



Investors plan legal action against ACC

By Conor Keane Business Editor

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INVESTORS who bought into €650 million bonds sold by ACC Bank are to initiate a group legal action against the bank to recover losses of up to €160m and seek damages.

The ad hoc group have been brought together by Cork-based businessmen Kevin Cross and Tony Conway, who have appointed Lavelle Coleman Solicitors to represent individuals in the group.

Mr Cross told the Irish Examiner that he and Mr Conway placed an advertisement in the Sunday Business Post two weeks ago seeking out other disenchanted investors in the ACC SolidWorld tracker bonds series 4 and 5, sold in 2004 and 2005.

He said they have also held meetings with financial advisor Eddie Hobbs, who has examined the product and its presentation on their behalf. Mr Hobbs confirmed that he is advising the group in their action against the bank.

Mr Cross claims he and others were miss-sold the bonds by ACC and this is the reason for their action.

"Already 70 to 80 people have made contact with us since we placed the ad. Everyone from lawyers, accountants and even ex-ACC staff have been on. There are some very sad cases," he said.

ACC Bank said that the sale of its capital guaranteed SolidWorld Bond products complied with the rules and regulations governing such products at the time of their launch to the market.

Mr Cross said that in most cases investors were provided with massive loans, one for €11m others for €1m, by ACC to invest in the ACC SolidWorld bonds. ACC Bank plc is a wholly owned subsidiary of Dutch bank Rabobank.

"We were told these were blue chip investments but they did not use our money to buy shares in these companies; all they bought were options. The money was left on deposit with ACC not earning any interest and we were still paying interest on the loans, this was never explained to us, it does not make any sense," he said.

It is understood that as many as 100 people have asked Lavelle Coleman Solicitors to include them in the group action against the bank and Mr Cross urged other unhappy investors to contact the Dublin solicitors at their offices at Lower Hatch Street in Dublin.

Mr Cross stressed that as some of the bonds were sold more than five years ago, the statute of limitations could apply unless prospective plaintiffs acted very quickly.

The bonds attracted investors because they guaranteed the investors' capital while offering some exposure to rising stock markets.

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If you are an affected investor in the ACC Bank Solid World Bond Series and would like legal advice or representation please contact our legal team David Coleman, partner, Stephanie McCarthy, partner, Katie O'Dea, solicitor