

# Statement In Connection With The Transfer of Shares by Three Black Cats Limited

The Elected Board of The Jags Foundation

Wednesday 21<sup>st</sup> September 2022

## The Transfer of Shares

The TJF Board notes that the majority shareholding (55%) in Club has passed to The PTFC Trust from Three Black Cats (3BC), bringing the Trust's total shareholding up to 74%. We've had a range of emotions following this development, not least a mixture of anger and disappointment, but not surprise.

Two PTFC Trust trustees previously promised, in their Q&A with the Glasgow Evening Times, to hold an open meeting with supporters prior to the transfer of shares, and to do this in mid-September. We would observe that they have completely reneged on that promise.

For an organisation which already has a credibility and engagement deficit, this further deceit is a staggering and wilful act of disrespect towards Thistle fans. How can anything else they have said be trusted when their first real commitment has not been delivered?

This share transfer has, *at best*, divided the support. Engaged supporters, who have researched and understood fan ownership as it operates successfully at other clubs, know that this transfer of shares and these terms of ownership that come with it, are a travesty. It is now more important than ever to understand how we got to this outcome.

## Why We Asked For The Trust Minutes

### Overview

In August 2022, we wrote to the PTFC Trust trustees on three separate occasions. We asked them to publish the minutes of trustee meetings from March 2022 onwards. PTFC Trust minutes had previously been published, routinely, on the Club website, and were an important accountability mechanism for beneficiaries and the wider fan base.

When the minutes were not forthcoming, we then asked the current trustees to confirm whether (a) they had the minutes and were refusing to publish them, or (b) they were themselves also being denied access to those minutes. We received no response.

We are also aware that individual beneficiaries, in considerable numbers, have separately sought the disclosure of the minutes. Despite these various requests, the minutes have not been forthcoming. Not to provide these is, at best, disrespectful towards the beneficiaries, and at worst is a breach of the trustees' common law duties to provide information.

The reluctance to disclose the minutes of trustee meetings has created an unwelcome air of mistrust and secrecy. Non-disclosure clouds the actions of both the previous trustees and

the current ones. Given this, it is also important for supporters to understand why the publication of minutes was suppressed at the time and by whom.

#### Why the April and May 2022 minutes specifically?

Our information request was not simply a fishing expedition. When 3BC disclosed to TJF's negotiating team that there were other interested parties, it seemed plausible that the (then) PTFC Trust trustees could have been one of them. Some members of the previous TJF Board had already expressed concerns to us that plans could be afoot to use the PTFC Trust as the vehicle.

Against that background, and having pieced together information from a wide variety of other sources, we believe the trustee minutes will corroborate our understanding of what happened in April and May 2022. We set out our understanding of what happened below.

We did not set out our understanding before now, in order to give various parties a fair opportunity to choose to do the right thing. We honestly believed that the new PTFC Trust trustees would produce the minutes, and that their predecessor trustees would admit their own role in this outcome to the Thistle support, fully and transparently.

That fair opportunity has clearly now elapsed, given Tuesday's announcement.

#### What we believe happened

In late April 2022, the PTFC Trust trustees held a meeting. At that meeting, the CEO of the Football Club, Gerry Britton, presented a paper. This paper was prepared on behalf of the Club Board. It contained a proposal to the effect that the PTFC Trust should become the majority shareholder of the Football Club, and that 3BC should transfer its 55% shareholding to the PTFC Trust.

This proposal was not disclosed to the beneficiaries of the PTFC Trust (long-standing season-ticket holders). At about the same time, the Club website stopped publishing the minutes of PTFC Trust trustee meetings, without providing any public explanation.

The idea proposed by Gerry Britton at that April meeting was broadly supported by the majority, but not all, of the trustees in post at that time. The six trustees in post were:

- Gerry Britton, Alan Caldwell, Andrew Byron (the Club CEO and two Club Directors)
- Robert Taylor, Gordon Shaw and Euan Couperwhite (all co-opted, rather than elected, supporter trustees).

Within a week of that meeting, there was a further meeting of the trustees. The proposal was further discussed at that meeting, and there had been correspondence between the PTFC Trust and 3BC about it.

Within a couple of days of this second meeting, we now know Stewart MacGregor met Richard Beastall, with Richard claiming to a TJF Board member at that time, that he was meeting someone “who knows the current board”. It is another incredible coincidence that this activity commenced so soon after the PTFC Trust trustees at that time had decided to press ahead with using the PTFC Trust as a recipient of the shares.

Around this time, the PTFC Trust trustees issued a formal “note of interest” to 3BC. We understand this to have been the “note of interest” mentioned in [the 3BC statement of Monday 23<sup>rd</sup> May 2022](#).

As we understand it, the proposal prepared and developed by Gerry Britton and others bears a striking resemblance to the one eventually proposed to 3BC by the new trustee group. The similarities are so extensive that any fair-minded observer would conclude they were iterations of substantively the same proposal.

If we are wrong about any of the above, we invite the PTFC Trust trustees and/or the Club Board to publish the April and May 2022 minutes of trustee meetings, and all of the documents that were discussed in those meetings. This will allow the fans to make up their own mind about what actually happened.

If we are correct, however, some involved ought to hang their heads in shame. This was all done behind the backs of the fans, and directly undercut proposals for a conventional and credible fan ownership model.

#### [Why this is important](#)

The five current PTFC Trust trustees have sought to give fans the impression that their plan was arrived at autonomously and independently of Club Board directors or officials. No doubt the PTFC Trust trustees will try to argue that the similarities between the April 2022 proposal document and their own proposal to 3BC are a cosmic coincidence.

But this isn’t credible. For two “unrelated” proposals to come up with an ownership model that bears no resemblance at all to any fan ownership model in Britain stretches the limits of plausibility. Perhaps this goes some way to explain why the PTFC Trust has such difficulty defending its model when challenged on it by fans. Fans can see real fan ownership at other clubs and know this isn’t the same thing.

The only plausible explanation for this is that the current PTFC Trust trustees were hand-picked to be the public face of a plan designed by the Football Club Board. A model under which the majority shareholder is not truly independent of the pre-existing Club Board is not fan ownership in any sense that other fan-owned football clubs would recognise.

Such a model forgoes almost all of the benefits that traditionally accrue from fan-ownership, with regard to influence, fundraising, representation and oversight. If our understanding of events is correct, then this would appear to be by design rather than by accident.

This proposal was not fan-initiated. It was instead initiated by the CEO of the Club, and members of the Club Board, presumably to ensure that the Club Board can bypass the inconveniences of genuine and accountable fan ownership.

We would be less concerned if this process had been carried out transparently and publicly, and proper expectations were set at the outset by 3BC and the Club. That way, there would have been some meaningful accountability to the Trust's beneficiaries and the wider support.

At least then there would have been the opportunity for individual fans to raise concerns. Those fans could have sought to influence the proposals. If they liked what they saw, they could even have got involved, openly and transparently, with the trustee group. That was what happened with the Working Group and TJF, and what has happened at all other fan owned clubs.

None of these opportunities were afforded to the wider Thistle support with this deal.

### [What this means](#)

The transfer has, it appears, now happened. But fans surely cannot have confidence in a process tainted by secrecy, subterfuge and conflicts of interest.

The outcome now delivered bears no relation to what was proposed or promised. It's not what Thistle For Ever and 3BC told David Beattie and the outgoing shareholders would happen. It's not what 3BC and the Club told fans would happen. And it's not what the vast majority of the mobilised Thistle support wants.

It's clear that the current unelected PTFC Trust trustees will never have legitimacy in the eyes of a significant portion of the engaged support. No meaningful attempts were made to get fan backing for this model, and the transformation of the PTFC Trust is one tainted by apparent conflicts of interest.

If the PTFC Trust is ever to gain credibility and legitimacy among the Thistle fans we are clear about what needs to happen next.

First, the definition of beneficiaries of the Trust should be expanded to include all season ticket-holders and all members of the two main fan-membership organisations currently in existence: The Jags Foundation and The Jags Trust.

Secondly, all five of the trustees should then promptly intimate their resignations, to facilitate a full and open election, in which any new beneficiary can stand to become a trustee. Of course, the current trustees could offer themselves as candidates in that ensuing election and make their case for the deal they have just secured and implemented.

## Outstanding Questions

As we said on Sunday, we have collated questions on behalf of various beneficiaries. We have been waiting for the PTFC Trust to respond for over a week. The share transfer has now happened, and so there is no adverse risk to the trustees promptly answering these questions. That said, they really ought to have been answered long before any share transfer.

Not to answer legitimate and valid questions from trust beneficiaries, and just to ignore emails, is thoroughly disrespectful to fellow fans.

We still think all the questions which have been submitted to the Trust are relevant, and new questions should now be added. We were so exasperated at the lack of any meaningful response, that we even wrote to Jacqui Low. We asked her to intervene and to encourage the PTFC Trust to answer these questions.

We received a polite, and affirmative, reply but the questions themselves remain unanswered. Jacqui insisted that she had no influence over the trustees. We pointed out to her that the share transfer process could be paused until important questions had been answered, but this suggestion received no response.

If the PTFC Trust were genuinely committed to fan engagement, they would surely see answering legitimate questions as an opportunity, not a threat. It would be a chance to explain their thinking and to win sceptical fans over. That there is no such attempt suggests they have no interest in persuading their fellow fans of the merits of their deal.

This lack of commitment to engagement will be especially frustrating to TJF Board members past and present. They were often told by 3BC directors that “engagement” was the single most important metric by which a vehicle would be judged. Clearly this cannot have been the real criteria against which the bids were judged, given what has happened.

## Legal Documentation

Despite the transfer of shares, we as fans still do not know the fundamental terms of the deal reached between PTFC Trust and the Club Board. We were told there would be a “memorandum of understanding” rather than a legally binding Club-Trust agreement (as exists at Motherwell, St Mirren and Hearts).

Beneficiaries have, under trust law, a right to information about the operation of the trust. At a minimum they should be entitled to sight of any memorandum of understanding, or legally binding agreement, between the Trust and the Club. Any such documents should therefore be published immediately.

A high-level summary of any such documents’ contents is inadequate. We need to know how legally enforceable, or operationally meaningful, those guarantees or undertakings actually are.

## Due Diligence

The PTFC Trust statement today makes reference to a due diligence exercise carried out by the Trustees and makes certain assertions arising from that exercise. Naturally, we welcome that some degree of financial disclosure has proved possible after all, and that the PTFC Trust has felt able to assess the implications of those documents.

We are somewhat surprised however, that the due diligence exercise – described on Tuesday by the PTFC Trust – and the documents that have, it seems, been made available to them, are **identical** to those that TJF proposed to 3BC in June. Not just that, but when we asked for that exercise, and those documents, Peter Shand said:

"We cannot be clearer, due diligence on a gift will not happen and it is non-negotiable. Our position will not change."

This difference of treatment re-enforces our view that – throughout this process – TJF was not given the opportunity to compete on a level playing field against the other proposals.

## The legacy of this deal

There was a persistent mantra from 3BC in its dealings with both boards of The Jags Foundation. We were told that Colin Weir's priorities for the Club were threefold:

- (a) Stability
- (b) Protection against unscrupulous take-overs
- (c) For it to be "fan-owned but not fan-run"

The PTFC Trust model is so out of step with conventional and successful fan-ownership models, that its finer detail will be argued over and revisited many times in the coming years. The Trust already has a poor track record on stability, as the frequent and recent variations to the existing trust deed demonstrate. Its rulebook and this deal represent a charter for uncertainty at Thistle, not a guarantee of stability.

As far as we can see, the guarantees offered by the PTFC Trust against disposal of the majority shareholding, or issuing of new share capital, are no stronger than those offered by both TJF Boards. They may in fact be weaker. This does not particularly inspire confidence against unscrupulous take-overs.

The Jags Foundation model for fan ownership was consistent with "fan-owned but not fan-run". That phrase is exactly how St Mirren, Hearts and Motherwell all describe their models, which were actually stronger than what we proposed on Club Board representation. The PTFC Trust model, by contrast, can barely, if at all, be described as "fan owned" let alone "fan run". The fans will have no greater influence over our club than many supporters' associations at other clubs with minority shareholdings or no shares at all.

Thistle still needs an independent supporters' association

The experience of recent years shows that, more than ever, Partick Thistle needs an active and genuinely independent supporters' association: one that meaningfully represents the views and interests of grassroots Thistle supporters. We propose that TJF is well equipped to become exactly that, despite this latest setback.

There is precedent for fan ownership entities coexisting with independent supporters' associations at other football clubs, for example at Brentford. Our organisation still has a number of strengths that no others have in the wider Thistle community, especially in terms of the size of our membership and our fundraising capability.

Clearly now those strengths may be better directed towards different initiatives than might have been the case had we become the majority shareholder. We will engage with our members and other Thistle-related organisations to see how our resources should best be used in the coming weeks and months.

#### Thank you for your support

Most importantly, we genuinely thank all of our members for their support. Perhaps even more than that, we thank you for the robust and constructive way in which you have challenged us to do better for you and our football club.

We honestly tried our best to deliver a credible, effective and conventional fan ownership outcome for our Club. Such an outcome would have brought many benefits, improving our club and our community by getting everyone pulling in the same direction.

Since the PTFC Trust now has the shares, the priority now has to be to improve it from its profoundly inadequate starting point. We will be applying all the pressure that we can to make it a properly democratic body and genuinely accountable to the wider Thistle fanbase.

Additionally, we will continue publicly to stress-test the governance model the Trust has developed with the Club Board. We will continue to ask difficult questions, and to make constructive suggestions, about how it can be improved.

But if the fans are to be listened to in this process, we need our members to stick with us, and to amplify our voice in this endeavour. So stick with us, join the Foundation if you haven't already, and make clear that we won't accept the thin gruel that the Club Board and the Trustees thinks passes for fan ownership that was served-up yesterday.