

Freephone: 0800 634 4862
Fax: 020 8711 2522
Email: info@pensionpractitioner.com

Daws House
33-35 Daws Lane
London
NW7 4SD

Mr Mark Coupland
Mayfair CBC
3RD Floor PO Box 2354
65 Piccadilly
London
W1A 2PP

Date: 14 August 2008

Dear Mr Coupland,

Re: Lawrence Harvey Search and Selection SSAS & T Glanfield

The facility letters have been passed to me as Scheme Practitioner for the LHSS SSAS to review.

Having read through the facility letters, they are not satisfactory to the scheme and we would ask you to make some amendments. We recommended that in line with the practices of other banks such as Lloyds TSB and Barclays, a single loan agreement is drafted in which the SSAS, National Westminster and Tom Glanfield are all joint parties and the liability of the borrowers are joint and several, the loan split is also removed from the facility letter.

Your Office previously advised that this was not possible, as joint and several liability could give rise to a technical breach of the 50% borrowing limit. This is not the case as the SSAS borrowing test is made at the date the loan is made to the scheme not after the borrowing has been undertaken, also a SSAS can have a borrowing in excess of the 50% limits, but the excess would be taxable on the scheme – whether the trustees decide to make a taxable payment to HMRC is a solely a matter for the Trustees to decide.

The decision not to allow joint and several liability in a single facility offer is contradicted by your own loan facility document in which on default of the loan terms by any of the borrowers, the bank may recover its costs in excess of those sums set out in the loan facility offer; this I suggest is joint and several liability in all but name.

I have also noted that in clause 9.7 no assets of the scheme may be disposed of without the consent of the bank. This is too restrictive as the SSAS cannot properly function in investment dealings outside the property for which the scheme has a financial interest.

Given that this is the only matter preventing exchange on the property, I require your urgent review of facility letter and look forward to a revised facility letter with clause 9.7 removed, no split of the loan specified and joint and several liability by the borrowers under one facility letter.

Please let me have the revised facility letter by Monday, 18th August.

Thank you for your assistance.

Yours sincerely

Gavin McCloskey
For Pension Practitioner .Com