed SARC had asked if there would be any further HdT meetings. This was discussed and Almudena stated that they were in the process of identifying where to hold meetings and at what times. It was suggested that the planned Friday meeting should commence late enough to enable purchasers to be able to attend after finishing work etc.

HdT have now publicised the meetings as:

Friday 21st May 2010

Venue: NEWCASLE UPON TYNE

Time: 7.00 pm – 10.00 pm

The Novotel Hotel – Newcastle Airport (TheTyne Suite)

Ponteland Road

Kenton

Newcastle Upon Tyne

NE 3 3HZ

Tel: 0191 2140303

Web: www.novotel.com

Saturday 22nd May 2010

Venue: BIRMINGHAM

Time: 1.00 pm – 5.00 pm

The Regency Hotel, Corus, Solihull (The Green Room)

Solihull Gate Retail Park

Stratford Road

Shirley

Solihull
West Midlands
B90 4BP
Tel: 0844 736 8605
Web: www.corushotels.com

Sunday 23rd May 2010

Venue: LONDON

Time: 1.00 pm – 5.00 pm

The London Heathrow Marriott Hotel (The Goodwood Park Suite)

Bath Road

Harlington

Hayes

UB3 5AN

Tel: 0208 990 1100

Web: www.marriott.co.uk

If you have not received a letter or email giving you access to the HdT website to book a place at the meetings please use the following email and phone number to contact HdT:

info@herradadelollo.com or by calling: (0034) 902 209 210 (between 9am – 2 pm and 3.30 pm – 7.30 pm local time).

In response to some emails we have requested for a further meeting in Southern Ireland and this is being considered by HdT.

The Vote:

HdT are close to reaching the percentage required for the agreement to be accepted and are in the process of checking the accuracy/validity of the declarations that have already been made. HdT are still receiving purchasers' declarations. They have found some errors and these include:

- Wrong value of assigned credit, please get the PDF form direct that has the court recognised amount by emailing HdT info email address.
- Wrong name.
- No passport information
- Not signed correctly

Please take care to ensure that you have the correct information & that your form is accurate and valid, as it would be a great shame if it was declared void due to an error.

Solicitors:

Some solicitors appear to have not been in communication with HdT and have even declined to enter into any form of dialogue, despite the need to give clients informed advice. It also appears that one solicitor is charging clients €100 to vote no, despite the fact that if they do not vote that is counted as a no vote and only yes votes are lodged with the court.

Costa Blanca News:

In the CBN newspaper edition dated the week ending 6th May 2010 a report concerning the purchaser vote & position of HdT was reported. Crucially it was stated by Almudena and printed in the paper that HdT is negotiating with several banks so that purchasers could have BG's if SADM goes ahead.

Please read the scanned in copy of the CBN article.

http://www.santaanadelmonte.org/Buyer_power_news_clipping.pdf

Comment/Opinion

Additional information from members & other sources regarding solicitors:

We have heard some disturbing things that we believe we should share with you. There has been at least one incident where purchasers have accepted the agreement & then their solicitor has lodged a no vote in the court because there had been no communication from the client. The solicitor then decided to vote no on behalf of the client assuming that he/she was voting no. Now that the solicitor knows that the purchaser voted yes he/she has to inform the court and ask for the vote to be amended accordingly.

There has been a further incident where a purchaser had asked his/her solicitor to vote yes but the solicitor forgot & did not lodge the vote but is now doing so when this was pointed out.

Another incident is a solicitor informing a client that as they have cancelled their contract they do not have to vote. This is totally untrue as the person is still a creditor and has their money at risk and needs to decide if they wish to accept the agreement or risk their money in the liquidation process.

We have also had issues where solicitors cannot find their clients forms giving them Power of Attorney.

As can be seen from all of the above there are some serious issues concerning the behaviour of some solicitors and we advise that purchasers ensure that they communicate their choice firmly via email, inform their solicitor if they have signed up in person and ask for proof of you vote.

Due to this we have decided to share with you communications that we have in our possession sent by three different Spanish based solicitors, (appendix)

who all agree that the liquidation of HdT is a risk to purchasers. We believe they make make it very clear that if you do not wish to lose your money your best course of action is to accept the agreement as have many other purchasers who do not wish to lose their money.

We would also like all purchasers to remember that 90% of the purchasers at SADM have been let down once by the legal profession, when they signed their contracts, do not let it happen again.

We believe that purchasers are fortunate that they have been given extra time to weigh up whether to accept the agreement or not and that the Greek financial crisis underlines the uncertainties of market forces and their impact upon regaining any money if the agreement is declined.

As there are now going to be further meetings we urge all purchasers who have not signed up to the agreement for whatever reason to attend them, as other purchasers have done and seek clarification or answers from HdT. We have the opportunity to save our money, and it is important to realise it is our money would be lost if the agreement is declined.

Each individual vote is important and if the agreement is accepted we purchasers have more options to choose from and a positive outcome. We believe that if anyone is not sure of what to do, it is better to err on the side of caution and protect their money by accepting the agreement.

SARC Executive Committee
11/5/2010

Appendix
Three different Solicitors comments regarding the liquidation of HdT

1) Posting taken from EOS an Internet forum

We are about to see what happens with the proposal of Herrada del Tollo to either continue trading or being liquidated.

In my opinion, and this is the only thing I can recommend at the moment, we will have to wait and see the result of this.

Starting a litigation route which I consider of high risk and that can lead to big costs (losing a case often means having to pay the other side's fees) is not something I will recommend to our clients unless we are certain enough that it will lead to a good result.

Of course I may be wrong and this is why I would welcome other opinions of Lawyers involved, to share experiences on behalf of our clients.

Kind regards,

Martin de La Herran Sabick Abogado / Lawyer (reg. 851 Jerez) www.abolex.es

2) Email to a SARC member that was kindly shared.

Dear

About the mail you have been sent by the Residents Association, I'd like to clarify some issues:

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-As for getting a back payment higher than 65% with the liquidation of the company, it is not possible, it will always be lower and depends on the final amount results of the company liquidation.

Please, tell me if the meeting is finally in Spain and its result
Best regards.

FERNANDO DE LA TORRE SÁNCHEZ
-Abogado-
Avenida San Francisco-Javier, nº1, 1ºC
30730- San Javier (Murcia)

3) Email in response to some questions

Date: Tue, 13 Apr 2010 17:58:18 +0200

Dear Tony,

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- 2.- The terms of payment would keep the same as in the original purchase contract.
- 3.- From my point of view, if the company is liquidated it would be very difficult to ensure the creditors to get 65% of their money back.
- 4.- (I have not clear the meaning of the question) The process of selling assets could take a long term.
- 5.- I agree with the SARC assessment regarding the settlement agreement, because from my experience the liquidation process never satisfies the ordinary credits

I hope to help you with these answers.
Do not hesitate to contact me if you need something more.
Regards.
Eugenio Pedreño Balibrea. Abogado.