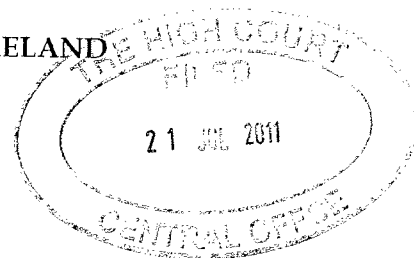


THE HIGH COURT

Record No. 2011 No. 219MCA

IN THE MATTER OF CUSTOM HOUSE CAPITAL LIMITED
AND IN THE MATTER OF AN APPLICATION PURSUANT TO REGULATION 166 OF
THE EUROPEAN COMMUNITIES (MARKETS IN FINANCIAL INSTRUMENTS)
REGULATIONS 2007

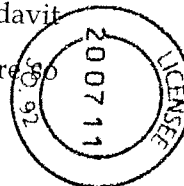
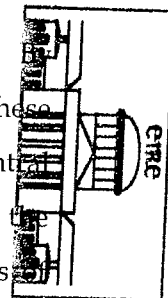
ON THE APPLICATION OF THE CENTRAL BANK OF IRELAND



SECOND AFFIDAVIT OF NOEL THOMPSON

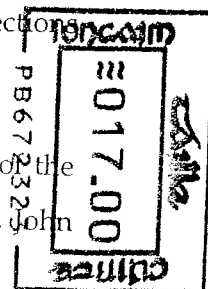
I, NOEL THOMPSON, Senior Regulator, of the Central Bank of Ireland, Block D, Iveagh Court, Harcourt Road, Dublin 2 aged 18 years and upwards MAKE OATH AND SAY as follows:

1. I am a Senior Regulator of the Central Bank of Ireland ("the Central Bank"). Order made on 15 July 2011 on the application of the Central Bank in these proceedings, I was appointed as an inspector (with Mr George Treacy of the Central Bank) to investigate the affairs of Custom House Capital Limited and to report the results of the investigation to this Honourable Court, subject to the provisions of paragraph 7 of the Order. I beg to refer to the said Order when produced. I make this affidavit on my own behalf and on behalf of Mr Treacy. I make this affidavit from facts within my own knowledge, save where otherwise appears, and where otherwise appears I believe the same to be true.



2. At paragraph 5 of the Order, the Court made certain directions. Those directions were complied with in the following manner:

(a) In accordance with paragraph 5(a) of the Order notice of the making of the Order and directions were served on Custom House Capital Limited, John



Anthony O'Dwyer (Chairman of Custom House Capital Limited) and Lesley Coulter (Compliance Officer of Custom House Capital Limited) by an email sent at 1.32am on the morning of Saturday 16 July 2011 which email attached a letter from the solicitors for the Central Bank and an attested copy of the Order. I beg to refer to a copy of this email and attachments upon which pinned together and marked with the letters "NT2" I have signed my name prior to the swearing hereof .

- (b) In accordance with paragraph 5(a) of the Order, notice of the making of the Order and directions were served on Appian Asset Management Limited by the delivery of a letter from the solicitors for the Central Bank and an attested copy of the Order to their registered office at 12.12pm on Monday 18 July 2011. I beg to refer to an Affidavit of Service of Fiona Johnson sworn on 20 July 2011 in this regard when produced.
 - (c) In accordance with paragraphs 5(a) and 5(c) of the Order notice of the making of the Order and directions were served on Custom House Capital Limited together with the Originating Motion, Grounding Affidavit of Noel Thompson and exhibits and a note of the oral evidence of Mr. Treacy by the delivery of a letter from the solicitors for the Central Bank (enclosing the aforementioned documents and an attested copy of the Order) to their registered offices at approximately 12.40pm on Monday 18 July 2011. I beg to refer to an Affidavit of Service of Fiona Johnson sworn on 20 July 2011 in this regard when produced.
 - (d) Notice of the making of the Order was placed on the Central Bank's website on 17 July 2011 and published in the Irish Times newspaper on 19 July 2011 in accordance with paragraphs 5(b) of the Order . I beg to refer to a copy of these notices upon which pinned together and marked with the letters "NT3" I have signed my name prior to the swearing hereof.
3. On 16 July 2011, I along with my fellow inspector, Mr George Treacy, commenced the investigation of Custom House Capital Limited. In accordance with paragraph 4 of the Order of 15 July 2011, Mr Treacy and I have prepared an interim report dated 20 July 2011 ("First Interim Report") setting out in summary fashion the course of

our investigation to date. I beg to refer to a copy of that report upon which marked with the letters "NT4" I have signed my name prior to the swearing of this affidavit.

4. I make this affidavit for the purpose of verifying the contents of the First Interim Report. I say that to the best of my knowledge, information and belief at the time of completion of the report the statements contained in the report are true and accurate.
5. I say and believe that a copy of the First Interim Report should be formally forwarded to the Central Bank pursuant to Regulation 171(2)(a) of the MiFID Regulations. I further say and believe that if the Court is minded to provide a copy of the First Interim Report to Custom House Capital Limited pursuant to Regulation 171(2)(b) that its circulation should be limited to John Anthony O'Dwyer, chairman of Custom House Capital. I and my fellow inspector, George Treacy, have commenced but, in the time available, not yet completed examinations under oath of officers of Custom House Capital Ltd and we believe that the provision of the First Interim Report to other officers or employees of the firm at this stage could prejudice our investigation. I do not believe that a copy of the First Interim Report should be furnished to any other party, including Appian Asset Management Limited as I do not believe that it is necessary or appropriate to do so given the very preliminary nature of the report.
6. I and my fellow inspector, George Treacy are not yet in a position to indicate when we will be able to produce an interim report which may include preliminary findings. We expect to be in a better position to form a view on this in 9 days time when we have completed our examination of officers of the firms and when our advisors, KPMG, have a more complete understanding of the financial position of the firm. It should be noted that a number of officers of the firm have indicated that it would take in excess of three months to reconcile all client accounts.
7. I have been informed by McCann FitzGerald, solicitors for the Central Bank, that they received a letter from the solicitors for Custom House Capital Limited dated 19 July 2011. That letter stated that Custom House Capital Limited will not be challenging the Order of this Honourable Court appointing inspectors to Custom House Capital Limited. I beg to refer to a copy of this letter from Dechert, solicitors upon which marked with the letters "NT5" I have signed my name prior to the

swearing hereof.

8. In those circumstances, I pray this Honourable Court to confirm my appointment and that of Mr. Treacy as inspectors to investigate the affairs of Custom House Capital Limited and to report the results of the investigation in such manner as the Court directs, pursuant to Regulation 166(2) of the MiFID Regulations.

SWORN by the said Noel Thompson on *20th July*
July 2011

at *Sir John Rogerson's Quay*

in the City of Dublin

before me a Practising Solicitor and I know the
Deponent

Aneal Cassidy

Practising Solicitor

This Affidavit is filed this day of July 2011 by McCann FitzGerald, Solicitors, of Riverside One, Sir John Rogerson's Quay, Dublin 2 (Ref: RCB/FOB)