



Tel: +44 (0)141 248 3761
Fax: +44 (0)141 248 1653
LP 55 Glasgow - 6
www.bdo.co.uk

4 Atlantic Quay
70 York Street
Glasgow
G2 8JX

Private & Confidential

2 September 2015

Our ref: 00181979-SWUC1300J6

Please ask for: Connie Ng

Direct Dial: 0161 817 7513

TO ALL KNOWN CREDITORS

Dear Sirs

RFC 2012 P.L.C. formerly The Rangers Football Club P.L.C. (In Liquidation) ('the Company')
Court of Session reference P1134/12

We refer to our report to creditors dated 12 June 2015, wherein it was advised that a first interim dividend would be paid by the end of July 2015. Due to the high volume of claims received in this matter and a number of complex claims requiring further scrutiny and, in certain instances, legal review, this has unfortunately been subject to a delay.

The adjudication process in respect of claims received was completed during July 2015 and it was our intention to pay an interim dividend of 7.5p in the £ to unsecured creditors by the end of August 2015. In this regard, a Scheme of Division was agreed with the Liquidation Committee at the beginning of August.

However, the Joint Liquidators have very recently been put on notice of a potential claim by legal advisors to Law Financial Limited ('LFL').

LFL is a 100% owned subsidiary of Worthington Group Limited. The Joint Liquidators note that Craig Whyte is a former director of LFL.

LFL is claiming that, as a result of certain undisclosed agreements entered into on or around April 2013, it has acquired from Wavetower Limited ('Wavetower'), the debenture formerly held by Lloyds Bank Plc, which was acquired by Wavetower at the time of the acquisition of the club by Mr Whyte.

LFL asserts that this grants it a first charge secured interest over the realisations in the liquidation, in priority to all unsecured creditors. LFL further suggests that its claim is for c£25m.

The claim has not been adequately made out in the letter received from LFL, nor is it compliant with the provisions of the Scottish Insolvency Rules. The legal advisors to LFL have recently informed the Joint Liquidators that full details of the claim will shortly be provided, albeit they had previously undertaken to provide this information by 4 August 2015.

Based on the information available at this stage, the Joint Liquidators do not consider that the claim is valid, however, we will review with our legal team any further information or documentation provided by LFL in support of its claim.

The Joint Liquidators note that LFL has had nearly two years to submit a claim in the liquidation. It is not therefore clear why there continues to be a delay in providing further details. In the circumstances, the Joint Liquidators wish to bring this issue to a resolution as swiftly as possible.

Unfortunately, as no formal claim has been submitted by LFL, the option of simply rejecting the claim is not available to the Joint Liquidators at this stage.

Accordingly, the Joint Liquidators recently submitted an application to the Court of Session, asking the Court to fix a short timescale for LFL to submit full details of its claim or lodge answers. A first Order has been granted by the Court, under which LFL has until 4 September to lodge answers. Such answers will include any representations that LFL wishes to make in respect of its claim, including any explanation or mitigating factors for the delay in providing full details of the claim to date. If answers are lodged on or before 4 September, the Court will thereafter determine the timescales within which LFL is required to submit its formal claim or be excluded from the dividend.

If no answers are lodged by LFL by 4 September 2015, the Joint Liquidators will immediately apply for a further Court Order, which will set a timescale for LFL to submit its formal claim or be excluded from the dividend.

If a claim is received the Joint Liquidators will carry out an adjudication to accept or reject the claim. If it is rejected, LFL will have 14 days to lodge an appeal with the Court of Session.

Until this matter is resolved, given the potential priority of the LFL claim the Joint Liquidators regrettably have no option but to delay the payment of the interim dividend to unsecured creditors.

The Joint Liquidators appreciate that this is an unfortunate development for unsecured creditors and would like to thank all creditors for their on-going patience in this matter.

Yours faithfully

For and on behalf of RFC 2012 P.L.C. formerly The Rangers Football Club P.L.C.



James Bernard Stephen
Joint Liquidator

James Bernard Stephen is authorised to act as an insolvency practitioner in the UK by Institute of Chartered Accountants in England & Wales, office holder number 9273. Malcolm Cohen is authorised to act as an insolvency practitioner in the UK by Institute of Chartered Accountants in England & Wales, office holder number 6825.