

-----Original Message-----

**From:** Conrad.Walker@clydeco.com [mailto:Conrad.Walker@clydeco.com]  
**Sent:** 16 July 2007 14:05  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** Fw: Barlow Clowes - Total Costs of Henwood Action

Jack,

I enclose the Officeholders' approximated figures re the cost of the many and varied aspects of the Henwood/ITC matter. I asked for an approximate breakdown into stages of the litigation- this is the end result. If more detail is required, please let me know.

Regards  
Conrad Walker  
Clyde & Co LLP

----- Forwarded by Conrad Walker/LDN/CLYDE\_CO on 16/07/2007 14:00 -----

stephen.j.hook@uk.pwc.com

16/07/2007 12:19

**To:** Conrad.Walker@clydeco.com  
**cc:** [REDACTED] nigel.hamilton@ukonline.co.uk, [REDACTED]  
**Subject:** Re: Barlow Clowes - Total Costs of Henwood Action

Conrad,

Thank you for confirming that HM Treasury have no problem with Clare Montgomery taking over from Charles Aldous. I should add that Clare Montgomery's hourly rate is [REDACTED] whereas Charles Aldous' reduced rate was [REDACTED] per hour. By comparison Liz Gloster's most recent rate was [REDACTED] per hour.

Further to [REDACTED]'s e-mail of 12 July 2007 and our telephone conversation earlier today, I set out below a broad estimate of the total costs incurred in pursuing Mr Henwood:

29/01/2010

Period	CC & Counsels'	Officeholders'	Total
	Fees & Disb	Costs & Disb	
	£'000	£'000	£'000
Inception to 31 December 1999	647	60	707
1 January 2000 to 31 December 2001	1,216	624	1,840
1 January 2002 to 31 December 2005	1,089	447	1,535
1 January 2006 to 30 April 2007	<u>388</u>	<u>201</u>	<u>588</u>
	<u>3,340</u>	<u>1,331</u>	<u>4,671</u>

The period from inception (i.e prior to issuing the writ in March 1993) to 31 December 1999 apart from all the initial investigation work and advice, also includes inter alia joining Mr Henwood and Mr Sebastian as defendants, all the interlocutory hearings (including two referrals to the Privy Council) and the lengthy letter before action/invitation to settle. The officeholders costs of £60,000 relate only to Ernst & Young's costs for 1999 (£50,000) and PricewaterhouseCoopers' ("PwC") costs for September to December 1999 (approx. £10,000), as in the time available it has not been possible to go back further in view of the system changes over the years. Additionally PwC only became involved to any degree in the Henwood action in the latter part of 1999.

The period from 1 January 2000 to 31 December 2001 includes the preparation for and the first instance hearing in the Isle of Man. The period from 1 January 2002 to 31 December 2005 includes Mareva Injunction against Mr Henwood the initial execution of the Grange, the appeal to the Staff of Government in the Isle of Man and the successful appeal to the privy Council. The period from 1 January 2006 to 30 April 2007 relates to the enforcement action in trying to have Mr Henwood adjudicated bankrupt in England and the ongoing proceedings in Bergerac.

You will recall that the action against ITC, Henwood and Sebastian arose out of the investigations into the Barlow Clowes affair and the misappropriation of Investors' funds generally. Initially these investigations focussed on the dealings of Mr Cramer and latterly on Mr Clowes. In view of this it could be argued that costs on this action were incurred as early as 1988, in which case (as the above table only includes the officeholders' costs from 1999) the overall cost of the action could be in the region of £5 million.

I trust the above is satisfactory for your purposes.

Kind regards,

Stephen.

----- End of message text -----

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