

For the attention of HHJ Raeside

HMCTS

Leeds Combined Court

Chancery Division

Leeds Combined Court Centre

The Courthouse

Leeds

LS1 3BG

BOS v PAUL MICHAELS & CHARLOTTE SARH MICHAELS

Case No. 4PA41550

Handing down of Judgment
to be heard on 3rd October 2017

1. Lloyds Banking Group, **Bank** of Scotland, **do not come to the table with 'clean hands' or 'Nil of equity'**
2. Evidence that has come to light and has now been registered with the court proves that there was **no enforceable contract** as there was **no consideration by the defendants** of the full facts. **The bank breached its contractual obligations to provide an open and fair agreement, before the defendants "ink was dry on the contract."**

2.cont'd

(i) **Lloyds/BOS concealed that it owned The Royal Bank of Canada.** This is relevant as it gave them total control over the defendants assets and businesses in Canada which was sold for at least one tenth of its professionally appraised value losing the defendants control of their assets and their entire income and profit which was to service their debts in Canada and the UK. The most important factor in this matter is that Lloyds Banking group through its offshore designated management of our case had security over all our assets ,comfort with the equity, and ability to service the debt longterm. They did not advise us of this instead saying and convincing the d's of signing consent orders with the defendants belief that were receiving sound financial advice from the bank and Underwoods their lawyers. I reality the bank the bank then did a complete turn on them registering a judgement with the court for at least three times the value that was agreed as a minimum owing without any time limit.

(ii) **The Bank of Scotland stated in court that the bank had not resold, securitised or entered into swaps, guaranteed or underwritten the loans. This is not true.** There are **direct links, (Lloyds own them)** to companies such as **The bank of New York Mellon PLC, New York Master Issuer, The Royal Bank of Canada,** and other mortgage and bond resellers owned by or partnered with Lloyds Banking Group and their sub members. The banks employees Mr Robert Lockyer and Ms Linda Williams perjured themselves as they avoided the facts hid the truth and blatantly and knowingly lied under oath. **Robert Lockyer is involved at the highest level in Lloyds offshore wealth management and was/is fully aware of activities surrounding the defendants surety, assets and liabilities in relation to this case.** If the banks position is still that there is no relationship with the SPV's direct or otherwise, then the defendants demand that the bank supports this fact with a

statement of truth, and agrees to a full forensic audit of ALL our loans and mortgages held by the Lloyds Banking group, on the following basis;

Strict Instructions and guidelines to Lloyds Bank of Scotland for the audit of ALL the Michaels loans & mortgages.

- a. Full Disclosure and **Validate the debt (the actual Promissory Note)and a full forensic Audit of the chain of Assignment of the note and Title**
- b. Full Disclosure and **Validate of Securitisation of the Note (Promissory Note)** and a full forensic Audit of the Assignment of the Promissory Note.
- c. Full Disclosure and Validate **the contract signed by both parties and therefore binding both parties under Company law, Corporate law and Unidroit.**
- d. Full Disclosure and **Validate the true and certified copy (NOT photocopy) of the Original Note** (Credit Agreement), under **penalty of perjury** and with **unlimited liability** and **confirm that this Note, has never been sold.** Please also **confirm the name of the individual** who is the **duly authorised representative from your company**, who has **carried out due diligence under The Money Laundering Regulations 2007** and what actions she/he has taken in relation to this account.
- e. Full Disclosure and **Validate the Originator Assignment of the Note (Promissory Note)** and a **full forensic Audit of the Originator Assignment of the Note endorsed and Notary signature (wet signature).**
- f. Full Disclosure and **Validate all Special Purpose Vehicle (SPV) and a full level 3 forensic Audit of securitisation of the Note (Promissory Note).**

Further and on a joint and several basis, the defendants request a **Full audit of telephone calls and emails between and Eversheds Sutherland & Michelmores LLP.**

3. **The defendants only agreed to be a party to the banks claim and to 'cross the line' and enter of the court,** in order to **secure lawful and fair justice to resolve this matter** and prove that the banks own actions were entirely to blame for the financial challenges that they find themselves at the mercy of.

4. **It was the Banks direct actions, financial investment policies and irresponsible banking practices that were at the centre and route cause of the Global Financial Crash.** The defendants did not create the restrictive and unforgiving financial climate that they find theirselves a victim of.

5. **The House of Lords report, commissioned by the Parliamentary commission on banking standards entitled, "An Accident waiting to happen" - The failure of HBOS,** found the Bank of Scotland guilty in the highest degree of misconduct. Some bankers and associates of the bank have been fined or jailed. This is very open and public information that the court and judges can fail to be aware of.

6. **The defendants provided £3.5 of equity as security, The bank alleges to have loaned us £2.3** yet the **Bank of Scotland was itself insolvent.** So **how could it has loaned the defendants any money?**

7. The defendants have **reported this matter to the City of London Police** and further the **National Fraud Intelligence Bureau.** The NFIB, has taken a statement

from the defendants. **Any party participating in this claim now does so with the knowledge of this, and therefore is 'aiding and abetting' the deception of and by The Bank of Scotland.**

8. If the **defendants** had tried to **'steal' a parties property through a legal court process**, when they had not offered a 'lawful' or legitimate loan, then **they would be open to the charge of Fraud.**

9. For the record **the Bank of Scotland is in possession of a 'Promissory Note' as supplied by the defendant.**

(i) For the courts record and in order that their decision is fully informed the **defendants will give a summary of how the Banking system has and still currently works;** PM to explain.

10. **Carmel Butler's Memorandum - CONSUMER AND TAX PAYER**

"|Let us be clear that the reason for today's injection is the lack of openness and honesty by the banks on the amount of bad debts that they have on their books|" JOHN McFALL MP [105]

Exert from para 8.

Following the bank's True Sale of the mortgages, the bank's contractual relationship with the borrower is extinguished...

However, neither the bank nor the SPV inform the borrower of the SPV's ownership of the mortgage contract. The SPV will remain concealed.....

The borrower is unlikely to discover the SPV's ownership of their mortgage contract....

The world will remain ignorant of these events because, the bank continues to service the loans as if nothing has happened.

How can clandestine protocols like this provide the basis for a fair, open, honest or transparent contract with any borrower?

11. It was never the defendants intention to bring harm to the Bank of Scotland, nor the extended Lloyds Banking Group It was **Bank of Scotland** that **registered this possession claim. The bank has never provided the d's original Mortgage document** to the court the defendant or their previous legal representatives. By the courts own rules, **This claim should never have been accepted by the court as a public body serving fair justice.**

12. **Following the trial the claimant proceeded with the unlawful registration of a priority charge** (floating or priority second charge) on the defendants other properties. **Following a demand by the defendants** to remove this charge **The bank has recently confirmed that "the priority has been released."**

13. **The banks registration of derogatory information registered with CRA's has caused difficulties for the defendants application for a bridging loan required to assist with their financial hardship.** This loan could have brought

remedy to this situation and still could. **The banks actions have denied the d's from securing financial assistance. (see attached email from Crystal Finance)**

14. **The d's have been in dispute and legal correspondence with the bank of Scotland since October 2007, They took out a commercial development loan out with The Royal Bank of Canada to increase their equity and improve income and serviceability of BOS loans. Lloyds BOS NEVER advised or revealed that they owned RBC. Had they been made aware we would have been able to give serious consideration to the potential conflict of interest.**

15. In court the **claimant stated that it is NOT a commercial lender.** For the record the **defendants mortgage is with the Halifax.** The claim was **not brought by the Halifax or HBOS,** which are as investors and trustees that lost money in the crash of 2007/8 found out, stand alone businesses with individual and separate financial reporting. Contrary to Mr McKluskys statement to the court, **The Bank of Scotland is indeed a commercial lender.** It is alleged to have **paid out the defendants previous lender, Girobank Commercial Lending in Leeds, over £500k at the outset of the alleged 1st Mortgage.** The **defendants produced trading accounts for the holiday let business based at Low Newbiggin as part of their Bank Of Scotlan loan application process.**

Unlawful Process

16. Both the pre-hearing heard by recorder Walker and the **trial were prejudiced and biased.** Recorder Walker simply **threw out our application to appeal his decision.**

17. Transcript is not a true accurate or fair representation of the facts heard by the court.

18. The bank of Scotland did not pay the court fee

19. The Bank of Scotland has NO case without the original documentation.

20. The Bank cannot prove how much is owed, by simply creating a schedule of payments and saying to the court "Thats it" The court has chosen to accept the banks figures without ANY proof which seems biased, prejudiced, unjust unfair, and unlawful. The retention of our home or sale at the original values supplied for security depends on the courts findings and rulings so this is a very serious matter. In less than one month following the trial, the defendants statement increased £60k (Sixty Thousand Pounds) allegedly for legal costs yet the court has not awarded costs. The attached statement dated immediately prior to the trial, demonstrates the irregular and irrational accounting by the bank. The balance on the defendants mortgage statement dated 1st March 2017 was more than the figure produced a week later in court. The defendants therefore will seek professional assistance to proof what is actually owed. (see above format for forensic accounting process required by the defendants) The court should support the defendants in not handing down any decision of judgement until this has been carried out and the full evidence submitted to the defendants in writing by recorder delivery.

21. The court confirmed that this case was passed across to the chancery division due to the scale of the sums involved. The defendants have on the 2nd October 2017, been informed that this matter has NOT been handed

across to the chancery division.The defendants are unclear of the **jurisdiction of the Leeds combined court and or Judge Raeside to hear or act in this case.**

22. The defendants credit history, asset base and business plans, was exemplary when they were introduced to the Bank of Scotland as the bank that could help them grow their business and secure their financial futures.

Joining the bank of Scotland was the start of their financial problems. The court heard that there was a sudden and dramatic decline in the defendants credit rating which the bank registered against the defendants, **The judge failed in his duty of fairness and impartiality to explore this important point, which has prejudiced the findings in the banks favour.** Not once did the court question the reasons for the decline or **how the banks consequential actions directly affected their businesses and the defendants ability to service the alleged debt.**

The d's could not question themselves and were told more than once by HHJ Raeside, not to elaborate when questioned by McKlusky. Yet HHJ Raeside came to the rescue of the bank several times, during the d's cross examination of the banks witnesses. Biased in the banks favour.

23. The court heard that immediately prior to the possession claim being registered with the court, The d's did sign a consent order (private terms) in Good Faith, with the Bank of Scotland re another loan. It is his opinion of the D's that the Bank of Scotland, supported by HHJ Raeside, relied on the terms of irrelevant and superseded test cases to ignore the relevance and 'spirit' of the consent order. The d's were offered no sympathy or attitude for their lack of expertise in this field, and **so the court process and decision is unfairly prejudiced and biased in the banks favour.**

24. **The court heard that the consent order committed the d's to a maximum of maximum of £350k** Yet the **defendants have had a £1m (£999) judgement,** and **other derogatory CRA information which breached data protection laws, registered personally against them and their properties for some 10 years now.** How can this be just or Fair?

25. This information authorised by the Lloyds Banking Group and approved by the UK court system, has caused the defendants considerable harm and financial losses. Throughout the process, the claimants never shied away from their lawful financial or fiduciary responsibilities as set out to them by the bank at that time. Instead they worked tirelessly and honestly as evidenced by the documentation and witnesses presented by both sides, to, and read by, the court.

26. The defendants represented themselves throughout the pre-hearing and the two day trial. **It was not fair or 'just', for the court to state that they considered them to have been represented right up until the trial. Paul Michaels representing the The defendant's mentioned to the court that he was dyslexic. However Judge Raeside afforded him no allowance or assistance when he had difficulty with certain dates and page reference numbers instead ending the trial saying that he chose to believe the claimant, as Mr Michaels struggled to recall dates etc. This is prejudiced in the claimants best interest, in highest degree.** There was/is a conflict of interest between the Lloyds Bank of Scotland and Michelmores LLP. Solicitors are 'officers of the court' and or 'legal system' which is where their ultimate and primary responsibility lays.

27. **The defendants are the harmed, NOT, guilty party.** The Claimant, the bank of Scotland as the significantly superior and larger party, would not be harmed by

staying this case indefinitely and or reaching a settlement that was agreeable to both parties.

28. We the 'Defendants' as real live persons pleading their human and natural birth rights under common Law, do not accept the courts decisions as documented and provided to them and we GIVE NOTICE to the court that we will appeal and fight any formalisation of the same.

Statement of Truth

The Defendants believe that the contents of this argument are true.

Signed
Paul Michaels

For and behalf of the defendants

Mr Paul Michaels, Mrs Charlotte Sarah Michaels & Others .

Witnessed

Dated