

28/9/14

Dear Paul

I have set-down my concerns surrounding the winding-up of MAG(UK) Ltd. below. I am not sure that this will add anything to the points already raised by Louisa, Paddy, Toni and you, but some of the references may be useful.

I believe the directors recklessly refused to follow the company policy in respect of grievances; they failed to follow the requirements of their various insurers and in some cases deliberately ignored those requirements.

There is no doubt in my mind that the deliberate denial of funds to keep MAG(UK) Ltd. afloat was initiated by members of the board of directors of MAG(UK) Ltd. in consultation with members of the National Committee of the Motorcycle Acton Group.

The stated purpose of winding-up the company is to prevent payment of any awards made against the organisation by the ET and to prevent any future hearing in respect of costs which were incurred due to the failure of the directors to act in a reasonable or professional manner. I think most reasonable people would regard that as fraud.

MAG(UK)Ltd was covered by three different insurances intended to protect the company, but these failed as the directors acted incorrectly.

1. Legal advice and insurance through membership of the Coventry Chambers of Commerce

The board agreed to source its legal advice and expenses cover from the Chamber in about 2011/12. Several members of the last Board of MAG(UK) Ltd. were in post at that time, but because the decision was made before Mr Liversidge became a director I advised him of the employment advice service by email. On 15 March 2013 Mr Liversidge replied on saying "we have received all the information and advice we need from ACAS". On 17 March 2013 I sent Mr Liversidge the relevant ACAS guidance, which he did not adhere to at any point subsequently. I do not remember spelling out the requirement to take and act on advice from the CoC in order for the legal expenses cover to be available; at the time I believed that the Board as a whole was aware of the terms of the cover, also that as Mr Liversidge is in the business of marketing various insurance products that he would be aware of the implications.

2. Indemnification of the MAG(UK) Ltd. against wrongful actions of officers, (staff, directors, other officers) through Castlemead Insurance, Castlemead House, St Johns Road, Bristol BS3 1AL

On Friday 15th March 2013 I met Mr Clive Gamlin, Managing Director of Castlemead Insurance Brokers Ltd. to discuss our requirements as part of the normal renewal process. During the discussion, I was asked to disclose any potential claims against the company that I knew of. It was clear by that time that the directors were on a collision course with members of staff and so I described the circumstances to our broker. I asked for an assurance that the company would be covered, should there be any successful action by members of staff against the company due to the

actions of Mr Liversidge. I informed the Board that same day regarding the amount of cover (£1,000,000) and the circumstances under which the policy would not be honoured, principally reckless disregard and/or knowingly wrongful acts by directors. I felt this was necessary as all the advice I had received to that point led me to believe that the directors were in danger of exposing the company to legal action and that the actions of Mr Liversidge and Mr Walker appeared to be at best reckless, if not deliberate wrongful acts. I believe that a condition of the insurance was that the directors should keep the insurer informed of progress, but that they failed to do so and were consequently left without cover. As Mr Liversidge's private business is the marketing of insurance products I believe that he would be aware of the implications.

3. Indemnification of the MAG(UK) Ltd. against legal action by members of staff through a policy taken out by the directors with Qdos Consulting Ltd.

During the ET process it became apparent that when the directors appointed Qdos Consulting to investigate the grievances raised by staff against Mr Liversidge and Mr Walker, the company also took out insurance to cover losses that might arise. I believe that a condition of the insurance was that the directors should act on the advice given, but that they refused to do so and were consequently left without cover. As Mr Liversidge's private business is the marketing of insurance products I believe that he would be aware of the implications.

Directors deliberately acted in a manner that voided their insurances and unnecessarily increased the amount awarded by Employment Judge Keresley

Qdos Consulting Ltd. advised the Board that the staff were likely to win an action at the ET. Qdos recommended that the directors with primary responsibility for dealing with the staff – Mr Liversidge and Mr Walker – should be removed from such responsibilities and that all directors required training in employment law. The directors rejected these findings and withheld their decision from the staff. Consequently, three members of staff resigned and started ET proceedings. Mr Liversidge wrote to the solicitor engaged by the ex-staff, in very unreasonable and inflammatory terms and also wrote to members of the National Committee saying how pleased it made him knowing that each time he wrote to our solicitor it cost us more money. This indicates that he was motivated by personal animosity and has advised MAG(UK) Ltd. accordingly, contrary to his duty as a director. Mr Liversidge, on behalf of the directors, refused to enter in to mediation when asked to do so by ACAS. Mr Liversidge, on behalf of the directors, insisted on conducting the case for MAG(UK) Ltd. at the ET, even though he was not qualified to do so and had been advised to use professional services. The three ex-employees each won their case and significant amounts were awarded against MAG(UK) Ltd. In his written statements at the end of the hearing and the remedy hearing, the judge identified Mr Liversidge and Mr Walkers attitudes and behaviour as the root cause and made it clear that the employees were not to blame. Mr Liversidge immediately made a further personal attack against me by proposing to the National Committee that my life-membership of MAG should be revoked.

Directors, led by Liversidge, sought to wind-up MAG(UK)Ltd. primarily to avoid paying any awards arising from the ET

During an interview by Qdos Consulting Ltd. with Mr Liversidge, Mr Liversidge is clearly recorded stating his intention to wind-up MAG(UK) Ltd. in order to avoid any costs. This was during the independent investigation of grievances against Mr Liversidge and Mr Walker, in April 2013, prior to Qdos making its recommendations, and before the staff had resigned.

The controlling mind behind MAG(UK) Ltd. and its successor companies is the same, as is the goodwill (membership), as are a significant proportion of the staff.

The constitution of the Motorcycle Action Group, which formed part of the Articles and Memoranda of MAG(UK) Ltd. at the time, present the Motorcycle Action Group and MAG(UK) Ltd. as the same entity.

As well as the directors, the National Committee of the group have a defacto controlling role, albeit the directors are directly responsible.

Normal operating funds were directed away from MAG(UK)Ltd. with the knowledge and agreement of the directors and National Committee.

I understand that members of the NC and the directors discussed and agreed to diverting funds in to MAG(UK) Ltd.'s successor companies in order to protect them from the consequences of having no insurance cover.

The decision was taken by the Board, supported by the NC, prior to the remedy hearing and the successor companies were established for the primary purpose of making it appear that the old company could no longer keep trading, even though money continued to be raised in the same ways by the various local and regional groups to keep the organisation running. These decisions were ratified by the members of MAG at their annual meeting prior to the Remedy Hearing.

Personal malice by director Liversidge

Mr Liversidge made a number of false allegations against me, before and after his appointment as a director of MAG(UK) Ltd. These allegations were made publicly using the social network FaceBook and also using the organisations' meetings, events and email discussion lists. An example would be his allegation while I was still working for MAG(UK) Ltd. that I tried to prevent his election as a director, not least by shredding his nomination form – for which there was no basis.

In recent weeks Mr Liversidge and the Motorcycle Action Group have continued to spread this and other malicious allegations; each has distributed a defamatory video which denies the findings of the ET and presents Mr Liversidge's version of the case via the social networks FaceBook and YouTube. I believe Mr Liversidge scripted the video, which shows me in the guise of Adolf Hitler and refers to Paddy and Louisa as my generals.

Regards Nich.