

Financier in secret £1m shares deals

A DIRECTOR of the collapsed financial services group, British & Commonwealth, sold more than £1million of its shares when he had inside information of its impending troubles.

The Mail on Sunday has uncovered suspect dealings involving David McCormick, the former chief executive of B&C's leasing subsidiary, Atlantic Computers.

It was the collapse of Atlantic which dragged B&C into receivership in May 1990.

On April 13, 1989, McCormick discreetly authorised the sale of nearly half of his non-beneficial holding of just over a million B&C shares —

By PETE SAWYER

netting more than £1 million in the process. He was restricted from selling more shares by earlier agreements with Atlantic.

Barely six days later he passed on a report to several members of B&C's board 'outlining the magnitude of Atlantic's problems'.

Problems

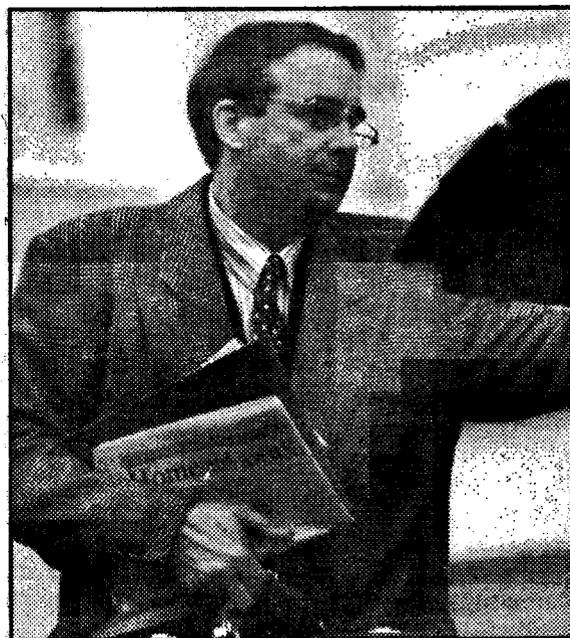
Within a month B&C's share price had fallen 50p to around 170p. It never fully recovered. McCormick saved about £250,000 by selling his shares before the news of Atlantic's problems hit the market.

Although McCormick was an alternate director of B&C, he did not disclose his sale of B&C shares to the Stock Exchange. McCormick's stewardship of Atlantic is thought to be at the centre of the Department of Trade and Industry's probe into the collapse of B&C.

The DTI is due to publish its report on the affair shortly but that could now be delayed if investigations into insider dealing are launched.

McCormick's non-beneficial shares in B&C were held through a Jersey company called Fundinco.

It was given shares in Atlantic in return for the sale of McCormick's Dutch leasing company,



DISCREET: David McCormick at his £7 million home

ICA, in 1986. Fundinco's Atlantic shares were later exchanged for B&C shares. Since resigning from Atlantic, McCormick has constructed — with the help of accountants Moores Rowland — a maze of offshore companies to look after property investments in London and on the Costa del Sol.

The London properties — owned by a Dutch Antilles company called Mediter Investments — were used to secure millions of pounds worth of loans

from EPIC, a Swedish-owned venture capitalist. But McCormick's property dealings have come unstuck. EPIC wants its money back and has already repossessed one property.

McCormick's London home, in Holland Park, is up for sale and he has had to move out of his Chelsea office.

The £7 million home boasts seven bedrooms, four bathrooms, a gymnasium, whirlpool bath and swimming pool complex built underneath the garden.