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Stobart directors committed for civil trial

By Andrew Bounds and Rose Jacobs



Two directors of <u>Stobart</u>, famed for its red and green lorries, have been committed for trial for contempt of court as the transport group's relationship with the City came under further strain.

Andrew Tinkler, the chief executive who took back control this month in a boardroom coup, and Trevor Howarth, legal director, said they would appeal the

High Court decision.

Judge Pelling, sitting in Manchester, found there was enough evidence to commit the pair on five allegations against Mr Tinkler and two against Mr Howarth. It is a civil, not criminal, case.

The allegations refer to claims by Peter Elliott, Mr Tinkler's former pilot, that Mr Tinkler's business, WA Developments International, had run illegal air operations.

Judge Pelling said there was a strong case that Mr Tinkler made a false witness statement "knowing it to be false or recklessly not caring whether it was true or false" by claiming he had been interviewed under caution by a Civil Aviation Authority investigator in 2007. In fact, as he admitted subsequently, he was not under caution but did "honestly believe that this was the case".

The CAA was investigating claims by Mr Elliott that WADI's helicopter and aircraft, registered in the US, had been flying from Carlisle airport without the necessary documentation. The CAA found insufficient evidence of any breach to "provide a realistic prospect of conviction".

The judge dismissed 52 other allegations about the pair. He said that they "have had nothing proved against them at this stage".

Judge Pelling imposed a civil restraining order on Mr Elliott preventing him making defamatory statements about Stobart employees.

In his six-year legal battle with Mr Tinkler, Mr Elliot has been sentenced to three months in prison for contempt of court and had proceedings struck out by judges.

Mr Howarth said that he and Mr Tinkler denied any wrongdoing. "We are confident in the judicial process in which we both expect in the fullness of time to be exonerated," they said in a statement.

Stobart said the matter "does not directly involve Stobart Group". The shares, 125p a year ago, fell 1 per cent to 80.75p.

The company bought back property it sold to WADI in a controversial deal in 2012.

Mr Elliott said: "This is an important victory on the road to justice."

Stobart has been the centre of a corporate governance row in recent weeks after it dispensed with its executive chairman, Avril Palmer-Baunack, putting Mr Tinkler and his brother-inlaw William Stobart back running the company.

Stobart did not confirm or deny a report in the Times on Thursday that Investec had resigned as house broker, though it did say Mr Tinkler had an appointment with the bank next week to discuss the relationship.

Investec did not comment.

Some analysts suspect the management team could take Stobart private this year. Mr Tinkler owns 9.3 per cent of the group's shares, according to S&P Capital IQ and Mr Stobart, chief operating officer, 3.2 per cent.

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