

PRESS / MEDIA RELEASE

BANK GUARANTEES IN SPAIN PETITION (www.bankguaranteesinspain.com) & FINCA PARCS ACTION GROUP (www.fincaparcsactiongroup.com) - RESPONSE TO THE SPANISH GOVERNMENT PROPERTY ROAD SHOWS

MAY 2011 – FOR IMMEDIATE RELEASE

- **Spanish Government to hold Road Shows around Europe to promote the 'transparency and legal security' of the Spanish Property Market**
- **This is an insult to the thousands of victims many of whom have lost or stand to lose their life savings as a result of the corruption and negligence present in the Spanish Property Market over the past decade**
- **Purchasers are often the innocent victims in a trail of lies, deception, negligence, lack of due diligence and complete lack of control within the real estate sector.**
- **Sr. José Blanco and the Spanish Government must act now to ensure the abuse and problems being suffered by innocent property purchasers in Spain are ended immediately and that they are never allowed to happen again.**

BACKGROUND - ROAD SHOW DETAILS

Sr. José Blanco the Spanish Development Minister (El Ministro de Fomento) has announced that the Spanish Government Official Property 'Road Show' will commence in London on 4 May 2011.

In the official Press Release issued on 14 April 2011 in Madrid by the Ministerio de Fomento Sr. Blanco said:

"The Road Show will highlight the strengths of our economy, transparency and legal certainty of our planning legislation".

The Press Release continues:

"It is a good time to carry out this pioneering initiative because the markets that have the potential to invest in second homes are recovering and we must revive the holiday housing market 'to speed up the digestion of stock'

In selecting the countries to be visited in this first round of Road Shows we have taken into account variables such as the volume of house purchases in Spain that its citizens have made in recent years, its investment in general in our country, the situation of their respective economies and the potential for increased investment in our second homes market.

The United Kingdom is the first international destination for this first round of Road Shows because, according to the latest data available, its citizens and investors in 2009 accounted for 31.5% of foreign buyers of property in Spain.

In subsequent weeks we will also visit France, Germany, Holland and Sweden. In addition we will visit also Russia.

The Road Show is designed in two phases: in the first phase the Ministry of Development will transmit confidence to large investors and brokers, offering all the information regarding our market, ongoing policy reforms and greater transparency regarding the evolution of prices and stock.

Subsequently we will develop a second phase, open to private sector participation, with a selection of real estate products that meet minimum standards of legality, planning and quality through an evaluation process in which agents and companies interested in participating in this round may voluntarily submit their properties and products".

Speaking to Onda Cero radio station Sr. Blanco defended the need for the Road Show by stating that "The fact is that there is a 'stock' of residential housing and it is necessary to speed up sales because it is weighing heavily on the sector financially".

He said "It seems that I have become a real estate agent but my role is to ensure greater legal certainty to potential investors following many campaigns against the Spanish property sector"

RESPONSE TO THE ROAD SHOWS BY KEITH RULE FROM THE BANK GUARANTEES IN SPAIN PETITION & THE FINCA PARCS ACTION GROUP

Is Sr. Blanco really serious?

He says the Road Shows will **"Highlight the strengths of our economy, transparency and legal certainty of our planning legislation"**

This is an insult to all those of us who stand to lose so much due to the corruption and negligence in the Spanish Property Sector. The Spanish Property Sector certainly does not have any transparency or legal certainty!

Sr. Blanco said "It seems that I have become a real estate agent but my role is to ensure greater legal certainty to potential investors following many campaigns against the Spanish property sector"

Does Sr. Blanco not think that those campaigns against the Spanish property sector are fully justified? What has Sr. Blanco and the Spanish Government done to address those campaigns? Nothing!

It appears that Sr. Blanco is trying to blame the campaigns for the lack of legal certainty in the Spanish Property Sector! Just like the rest of the Spanish Government he is passing the buck. These are the actions and words of a desperate man hoping that a miracle will happen and that all the campaigners will just 'go away'.

EMPTY WORDS FROM THE SPANISH GOVERNMENT

Sr. Zapatero is leading a government who is failing to tackle the very serious problems in the Spanish Property Sector. Instead they are attempting to ignore the victims and move forward with a Road Show to promote transparency and legal certainty which are elements of the Spanish Property Sector that, in many cases, simply do not exist.

On 6 July 2010 in the European Parliament Sr. Zapatero said "We stand shoulder to shoulder with those people, who maybe have had the wool pulled over their eyes in the property sector". That is easy for Sr. Zapatero to say, but what has he and his Government done to address the serious injustices and corruption?

In February 2011, when previewing the upcoming Road Shows the Spanish Housing Minister, Sra. Beatriz Corredor Sierra said: "Come here calmly and trust in the system that we have and the transparency we provide"

Sr. Zapatero, Sr. Blanco and Sra. Corredor need to understand that for thousands of victims of the Spanish Property Sector there was and still is no 'transparency or legal certainty'.

Despite many empty words by Spanish Government officials there still remains little evidence of any 'ongoing policy reforms'.

CORRUPTION, NEGLIGENCE & LACK OF DUE DILIGENCE

Many Estate Agents, Lawyers & Banks were negligent and acted with a complete lack of professional due diligence. The court system is overloaded which results in unacceptable delays clearly to the advantage of the corrupt developers and negligent Banks. Judges are inconsistent and as a result real justice is still an expensive dream for many victims.

There remains a basic lack of understanding of LEY 57/68 (the law relating to off-plan Bank Guarantees) and in many cases the law is not applied correctly.

The Supervisor of the Spanish Banking System – the Banco de España is totally ineffective and has no real power. The result is the Banks & Savings Banks were allowed to ignore their obligations according to LEY 57/68, collude with the corrupt developers and fail to protect purchaser's off-plan deposit funds.

Now of great concern is the situation whereby the Banks & Savings Banks that accepted vast sums in off-plan deposits and failed to issue or verify the existence of the legally required Bank Guarantees in accordance with Spanish Law, LEY 57/68, are now amongst Spain's largest Real Estate Agents as a result of the fact they have repossessed so much property including many off-plan developments.

María de Castro, Director of the legal firm Costa Luz Lawyers who is representing the Finca Parcs Action Group in their legal action against the Savings Bank Caja de Ahorros del Mediterráneo (CAM) and Spanish developer Cleyton GES SL says: "The Banks & Savings Banks had a lesser financial exposure to the off-plan developments due to the fact they failed to secure all the off-plan deposit funds in the special accounts and with the legally required Bank Guarantees as required by Spanish Law, in particular, LEY 57/68"

María de Castro also has some words of advice for Sr. Blanco, "During the Road Shows Sr. Blanco should meet with the representatives of the victims and establish a plan for them to be refunded. This may result in these people regaining confidence and wishing to buy in Spain again. But most surely it will produce more respect for Spain and its politicians if there is real evidence that they are addressing the problems".

DEMANDS FOR JUSTICE, RECOMPENSE & CHANGE FOR THE FUTURE

Sr. Blanco and the Spanish Government are attempting to highlight the transparency and legal security they claim is present in the Spanish Housing Market.

We have absolutely no evidence of this transparency or legal security.

We demand the Road Shows are also used to address the property issues of thousands of innocent victims many of whom have found absolutely no results despite suffering years of expensive and stressful legal action through the inadequate Spanish justice system.

We as innocent victims of the Spanish Housing Market demand action and recompense.

We are determined to force accountability, demand justice and ensure change for the future. We must also warn potential future investors in the Spanish Property Sector of the very real dangers often encountered when purchasing a dream home in Spain.

This is a very serious situation and Sr. Blanco and the Spanish Government have NOTHING to put on a show about. Before making more empty promises and embarking on a Road Show designed to entice other unsuspecting 'victims' into the shambles that is the Spanish Property Sector Sr. Blanco must, together with his government colleagues, address and then rectify the serious injustices that have taken place in their country over the past decade.

OPEN LETTER TO JOSÉ BLANCO LÓPEZ – SPANISH MINISTER FOR PUBLIC WORKS – FROM MICHAEL CASHMAN MEP

On 29 April 2011, Mr Michael Cashman MEP wrote an open letter to Sr. José Blanco calling on him to "take advantage of the time at the Road Shows to address the property issues of tens of thousands of Europeans including British and Spanish property owners". Mr Cashman also poses the question to Sr. Blanco, "What about those that have already invested and who, faced with the uncompensated loss of their property, have found absolutely no results through the Spanish legal system?" The letter concludes with the following words of caution: "I would not advise any investment in Spanish property until this problem is resolved. I trust the outcome of your visit will bring a light of hope to all these victims".

STOP THE ROAD SHOWS PETITION

There are many affected groups who feel that due to the fact the Spanish Government has failed to address the injustices and corruption, the Road Shows should not be taking place at all. To this end an internet based petition on the Go Petition website has just been launched which calls on David Lidington, the Minister for Europe, to stop the Road Shows from taking place.

FURTHER DETAILS

Further details regarding the **FINCA PARCS ACTION GROUP** can be found at: www.fincaparcsactiongroup.com

Details of the Petition related to Bank Guarantees in Spain directed to, among others, Don Miguel Angel Fernández Ordoñez - Governor of the Banco de España (The Banco de España is the national central bank and supervisor of the Spanish banking system), Don José Luis Rodríguez Zapatero - Prime Minister of Spain and José Manuel Barroso - President of the European Commission can be found on the **BANK GUARANTEES IN SPAIN** website at: www.bankguaranteesinspain.com

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