

## **Advice to former clients of Pacific Continental Securities (UK) Limited (“PCS (UK)”) on how to claim compensation**

The Financial Services Compensation Scheme (“FSCS”) declared the Company in default on 28 January 2009. Accordingly, clients may be eligible for a compensation payment from the FSCS. The FSCS is an independent body set up under the Financial Services and Markets Act 2000 and protects deposits, insurance, investments and mortgage business. It can pay compensation for financial loss and its service is free to consumers.

The maximum level of compensation for claims against firms declared in default before 1 January 2010 is 100% of the first £30,000 and 90% of the next £20,000 up to £48,000 per person per firm. The FSCS in paying compensation, will generally require a full assignment of the claimant’s claim against the Company.

Investors who believe they have a claim and have not yet received a claim form from the FSCS should call 020 7741 4100, or e-mail [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk). Further information about the FSCS’s work is available from its website at [www.fscs.org.uk](http://www.fscs.org.uk).

The Joint Liquidators have been unable to fully reconcile the movement of funds into and from the Company’s client accounts or purchases and sales of shares carried out on behalf of clients. Significant discrepancies exist between the Company’s records and client correspondence/claims and the Joint Liquidators have concerns regarding the accuracy and completeness of the Company’s records and accounting procedures.

In these circumstances, the Joint Liquidators have been unable to distribute to investors any shares purchased by the Company (and held by PCS (UK)’s nominee company), as it is not possible to determine from the Company’s records the true entitlement of each client.

The Joint Liquidators had considered making an application to court for directions in relation to the reconciliation and distribution of assets held by the Company and in the name of Nominees. However, since the FSCS declared the Company in default, and has taken assignments of substantially all claims made to assets and against the Company to date, the FSCS has now become the majority creditor both in relation to such assets and as an unsecured creditor of the Company, having paid out compensation in excess of £53m to clients.

Clients who have not assigned their claim to the Financial Services Compensation Scheme (“FSCS”) (by accepting any offer of compensation) could claim for a pro-rata distribution of the client assets. At current market valuation, investors would receive a distribution of less than 10p in the £ before the deduction of liquidation and other costs

The Joint Liquidators have been working closely with the FSCS since the Company’s collapse in June 2007 to make the claims processing system run as smoothly as possible and all available information has been shared with the FSCS so that agreement of the compensation claims can occur as quickly as possible. In addition, the Joint Liquidators have reached agreement with the FSCS as to how costs and expenses should be allocated as between the assets with a view to concluding the liquidation as expeditiously and cost-effectively as may be possible.

Former clients of Pacific Continental may wish to see the press releases published by the Financial Services Authority (FSA) in connection with this case. A link is provided below.

<http://www.fsa.gov.uk/pages/Library/Communication/PR/2009/018.shtml>