

# Trading activity & Register of investors

Dated: 04 February 2011

## **There are no share “certificates”**

There are no paper share certificates nor will there ever be. This is because the issued shares are in modern electronic format. Your broker may well issue you with a statement showing your holding or a contract note showing the shares bought or sold but please be clear, **YOU WILL NEVER HAVE A TRADABLE PAPER CERTIFICATE THAT YOU CAN PHYSICALLY HOLD**. Those days have gone and most shares are now in electronic format.

## **The shares in circulation & Trading activity**

At the time when SOM went public, all SOM shares were restricted from being sold for a period of about two years. Nevertheless, about 20 million shares remained with the original Caribbean Island Traders. In addition to that, two investors in the UK and a number of other investors in Europe asked for and received their SOM shares. They were able to receive their shares because their brokers were willing to hold restricted shares. Most brokers were unwilling to hold such shares so they could not be distributed.

Now that the restrictions have expired, these millions of shares that were distributed are being traded. As you will have noticed there is great activity in trading not only SOM shares but also VCL shares. We do not know what has prompted this sudden flurry of activity. I can only speculate as follows:

I can understand the Caribbean Island Traders and the Swiss / Italian investors dumping. But who is doing the buying? Scammers would not spend money – they are only on the take. It is not possible for a hostile takeover as the number of shares in circulation is not sufficient to achieve that result. Because VCL shares have also seen similar activity, I would suspect that it may be a conglomerate of our own or VCL investors who, in my opinion, believe rightly that the share price is no indication of value and is actually ridiculously low. Imagine the value of say 10 million shares in several years time! This could well be a punt by sufficiently well informed investors.

Alternatively, there is also, as it happens, a lot of speculation in the market on “Wall Street online” in Germany and in other trading platforms too such that brokers etc are recommending that people buy SOM shares for the chance of huge profits.

## **Shareholders / Investors**

There seems to be a deal of confusion about the distinction between Investors and Shareholders. They are quite different and you will note that I always address you as investors. Quite simply, the person or organisation that actually holds the shares is the registered shareholder. If you have invested money with SOM or earlier but do not as yet have custody of any SOM shares relating to that investment then you are classed as an investor and not a SOM shareholder.

The majority of SOM shares are held in the account of nominee companies such as HSBC Nominees Ltd, Vidacos Nominees Ltd and so on. These nominee companies are registered as SOM shareholders in Companies House and hold the bulk of the SOM shares and it is they who are the shareholders until such time that they are told to distribute them to the various investors.

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## **Investors' register / Official registrar**

Another misconception is that I hold details of all shareholders of SOM. I do not hold any record of any Shareholder. A register of all shareholders is maintained by the official company registrar. This is outsourced to Computershare Ltd. Every time shares are bought or sold through the markets, the market system updates Computershare.

This has nothing to do with me. I maintain a "Register of Investors". Again I say that this is a register of those who have not yet received custody of their shares. This register shows the contact details of each investor and their full entitlement to SOM shares. It is also a register of the investors' brokerage accounts, monies loaned, interest and bonuses earned etc. It is this register that will be used when instructing the nominee companies to distribute the shares.

## **Share distribution**

You have been informed that SOM has been running at a loss for the past two years and is still waiting for funding. This means there is no money in the kitty which means that there is no money to pay the nominee companies to distribute the shares. If SOM collapses due to a lack of funding then we all lose and there will be no reason to distribute the shares. However, when we receive the funding, as we are expecting to very shortly, then the balance of the shares can be distributed.

## **Completion of Investors Register**

The investors register is now 95% complete. There are a few investors that have not supplied their details even though they have been asked and there are still a few that want to reallocate their shares. This is the 5% that is not complete. The rest is up to date and ready.

As soon as the funding is in place, I will put out an email about share distribution.