

## **ALPHA DEVELOPMENT SCHEMES**

### **FREQUENTLY ASKED QUESTIONS NO 2**

This note should be read in conjunction with the document entitled Information Document and Frequently Asked Questions dated 30 June 2020. Defined terms used in that document are also used in this document.

This note aims to answer a number of additional questions which have been raised by investors. This note is not intended to be and does not constitute legal or financial advice.

#### **1. Can I be involved in both the private prosecution and this negligence claim?**

We understand that a number of investors are considering launching a private prosecution against the directors of Alpha. We are not aware of the facts of such claim and therefore make no comment about that action or the prospects of success/recovery save that such claim would be against individuals (whose financial position to pay any claim is uncertain) as opposed to a law firm which is required to hold a minimum level of professional indemnity insurance in accordance with Law Society/SRA regulations. Any financial recovery in that action would be deducted from any sum you could claim in the negligence action (and vice versa) since you are not able to "double recover". As a result it will be a condition of the funding structure that you do not participate in both claims.

#### **2. Which properties are involved in this claim?**

At this stage the agreed funding structure relates to Alpha developments. The claim is not limited to student accommodation (such as Scholar's Village) and will, subject to the claim proceeding, include holiday accommodation (such as Ilfracombe Holiday Village) and any other properties developed using the same Scheme.

#### **3. Will there be a similar claim concerning other developers such as Northern Powerhouse Developments?**

As stated above at this stage the funding structure relates to Alpha Developments. However, if there is sufficient interest in other claims AG and Orchard will consider the position further.

#### **4. I didn't use Gordon Brown Law Firm. Can I still claim?**

At this stage we have only papers involving Gordon Brown Law Firm. We understand, however, that other firms were used. We will need to consider those papers carefully to see if a claim can be made but the claim will NOT be limited to Gordon Brown Law Firm if negligence is found.

#### **5. My law firm is no longer in existence. Can I still claim?**

Subject to the comments regarding the ability to claim in principle yes because the law firm should have had insurance at the time of the negligence and is required by the regulations to maintain run-off cover for a period of 6 years.

#### **6. In the event that the action is successful, would we forfeit the investment and paid rents in exchange for the damages award?**

Please refer to answers 4 and 7 of the document entitled Information Document and Frequently Asked Questions dated 30 June 2020.

STRICTLY PRIVATE & CONFIDENTIAL  
NOT TO BE SHARED WITHOUT PRIOR APPROVAL OF AG

**7. In the event that the action is successful but damages were much lower than you would expect, would we be able to withdraw our participation?**

If the matter proceeds to trial you will be bound by the decision of the Court.

**8. Can you confirm that at no point would any fees be due from us?**

Please refer to answers 8 and 9 of the document entitled Information Document and Frequently Asked Questions dated 30 June 2020. Further information regarding the funding structure will be provided with the engagement suite of documents referred to at answer 10 of the document entitled Information Document and Frequently Asked Questions dated 30 June 2020. You are not committed to the funding structure until you sign the engagement suite.

**9. Does the recent RTM at QStudios impact on the claim?**

In principle no but as a result of the RTM you may receive further rents/pay less service charge etc. which could impact on the level of damages you can claim.

**3 July 2020**