

Mr Shawn Harvey CEO English Football League  
EFL House  
10-12 West Cliff  
Preston  
PR1 8HU

22nd January 2019

Dear Sir,

I understand that during the month of February the EFL will be deciding on what action it is appropriate to take to punish Birmingham City for breaking FFP regulations.

I write to ask you to also give some consideration to the clubs long suffering fans and to take into account the reasons for BCFC having inexperienced foreign owners.

The downward spiral for Birmingham City really began when the current owners of West Ham decided to sell to Carson Yeung. It is certainly widely believed in Birmingham that Messrs Sullivan and The Golds were far too canny not to realise that there were taking risks for the club when selling to Mr Yeung. Their greed however far outweighed any moral responsibility that they might have had to BCFC. To compound this, the Football Association's fit and proper persons test proved to be not fit for purpose. Our proud club, a local institution for 144 years was allowed to be sold to a money launderer, now convicted and in gaol.

Following the gaoling of Yeung, his company BIHL sought to sell on to other Chinese nationals. Difficulties with the Hong Kong Stock Exchange prevented BIHL from making a quick sale and left our club in financial limbo for several seasons. When new owners materialised they were it seems genuinely baffled that they had purchased a club in a free market capitalist country but were then banned from investing in it as they wished. At some point FFP is sure to be challenged in the courts as it probably has no legal basis and is without doubt a restraint of trade. If Manchester City were to face a serious challenge, they certainly have the resources to take the matter to the High Court.

Fans of BCFC have had a shed load of disappointment since the cup win in 2011. Our cup winning team was immediately broken up and sold in a panic for a fraction of its worth. All of the best players from Chris Hughton's team were then sold off. Then our academy products sold off in desperation with new investment blocked for years by the Hong Kong stock exchange. Three full England internationals, Redmond, Butland and Gray, produced by our academy, were then sold for £10 Million for the three. It has been hard to bear.

When the new owners finally emerged, to their credit they wanted to end the years of hurt, but made all of the bad decisions one expects of owners from a different culture, lacking any knowledge of the English or European game.

In regard to FFP the new owners could of course have purchased £12 Million in shares during the course of the approximate 2 years since they took over. This loophole would have considerably improved how things look, but was probably not available to them due to complicated ownership issues. One also wonders if the clubs accountants have not missed obvious legal opportunities to circumnavigate the rules. There is a strong possibility that translation for the owners into Chinese may have played some part in what transpired. The financial years of football clubs do not coincide with actual football seasons and this may have given accountants at other clubs ample opportunities to play around with the figures. After all it is their stock in trade.

To compound the pain of us Birmingham fans, we look across the city and see a club that seem unaffected by the rules whatever they do. They received £75 Million from the PL in parachute payments yet could not pay a tax bill in August until the new owners paid up. Their profit and loss figures must be disastrous. Despite that their CEO boasts of tens of millions of pounds being donated by their new board members since August. One assumes that promotion to the PL is the Aston Villa get out clause and yet all clubs are in the third year of their cycle and all compete for the same prize.

My own conclusion must be that if a club can avoid hitting the £39 Million deficit in the second year of the cycle it is not looked at again until the third year is finished. This would explain why Wolves appeared to flout the rules last year. Surely if true, this is a deeply flawed system with clubs trying to compete within limits heavily disadvantaged.

In regard to Birmingham City It must be true that the transfer embargo has been a punishment in itself. When looking at the league table one wonders if the embargo punishment will in fact have prevented BCFC from winning a promotion during this current season. If the imposition of a points deduction were to cause a relegation, then that would probably hasten a financial collapse which must be the very thing the EFL want to avoid for their members.

It would be particularly hard on everyone connected with the club if a points deduction were imposed to start from next season. Please have a heart and find a way to cut BCFC some slack; surely they and their fans have been punished enough.

Yours faithfully,

David J Wade