

Charlton Athletic Fans' Forum – Wednesday, June 26th 2019

Lieven de Turck, who is representing the club in takeover talks, was unable to attend the meeting as he was busy with negotiations to sell the club. Fans representatives asked questions for him in the meeting and you can read his responses here.

Is Charlton a more sellable club now it is in the Championship?

It is easier to sell a Championship club than a League One club, so our chances have improved because we are one step closer to the Premier League. Nevertheless many other Championship clubs are for sale as well. Some fans question why the owner is very transparent regarding not only the positive, but also the negative points of owning the club. Some think we should not speak about the negatives to increase the chances to sell the club. There are two reasons to be transparent:

1. It is a matter of culture and ethics not to fool others
2. This is not a toy sold in the street by someone. It is a very serious matter. A seller has the legal obligation to inform candidate buyers properly

It has been previously said the former directors' loans are not an issue, now it appears they are an issue. Has this changed? If so, why?

The directors' loans are not an issue for buyers that have a lot of money but they may be an issue for buyers who don't have so much money and want to borrow against the land and the buildings.

The club can be sold with the loans in place, the current owner bought the club in 2014 with the loans in place, as did the previous owner a few years earlier.

There are however two debates regarding the directors loans.

1. Does the loan repayment expire?

The wording does not match what was allegedly agreed. In the last deed of the amendment, the final agreement on the matter, the wording in the relevant clause stating the number of periods during which the conditional repayments should be made sets a time limit:

"The Loan shall be repaid in five (5) equal instalments payable on 31 August in each year in which the Club competes in the Premier League up to a maximum of 5 years in any period from {the date of this Deed}."

The deed date was December 31st 2010

Please note the wording "up to". Those words can only make sense if, under some circumstances, the number of periods of repayment can be "less than" five years, which would imply an expiry date.

Note also that the word "maximum" does not make sense if it is always five instalments.

It goes on with some wording which may be seen to support the view that the deed has no time limit.

"For the avoidance of doubt, it is acknowledged and agreed that no repayments of the Loan will be made at any time when the Club is competing in any football league other than the Premier League."

This gives the impression that a stay in a football league other than the Premier League interrupts the repayment. However, that is not what it says. It says when the club plays in another league, there is no repayment. That is all it says.

If the plan was to have an "eternal" (not limited in time) agreement then this is very unusual in legal terms. Eternal agreements cause confusion and create a mess.

If the plan was to have an eternal agreement (which, for example, could last 100 years and 20 new owners), then it should have been phrased:

"The loan shall be repaid in five equal instalments on the 31 of August of each year the club competes in the Premier League in the future"

2. Assuming that the conditional loan is eternal, is the club obliged to have ex-directors' consent for anything?

Some of the ex-directors say they can object to assets within the BATON Ltd holding to be moved or reorganized. However, when the previous owner sold the club to the current owner, one of the options presented at the time of the sale was to sell The Valley land for development and move the stadium next to The O2, without any reference to the need of agreement of ex-directors which would seem to contradict this. Another issue if a return to the Premier League takes decades what happens if some of the ex-directors have passed away, who will then need to consent?

The current owner did not pay attention to the ex-directors loans until he wanted to sell the club. For a typical buyer, the clause is not a problem, since - if the interpretation of the ex-directors is correct - it needs to be

repaid when the club is back in the Premier League. Compared to the revenues of the Premier League, these repayments are relatively low.

However, some candidate buyers may want to use the fixed assets of the club as a collateral for loans, which can't be done with the ex-directors in place.

Candidate buyers may want to buy the club without the land and buildings. This option would keep land and buildings out of the hands of banks if a new owner/owners are unable to provide the revenue needed to survive.

Are the Australians borrowing against the asset of the club as part of their takeover bid?

We cannot comment on any particular candidate buyer even if we did know.

It was previously stated the price of the club would not change with promotion? Has this now changed?

The price, which was agreed initially with the parties looking to acquire the club more than a year ago is still the price at which the owner is willing to sell to them, even though the club is now in the Championship.

Rick Everitt wrote "neither (Derek) Chappell nor I were ever aware of the interested party's identity" when Peter Varney said he had a buyer in 2015/2016. Despite this he and others mobilized thousands of fans in a protest to sell the club. The message from him seems to have been "sell the club to anyone".

Charlton deserves better. When selling the owner takes into account the probability of securing the long-term future of the club and minimise the risk of the club going bust.

The current owner's team has successfully sold three clubs in recent years: Standard the Liège in June 2015, STVV in November 2017 and AD Alcorcon in May 2019. This team's objective is to sell the club as soon as possible.

Is Richard Murray in favour of the Australian consortium?

We are all interested to get the club sold. We cannot comment on specific details like this however.