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Businessman to go on Hunger Strike in protest against 'ruthless' Scottish bank

Former property agency chief says Clydesdale Bank broke 'his £10m business and ruined his life'

Hunger Strike - starts 17 March at Clydesdale Bank HQ - St Vincent Place, Glasgow

"I am going on hunger strike because people need to know what the Clydesdale Bank has done to small businesses all over Britain. This is one of the great scandals of our times. The Clydesdale adverts say, "Here for You". What a joke. 'Here for you' means they took my business, they stole every one of the 150 properties I owned, they bankrupted me and now they want to take what's left - my home".

The Business

- From scratch starting in 1998 John Guidi built a property business in the West of Scotland to a portfolio of almost 150 properties. The Clydesdale Bank backed the business from its very beginnings. He was wined and dined by the bank chiefs as 'a model customer' for years.
- ***"Lord Sanderson the former chair of Clydesdale had me for lunch in his offices overlooking Edinburgh Castle. The wine was so fine. Years later all that turned sour. They sold my debt to an American vulture fund - Cerberus. Cerberus is the three headed dog from Greek Mythology that guards the gates to Hell. These fine pillars of the business community have set the financial dogs on me".***
- *The road to disaster started when Clydesdale Bank changed the structure of his loans in 2002 – introducing him to the Tailored Business Loan (TBL) or Time Bomb Loan as it is known. The Treasury Select Committee in the UK Parliament branded these loans as mis-selling under false pretenses, on an industrial scale and on terms which ordinary business folk could never understand.*
- **In 2010 Guidi started negotiations for his biggest loan - £1.6m for a land and property deal. He drew the first tranche of £600,000 in August 2011. Then the final tranche in November 2011. Six weeks later, in January 2012, he got a phone call from the Clydesdale saying all his loans had been frozen.**
- *"This was the Clydesdale Tailored Business Loan meets the Sub-prime banking scandal in America of 2008. Rapacious profiteering and asset stripping had come to town and it took me for everything I had because I missed the fine print. These people don't have a shred of decency in their bones. They knew they were getting me to sign up for the Armageddon of my business."*
- **The Clydesdale was owned at this time by the National Australia Bank (NAB) who introduced the TBL. To bring the so-called defaulted debts in, it created a Strategic Business Unit. This was the Clydesdale's equivalent of the RBS's notorious "give them enough rope to hang themselves' GRG.**
- Then, in 2014, the Clydesdale/NAB sold all its TBL debts to Cerberus - an American private equity business or to use another name 'a vulture fund'. John Guidi was not told that by the Clydesdale until the late summer of 2015. He got a letter from the Clydesdale saying he had breached a condition of the loan and they were selling his debts to Cerberus.

- **Cerberus is a private equity company based in New York which specialises in large scale asset stripping and debt collection.**
- Cerberus is also a holding company for several other debt collecting agencies. The one which bankrupted John Guidi is Promontoria Chestnut, based in a Dublin tax haven. They put John Guidi's two property businesses into receivership on 22 December 2015.
- **To date Cerberus/Promontoria Chestnut have sold off almost all the property portfolio in John Guidi's companies.**
- ***"If you wanted a definition for asset stripping this is it. What I have put together in my business sold down the river for half its value so the grasping bankers can get their greasy hands on cash. They have sold off my business for £8m as far as I know and it's worth double that."***



Summary of the case of Mr John Guidi (former Director, Fieldoak Ltd and Lightfoot Ltd)

by Dr Fiona Sherriff, Director of Communications, APPG on Fair Business Banking

Mr Guidi is a property professional with over 30 years' experience in the business. He grew his portfolio of 150 rental homes in Scotland in the traditional way with help from high street banks, latterly Clydesdale Bank now CYBG plc.

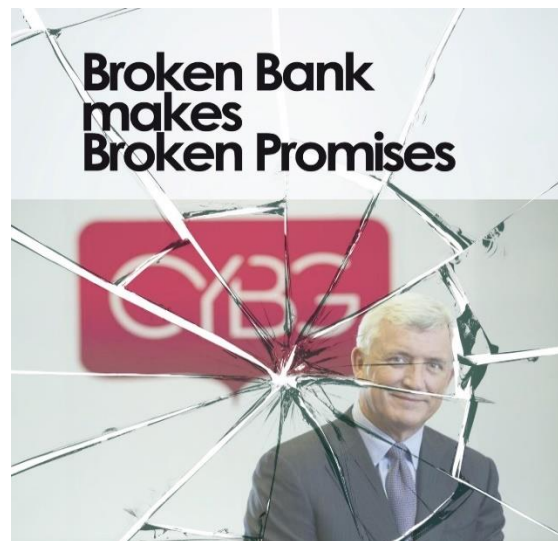
After a previously healthy banking relationship, Clydesdale Bank decided to 'pull the plug' without warning in 2012. Mr Guidi had never missed a payment and it is hard to see he had done anything wrong. This triggered a cascade of events which led to Mr Guidi's bankruptcy.

His asset-rich companies were systematically dismantled by Clydesdale. Clydesdale then sold his remaining facility to the 'vulture fund' Cerberus in 2015 who stripped all his companies' assets by selling them at below market value. He is now fighting to prevent Cerberus taking his family home from him.

This tragic case illustrates the vulnerability of UK businesses to abusive treatment by lenders and vulture funds, and the inadequacy of current regulation in preventing it.

A plea in mitigation

- David Duffy, pictured, is the chief executive of Clydesdale Bank. Jim Pettigrew is its chairman. John Guidi only wants a fair say before he loses his house. He wants his case and a few others to get a fair hearing with CYBG. So far no-one at Clydesdale nor Cerberus has spoken to him about his pending eviction from his home in 3 weeks.
- ***" Is this what we have come to. Scotland's most historic bank hiring American private equity hit men to carry out financial midnight stabbings without a word of negotiation. Cerberus SHAME ON YOU. CLYDESDALE : CYBG SHAME ON YOU. How do these people sleep?"***



The Hunger Strike

"I have had enough. I have nowhere else to turn. My case deserves justice. I am prepared to go on hunger strike until I get it." John Guidi

17 March 2019