## Conspiracy to defraud – Roman Abramovich, Bruce Buck and the attempt to wrest control of the shareholder company Chelsea Pitch Owners plc.

## http://www.youtube.com/watch?v=JLC7TFBFuvU

Roland Rudd	12 <sup>th</sup> October 2011	24 <sup>th</sup> April 1961	25
Paul Heagren	14 <sup>th</sup> October 2011	24 <sup>th</sup> April 1965	99 + 1
Victoria Heagren	14 <sup>th</sup> October 2011	19 <sup>th</sup> January 1971	50
Natalie Francombe	14 <sup>th</sup> October 2011	21 <sup>st</sup> July 1982	100
Phillip Mason	14 <sup>th</sup> October 2011	21 <sup>st</sup> November 1985	70
Caroline Mitchelmore	14 <sup>th</sup> October 2011	15 <sup>th</sup> November 1979	25
Karen Morfee	14 <sup>th</sup> October 2011	18 <sup>th</sup> October 1962	100
Russell Chambers	17 <sup>th</sup> October 2011	4 <sup>th</sup> July 1961	50
Alan Cristea	17 <sup>th</sup> October 2011	22 <sup>nd</sup> November 1947	100
Oliver Lister	17 <sup>th</sup> October 2011	30 <sup>th</sup> April 1971	75
Michelle Lister	17 <sup>th</sup> October 2011	5 <sup>th</sup> March 1974	75
Mark Skipp	17 <sup>th</sup> October 2011	23 <sup>rd</sup> November 1965	65
Elena Tarasova	17 <sup>th</sup> October 2011	29 <sup>th</sup> January 1972	75
John Clarke	18 <sup>th</sup> October 2011	22 <sup>nd</sup> April 1964	100
Peter Coulton	18 <sup>th</sup> October 2011	13 <sup>th</sup> December 1972	100
Peter Hargitay	18 <sup>th</sup> October 2011	28 <sup>th</sup> August 1951	100
Steven Hargitay	18 <sup>th</sup> October 2011	26 <sup>th</sup> May 1978	100
Stephen Harris	18 <sup>th</sup> October 2011	21 <sup>st</sup> May 1987	100
Estha Heiden	18 <sup>th</sup> October 2011	No DOB	25
Stuart Heiden	18 <sup>th</sup> October 2011	4 <sup>th</sup> July 1974	75
Phillip King	18 <sup>th</sup> October 2011	16 <sup>th</sup> January 1947	100
Mark Elliott	20 <sup>th</sup> October 2011	30 <sup>th</sup> September 1960	50
louise Haynes	20 <sup>th</sup> October 2011	18 <sup>th</sup> April 1972	10
Mark Gibbard-Jones	20 <sup>th</sup> October 2011	25 <sup>th</sup> September 1970	100
Richard Pearce	20 <sup>th</sup> October 2011	21 <sup>st</sup> November 1970	50
Roger Thomas Price	20 <sup>th</sup> October 2011	11 <sup>th</sup> May 1952	25
Anthony Reeves	20 <sup>th</sup> October 2011	8 <sup>th</sup> September 1940	97
Richard Mark Taylor	20 <sup>th</sup> October 2011	1st February 1960	25
Neil Wade	20 <sup>th</sup> October 2011	20 <sup>th</sup> January 1962	50
E Walter-Goldenbaum	20 <sup>th</sup> October 2011	23 <sup>rd</sup> December 1968	10

Chelsea Pitch Owners plc ("CPO") was incorporated in 1993 by the then Chairman of Chelsea Football Club.

The purpose of that incorporation was to separate the ownership of the Stamford Bridge site from ownership of the Football Club, in order to preserve Stamford Bridge as the home of

Chelsea FC, by placing the freehold of Stamford Bridge in to the company called Chelsea Pitch Owners and selling shares in CPO only to fans.

There was a safeguard to prevent too many shares falling under the control of a single party; a mechanism to limit each shareholder to a maximum vote equivalent to 100 shares each. Each share was priced at £100, meaning the maximum amount of shares providing a vote was limited to the amount of £10,000 invested, representing 100 shares at £100 each.

The background to the decision to create CPO and to limit so diligently the control one party could exert over the company was that for some ten years prior to CPO being formed, the then Chairman had fought off various attempts by property companies to sell the freehold site for redevelopment.

By placing the freehold of the site in the hands of thousands of fans, the Chairman intended to secure the site's continued future as the home of Chelsea FC, regardless of who the future owner of the Football Club might be.

The Chairman did not foresee what happened twenty years later, but, his fears were proved correct.

The new owner of the Football Club was persuaded that the sale of the stadium site might bring in a windfall profit of some hundreds of millions of pounds.

In order to realise the sale, the new owner of the Football Club now had to regain control of the site, which meant acquiring the freehold back from CPO.

The new owner's advisers persuaded him that the best way to regain the freehold was to take control of the CPO.

The original intention of the CPO was to remain independent from the Club, for very obvious reasons.

However, since the 2003 takeover of the Football Club, the new owner took a stranglehold over the CPO by ensuring its Board of Directors were under de facto control of the Club.

For instance, there is no CPO website, but rather there are only a few pages which are administered by the Club and only accessible through the Club website; any content appearing on these pages must be approved / written by Club officials only.

There were other, financial abuses, such as the CPO having to pay for its own registered office (which is not the stadium site), but a former storeroom above a tool shop, for which the CPO pays £15,000 per annum to its own Company Secretary, who uses these premises for his own small accounting business (a normal registered office address facility is normally around £300 per annum).

These small issues, while in themselves symptomatic of mismanagement, are not in themselves cause for police involvement.

However, the events of October 2011 and subsequently, are.

The original value of the freehold of the Stamford Bridge site was set at £10m by the Club in 1993. The concept was that this amount would be lent by the Club to the CPO (nominally) and the CPO would use this (nominal) loan to "acquire" the freehold of the stadium from the Club. Each share, of £100, purchased by supporters would therefore go towards the repayment of the "loan".

Other company expenses, eg administration etc, would all be covered by the Club.

This was the clear, unmuddied birth of the CPO.

Shares totally some £1.5m (ie 150,000 shares) were bought over the course of the next twenty years, representing investments ranging from £100-£10,000 bought by individual supporters. For many years a £100 share, with the certificate signed by a player and then framed, made popular birthday presents for young and old fans.

Some 12,000 shareholders were thus registered in this way.

With a large increase in the value of land for residential property development, once again Stamford Bridge fell under the eye of speculators; but this time, the speculator was the owner of the Football Club itself.

As set out above, his advisers determined the best way to control the stadium site would be to take over and then dissolve CPO.

Under CPO rules, a majority of 75% of votes is required on any major company issue. So it was that the Club, the tenant of CPO, proposed to the CPO Board, landlord of Chelsea Football Club, that on 27 October 2011 a vote be taken for the CPO shares to be sold back to the Club.

The rationale given by the Club for this offer was that the Club wished to move to another site, away from Stamford Bridge and sell the site for redevelopment. The Club did not specify where they wanted to move to and said furthermore that, having re-acquired the freehold, if they relocated the Club between 2013 and 2019, the new site would be within 3 miles of Stamford Bridge, but from the year 2020 they would be free to move the Club to any location they considered apppropriate anywhere in England.

The offer price the Club made for the shares was the same price as the shares had always been, since they were first issued in 1993; £100 per share.

So, shareholders who had paid £100 per share for their shares at any time since 1993, right up to the present day, paying £100 per share, would receive £100 per share from the Club, less transaction costs.

There would thus be no profits accruing to any shareholder.

The Club would, in financial terms, be paying £1.5m (One Million Five Hundred Thousand

Pounds) to acquire a freehold site worth up to perhaps £1bn (One Billion Pounds) when redeveloped and, given that the Club would knowingly spend at least five years achieving planning permission and constructing a site elsewhere, the Club would be fine spending five more seasons at Stamford Bridge before relocating literally to the middle of nowhere, without let or hindrance.

This offer was made on 6 October 2011; that day the CPO also stated that shares would, rather irregularly, still be offered for sale until the 20 October 2011.

What happened in the days between 6-26 October 2011 was very instructive and, in hindsight, showed how desperate the Club was to secure its windfall.

Cleverly, the Club used the camouflage of the availability on the open market of Battersea Power Station to try to persuade shareholders that this site was the new intended home of the Club. However, a planning consent for a residential development had already been granted for Battersea and it had also already been clearly stated by the Mayor of London that he was opposed to this relocation of any football club to the Battersea site.

Nevertheless, the Club pressed on with its offer and the vote of shareholders was taken on 27 October 2011.

Up to that date during the month of October 2011, a number of people bought shares. Larger transactions, including up to and sometimes over the voting threshold of 100 shares per party (ie £10,000) were recorded.

Subsequent investigation has revealed that of substantial share purchases, the following persons are definitely connected to the owner of Chelsea Football Club, through either direct employment or marriage.

1. Oliver Lister and his wife Michelle Lister bought 150 shares on 17 October 2011.

Oliver Lister is the PA to Eugene Shvidler of Millhouse Capital, a partner of Roman Abramovich, owner of Millhouse Capital, whose offices are at Stamford Bridge. He is untraceable at the address given on the shareholders' register.

2. Stuart Heiden and his wife Estha Heiden bought 100 shares on 18 October 2011.

Stuart Heiden works in financial control at Millhouse Capital. The Heidens are untraceable at the address given on the shareholders' register.

3. Stephen Harris bought 100 shares on 18 October 2011

Stephen Harris works in the finance department of Millhouse Capital. His name is untraceable at the address given on the shareholders' register.

**4. Neil Wade** bought 50 shares on 20th October 2011.

Neil Wade works in the Yacht Department of Millhouse Capital.

**5. Natalie Francombe** bought 100 shares on 14 October 2011.

Natalie Francombe is PA to Eugene Tenenbaum of Millhouse Capital, a partner of Roman Abramovich.

Her name is untraceable at the address given on the shareholders' register.

6. Elena Tarasova bought 75 shares on 17 October 2011;

Elena Tarasova works for the air transportation division of Millhouse Capital. Her name is untraceable at the address given on the shareholders' register.

7. Phillip King bought 100 shares on 18 October 2011.

Phillip King is a project manager at Millhouse Capital.

**8.** Caroline Mitchelmore bought 25 shares on 14 October 2011; the shares were registered at the home address of Brandon Buck, son of the Chairman of Chelsea FC Bruce Buck.

Caroline Mitchelmore works in the Human Resources department of the firm of Kohn Pederson Fox Architects, the architects appointed by Bruce Buck to design a new stadium for the club at Battersea and Earls Court. This commission was given to this firm of architects, KPF, when Mr Buck's son Brandon Buck commenced employment at this same firm. KPF have never designed nor built a football stadium. She denied knowledge of the share purchase.

**9. Philip Mason** bought 70 shares on 14th October 2011. His name is untraceable at the address given on the shareholders' register.

Philip Mason was 25 years of age when he bought these shares; he stated he worked in the accounts department of Team Fusion.

Team Fusion is a company which was contracted for security work to Millhouse Capital by the Head of Mr Abramovich's Security department, Mr Mark Skipp.

10. Mark Skipp bought 65 shares on 17 October 2011.

Mark Skipp is head of security for Roman Abramovich.

**11. Peter Coulton** bought 100 shares on 18 October 2011.

Peter Coulton is a partner in the firm of solicitors Skadden Arps, whose London branch has Bruce Buck as its senior partner.

Under Law Society regulations, when a partner in a firm of solicitors takes a financial interest in a business/client involving another partner, ALL partners of that firm must be notified prior to the transaction and must approve it.

20 days after this share purchase by Mr Coulton, Bruce Buck, Chairman of Chelsea FC and senior partner at solicitors Skadden Arps, whose client is Roman Abramovich, announced in a press statement on 7 November 2011: "We do not know who bought the shares."

So either Mr Coulton or the other partners at Skadden Arps broke Law Society regulations by not disclosing Mr Coulton's share purchase to Mr Buck, or Mr Buck knowingly made a false statement publicly.

**12. Anthony Reeves** bought 97 shares on 20 October 2011.

Anthony Reeves was previously co-director with Bruce Buck and Alan Shaw on Chelsea-related companies.

13. Karen Morfee bought 100 shares on 14 October 2011.

Karen Morfee is the maiden name of Karen Shaw, wife of Company Secretary of Chelsea Football Club **Alan Shaw**, owned by Roman Abramovich.

14. Paul Heagren and his wife Victoria Heagren bought 150 shares on 14 October 2011.

Paul Heagren is Chief Accountant at Millhouse Capital.

15. (a) Peter Hargitay bought 100 shares on 18 October 2011.

Peter Hargitay is a former consultant to Bruce Buck on behalf of Chelsea FC.

**15. (b) Stephen Hargitay** bought 100 shares on 18 October 2011.

Stephen Hargitay is the son of Peter Hargitay.

This is <u>not</u> a complete list of the connected persons who constitute a concert party, formed with the aim of dissolving CPO in 2011.

All the above persons used their newly-acquired votes to vote in favour of the dissolution of the CPO.

The vote, however, failed to secure the necessary majority and the resolution was not passed. Had the resolution passed, then thanks to these votes the CPO would have been dissolved, £1.5m would have been "returned" to bona fide shareholders and the enormous site value of Stamford Bridge would then be available to the owner of Chelsea FC.

The register of shareholders would have been destroyed and no proof would exist of the identity of the above concert party members, following their vote.

It is not known if indeed all or any of these share purchases were actually made; CPO Directors have refused to produce any bank statement of the Company's bank account for the period of October 2011, so it is not clear if the date referred to as the "date of purchase" actually records the date cleared payment was received by the Company for each share "purchased".

The CPO definition of a concert party member is quite clear; taken together, regardless of how many shares were purchased, the entire concert party is only entitled to 100 votes.

However, the CPO Board, which includes employees of Chelsea FC, although it should not, accepted the concert party members voting not 100 times but in fact several thousand times, despite this being in contravention of CPO Company rules.

The naked ambition of the Club to obtain the freehold continues to this day; a letter drafted by Skadden Arps (as all CPO documents in recent years have been) and circulated this week to shareholders actually states that if this concert party exists, then the concert party members now have a right to acquire all the shares in CPO; this is plainly corruption on a breathtaking scale and demands among other things closer inspection of the role played by Skadden Arps in this share scandal.

There is the possibility that, if the concert party members did not in fact pay for their shares, that the value of the shares "acquired" was just written down against the loan owed to the Club by the CPO; in this case, this is theft and false accounting if true.

The next issue is, if the shares were bought by shareholders in October 2011 at £100 per share and the offer price from the club was £100 per share, then what was the incentive for employees of Millhouse Capital or other connected persons such as Mr Coulton of Skadden Arps to risk their capital and associated costs, if, as was clearly stated by the Club in its Share Offer, there was no profit to be made from the purchase and sale of the shares? The main questions remain:

- 1) Were all the shares which were "bought" by concert party members prior to 27 October 2011 really paid for, with cleared funds credited to the CPO company bank account?
- 2) Were matching funds, or more, paid into the individual concert party members' own bank/building society accounts?
- 3) When were such "matching" or higher payments made?

As Bruce Buck publicly stated on 7 November 2011: "We do not know who bought these shares."

Mr Buck was the Chairman who made repeated telephone calls to try and have one shareholder sidelined. His telephone calls were made because the allegedly independent board of Chelsea Pitch Owners plc (Richard King, Rick Glanvill and Robert Sewell) provided Mr Buck with the details of emails received by the shareholder in breach of their fidculary duty to Chelsea Pitch Owners plc.

http://www.independent.co.uk/sport/football/premier-league/revealed-chelseas-desperate-tactics-in-battle-of-the-bridge-2375861.html

http://www.thesun.co.uk/sol/homepage/sport/football/4070750/SunSport-investigation-Chelsea-fans-suspicion-over-CPO-share-riddle.html

Mr Abramovich retains Bruce Buck at Skadden Arps – an astute American lawyer who remains in London despite questions over his status.

http://www.youtube.com/watch?v=JLC7TFBFuvU