

Financial Services Consultative Consumer Panel

21 Northumberland Road

Dublin 4

01 603 0891

burgess7@eircom.net

Mr Pat Neary
Chief Executive
Financial Regulator

24th July 2007

Re: Morrogh Stockbrokers

Dear Pat

We exchanged correspondence in 2005 regarding Shareholder Protection / Dematerialisation. The Financial Regulator's case against doing anything then was to await the reports of the working groups in this area.

We have now examined, at high level, the recently published "Final Report of the Morrogh Working Group"

It is fully appreciated that the Financial Regulator was only one of many participants in this work.

We are extremely disappointed with the apparent lack of any tangible progress to protect consumers from another such occurrence.

The Morrogh Company ceased trading in April 2001; the Working Group was established in March 2004 and their report was only recently published.

The report is littered with comments such as "should be developed" "should remain unchanged" "carry out an analysis" "should be progressed" "should continue" "review target levels" "examine the international experience" "should be brought to the attention of the E U" "consider further" "not recommended" "simple stress testing could produce results".

After 3 years of Working Group activity we consider that the resultant report is extremely deficient and is devoid of any progress to assist and protect consumers.

We believe that there is nothing constructive either in this report, or in anything that has happened in the intervening 6 years since Morrogh collapsed, which would have any positive impact on or protection for consumers if the same situation arose again.

In these circumstances we now ask that you, in your role as the primary advocate for consumer protection in the sector, lead the preparation of an urgent and appropriate action plan which would result in positive developments for consumers being implemented within, at most, the next 12 months.

Yours sincerely

Brendan Burgess
Chair
Consumer Consultative Panel

c.c. Michael Connolly