

Summary of informal meeting with SAFC - 16th July 2020

Earlier this week Red and White Army (RAWA), alongside fellow supporter groups; The Branch Liaison Council and The Supporter's Liaison Group, were invited by the club to a meeting at the Stadium of Light on Thursday afternoon.

Attending the meeting on behalf of SAFC were Stewart Donald, Jim Rodwell, Neil Fox, Angela Lowes and Tom Sloanes.

The invitation billed the meeting as informal with a loose agenda, and that supporter groups could ask what they want and report back how they saw fit to their respective memberships.

Given the informal nature of the meeting no minutes were to be produced and signed off, so the following is a summary account by RAWA.

Questions and answers have been attributed to RAWA and the Club where appropriate. Where one of the other supporter groups presented a question or made comment, this is shown as "a supporters group asked". The other two supporter groups will be providing their own summaries to their members and we would encourage supporters to look out for those when published.

In the following summary you will read that Stewart Donald spoke frequently about the abuse he and his family have suffered from a minority of Sunderland fans. The Red and White Army committee would like to place on record that we do not condone any form of abuse of the owner and club staff. We urge fans to be respectful at all times and refrain from abusive behaviour.

Prior to leaving the SoL RAWA asked the club to check their notes for points of accuracy which they duly completed.

Whilst the meeting was heated at times all parties were respectful and RAWA would like to thank the club staff for their time and for answering our questions. After the discussion concluded on the sale of the club Stewart Donald left the meeting for an interview with BBC Radio Newcastle

Fans Groups meeting with SAFC – 16th July 2020

Present Dave Rose (RAWA), Jane Hughes (RAWA), Paul Andrew (SLG), Mick Hillam (SLG), Cath Reid (BLC), Phil Pollard (BLC), Jim Rodwell (SAFC), Stewart Donald

(SAFC), Neil Fox (SAFC), Oscar Chamberlain (SAFC), Tom Sloanes (SAFC), Angela Lowes (SAFC)

Jim Rodwell (JR) welcomed the room. Thanking all for attending the meeting at short notice, which had been suggested by Stuart Donald (SD).

SD said, he was here to talk about the club and selling it in the tough times of a coronavirus pandemic. He explained how he had asked fans groups for understanding, as negative messages on social media and family intimidation has caused him to step from the day-to-day administration of the club. The BLC replied, RAWA did not. SD says the abuse has got worse. SD would like to sell the club at the same price he paid for it, suggesting RAWA could buy it if they convert to a Trust.

He believes credible bidders are reluctant to proceed in the current climate, unsuitable bidders are happy to proceed. Initial bidder contact is usually via an agent, the club identify the potential bidders, advise the group of the price and ask for a letter of intent proof of funds. If they prove they have funds, they get access to data room. No-one is in the data room now.

Michael Gray, has said he has a consortium wanting to buy the club, but there has been no contact.

Sammy Yu, is talking to another consortium after the initial one he was working with fell through. SD is trying to contact groups reported in the media, he wants to work with potential buyers, but it is being made difficult by things that are being said on social media and in the press.

SD said he can only sell if there is a buyer, he is not interested in money. SD wanted fans to reconnect with their club, but abuse based on untruths is making this difficult. He has given £100,000 to the Foundation of Light, £10,000 to a foodbank, 40 football kits to local teams, but this has not been recognised.

The effect on his family is enough to make SD want to sell, the club is safe and is not obstructive to potential buyers. Any potential buyers should call SD or Neil Fox (NF) to begin purchase discussions.

SD said fans can buy the club on the same deal as he paid for the club, but untrue stories are having a huge impact.

Tom Sloanes (TS) was contacted yesterday about a potential buyer, NF has already tried to contact this person.

SD said if anyone could provide evidence of credible proof of funds and can pass the EFL Fit and Proper Persons Test, they can buy the club. SD acknowledged that the football has not been right on the pitch, but accusations about off-field running of the club are untrue and beyond acceptable.

RAWA can buy the club, 37,000 fans at £1,000 each, a payment instalment plan can be arranged.

The Daily Mail made accusations, which SD asked the Sunderland Echo to verify the data to refute this, which they did. RAWA choose not to do this but aligned themselves with an agenda.

SD apologised for mistakes that have been made, everything has been done with the best of intentions, there had been open dialogue with fans groups. SD said the BLC have been supportive (whilst being critical where necessary), whereas some fans groups seem hell bent on an agenda, such as not replacing parachute payments. SD said he came here for fun, but it is not fun anymore. He offered to show fans groups any documentation you wanted to see.

Since he has stepped down, SD has a team in place to run daily activities.

SD said the feeling at the club when he first took over was great, but that has now gone.

Dave Rose (DR) thanked SD for meeting but wanted to make it clear it was important to distinguish between the people writing abuse on social media and the RAWA as an organisation.

SD informed the room that people were outside of his house were following a tweet from a committee member.

DR(RAWA) said that while it was part of RAWA's job reflected the feeling of the fans, all abuse is completely unacceptable.

TS said he had not seen anyone condemn it.

DR said RAWA would like to put some genuine concerns and questions fans have. SD - the RAWA's agenda is 'I'm taking the money', but not that he is doing good and this is a feeling of all the staff at the club. SD is not impressed that anything positive is ignored, focus is on negative. When SD was asked to leave, there had been a fan's meeting after comments made by Charlie Methven, which was dealt with. There was a means of communication available, SD believes this is not how a fans group should act; RAWA could have had a mature conversation, instead SD was asked to 'just sell'. If the abuse continues SD says he can just sell to anyone. He asked what he could do to stop fans threatening his family?

A member of another supporter groups said we'd like to you to sell to a credible bidder and there was an urban myth that SD was waiting to get into the championship to sell (SD said he wasn't). Messages should be simple and direct. Sometimes it has been interpreted as inconsistent, people build their own narrative.

JR noted everyone seems to agree that SD wants to sell, and the fans want SD to sell, the question is how do we get there?

SD suggested that if RAWA did convert to a Trust, they could buy the club

DR explained a misconception with Trusts. Trusts give more accountability to the fans running the organisation and locks in the funds they can raise, and part of the motivation for moving to a Trust is that it's a natural thing for a supporter

group to aspire to. Also there has been the Damian Collins proposals around the notion of governments assisting clubs in return for shares to supporters.

Converting to a Trust should not be seen as a move to buy the club.

SD said if someone passes the EFL test and has the money, he will accept the same terms as he paid to buy the club. At the end of financial year, £20 million was moved from the club to Ellis Short and over £10 million has been returned, the remainder will be paid pre-sale.

DR asked SD how much have he had put into the club.

SD replied that is was irrelevant. Madrox agreed to pay £40 million, reduced to £37.5 million, which is now the asking price and the club will be debt free.

DR questioned whether SD has put in £37.5m as it has been reported that a large part of this was club parachute payments.

SD stated Madrox will have put in £37.6 million into the club by the time it is sold. Most of the £20 million has already been repaid and will continue being repaid. All monies will be repaid before it is sold.

DR asked, hypothetically, because a portion of the £37.5m has yet to be paid back, if a reputable buyer were to come in tomorrow with £27 million, which includes repaying the FPP loan would that be acceptable? The club stated that they would prefer to repay all monies and sell at £37.5m but in theory yes although it would be up to Madrox what they did with regards to repaying FPP.

DR asked why SD believes the club is worth what it was 2 years ago as now there are no parachute payments to come and we are going into a 3rd season as a League One Club?

SD said the club is in a better position than it was when he bought it. It is more efficient with only £5 million losses per year, compared to £30 million at the time of the takeover and he has shown that 25,000 season ticket holders is possible in league one. Potential buyers see a better run club than the one he bought.

DR stated we now have 10K season ticket holders.

NF believes there will be a spike in season ticket sales once the start of the season is announced

SD said there would be no loan to take on, as he will put in all money owed before the deal is done. All monies will be repaid

JR asked all groups present to ask its members to give the club some breathing space, it was important to all show some unity to help with the sale.

SD said he had turned the club into one that attracts investment from a reputable US investor, and this gives credibility in the US market. Investors look at figures and wonder why he is getting grief despite turning the business. It is potentially turning investors off.

NF said an MSD investment would have carried a high level of exposure for a small level of investment.

SD said the attitude of the fans is putting off investors. There will not be a more committed or positive owner of SAFC than SD. SD commented that RAWA has a responsibility to challenge these negative assumptions.

NF said MSD were set to buy the club, and surprisingly did not. It was not about a renegotiation of price. MSD were set to invest in Madrox. 'Will FPP ever own this club?' NF believed No. Do FPP want to invest in the club via Madrox? NF said Yes TS asked himself what was the nearest to this he had seen to this abuse? It was against Bob Murray, but that protest consisted of a display of 'Murray out' posters. He continued now there is social media. Reputational damage is a problem for the club. Fans are putting buyers off. What can we do?

DR said everything gets analysed in this age of social media. We cannot influence the opinion of masses reacting to the current situation and it's RAWA's job to reflect supporter mood as best they can. There is a high level of frustration, we have had our 2 lowest league finishes in history and the relationship between the club and fans is broken.

SD said the fans told him to sell in December so he is trying his best to sell.

SD said he always made it clear that investment would be needed to take the club forward, but when he secured it, fans called for the club to be sold. The moment we lost at Wembley the focus changed. SD does not accept the rhetoric around him, never before has he been called a chancer, a thief. RAWA is not acting like a responsible fan group in not condemning the abuse from some fans.

The FPP investment meant that SD had the resources to complete the 5-year plan but then he was asked to sell. Stating it is not a threat, SD asked if a Mark Campbell type person comes along, should he sell to him. SD is asking RAWA to be fair.

DR noted that SD was trying to sell the club last summer before any fan request, with reported interest from Mark Campbell and FPP.

SD noted he has spent the money, brought in players

NF claimed that RAWA telling members they are attending a meeting with the club was a problem. As Roker Rapport had tweeted the time on the meeting and threats arrived soon after saying 'we know where you staying.'

Reflecting on his takeover, SD saw the size of the job he was facing and did not want to put all money in at once. MSD enquired about taking a stake in the club, but it was not a control transaction, due diligence done, and a figure was agreed, and this did not change.

DR asked if there were conditional add-ons to the agreed MSD asking price.

SD said this was rubbish, they got the auditors in, and their preference was for investment. SD accepted that. There were many conversations; but FPP saw no change to management team, but reputational damage was a key

SD was asked by a supporters' group about the chronicle article claiming potential investors have been rebuffed.

SD said prior to the coronavirus lockdown, a deal was close. A potential buyer was in period of exclusivity

NF said the club would only go to a Non-Disclosure Agreement with reputable bidders and not through a 3rd party.

SD said he and NF had been trying to contact previously interested parties.

JR said no one buys a club through reports in the media or through contact fans group, so anything in the press is not necessarily true. The data room is currently clean. Investors are pushing an open door. SD is happy to work with potential investors.

DR asked if FPP can stop a sale going through to a prospective buyer,

SD said no, but would introduce RAWA to FPP, if they were serious about buying the club.

DR asked if the club would mind RAWA getting in touch with FPP to rekindle interest.

DR told SD that he fears there will be a backlash from fans when the £37.6 million evaluation is reported from this meeting

SD asked if RAWA were trying to catch him out. DR said no, he is identifying that without RAWA offering an opinion of the valuation that he suspects fans will react badly to the valuation.

JR believes that the RAWA survey put out this week has created an atmosphere of suspicion.

SD said Sunderland AFC can only be successful if we are united. He wants his family to be safe at the point of sale

NF revealed that when they make a pitch to sell this Club, investors ask why are you selling as the club is in a good position?

Everything is in place: a premier league infrastructure, a huge fan base, an asking price is recognised as reasonable. Deloitte has said the club is financially sound. All fans groups have a responsibility to work together. The BLC are a critical friend, RAWA are not. RAWA have a responsibility to help the sale progress and be more like the BLC; to be objective, and give a fairer balance of the truth that will make the sale smoother

SD was asked by supporters if anything could be done to keep Charlie Methven (CM) quiet?

SD said CM had apologised personally for recent comments. SD expressed disappointment in what was said and that him and CM had different recollection of events and towards the fan base. SD said he is honoured to be chair of SAFC.

NF acknowledged that the owners may have been too open. Mistakes have been made. Such as the perception of the parachute payments which would have gone to paying the SBC debt if he had not taken over. In response to Chronicle article, NF said he had tried to contact the people who claimed to have been rebuffed. Emails were passed on, but no contact has been made

DR queried reports that there had been very recent interest from a local consortium.

SD confirmed it had, but that it was in the early days, as there had been no proof of money. But there had been more and more abuse. SD hopes that this year's end of year accounts, with the new share issue, will be out by early Oct / Nov.

TS advised attendees not to wait 6 weeks for next meeting, but to ask the question. He said fan groups should think of themselves as a positive disrupter SD said he was getting grief while trying to sell. It is important that we are all together and get this team winning. Money is in the tank. Fans need to get behind the team next season.

SD said he will do anything the fans want including resigning as chairman.

TS is worried about fan reaction to the current situation.

NF said he runs the business responsibly, he works with JR, and is happy with owners and their commitment. NF wants that message to go to fans. The club has £0.00 income but significant out goings that are set to increase with a return to football. All operational decisions effect the long-term future of the club. The SAFC Board are more than happy with the owners and its commitment. If the money were needed, it would be there tomorrow

SD reiterated he was trying to sell the club and will do what is asked, including resigned. RAWA has a massive influence on the fans. Tell Chris Wetherspoon to shut up or check his facts.

DR agreed to reiterate to fans to not be abusive – it's a no-brainer as far as RAWA is concerned.

NF agreed that there were to be no more off the record discussions with supporter groups (after the season ticket refund issue). DR said that he agreed and RAWA had come to the same conclusion.

JR was asked about the Academy. He replied that category one academy status guaranteed for next season

DR asked why did the head of the Academy leave?

NF recognised the contribution of Paul Reid who has worked tirelessly at the Academy for the last 2 years, and left with clubs best wishes and thanks

When asked, JR confirmed there would be a competitive, first team budget next season

But NF counselled that is was not just down to money, sometimes loan signings and free transfers can be what you need

DR raised fan concerns about young players being sold and is it for cashflow reasons.

JR said that there are always vultures circling your best talent. It is very hard to keep young players when Manchester United comes knocking. The Premier League's Elite Player Performance Plan (EPPP) denies lower league clubs a market value rate for young players.

NF said it was unique to maintain category 1 Academy in league 1, but it is wrong to suggest that Sunderland AFC are hawking young players to aid cash flow. The policy is to keep young players and to create a genuine pathway to the first team if they are good enough.

TS stated that most of the crowd at an U18 game are scouts looking to pick up players for their club. It is a decision for each individual player to make, but it is difficult to keep players.

JR explained that agents get rich moving players on and they are an influence in this situation.

NF revealed that for each of these sales, the club negotiated with the buying club and have got more than EPPP allow, by including sell on clauses.

DR asked if it was the attention of the new head of Academy to try and keep the best young players.

NF confirmed this, saying the whole academy set up has been reviewed. To win at Under 23 level we would need to drop down to category 2 or 3 status Academy but want to keep category 1 status. A lot of talent has been kept, despite approaches from premier league clubs

DR suggested that the movement of a couple of £1 million / £2 million players supports the academy

NF again agreed. The Academy costs £3 million per to run

TS said it was difficult to get young players out on loan and there was a need to have someone in charge at the Academy who has a passion for Sunderland.

On Salary Cap...

JR talked about the proposed introduction of a salary cap in league 1. The EFL are looking to bring in £2.5 million per year cap. SAFC supports sustainable football but if there is no scalability it will not work. Clubs should live within their means whatever that may be. An absolute figure does not work as £2.5 million may be beyond some clubs and not be enough for others.

JR has no idea when season will start but believes Sunderland AFC cannot start the season without fans or financial assistance.

Start date for the season could be 12 September, but EFL are awaiting survey results from league clubs. It is a flawed idea.

JR confirmed there had been a lot of discussions about the fans returning to live football. The Sports Ground Safety Authority (SGSA), Safety Advisory Group (SAG) and local authorities will make the decision on when to readmit fans. Many factors affect the decision to grant the license for the number of people allowed into a ground.

NF confirmed the club will follow the government guidelines on safety.

DR said it was important to consult fans when making any decisions about readmitting supporters.

It was suggested by a supporters' group that Branch and RAWA flags be used within the stadium if a partial return of fans is allowed

All agreed this was a good idea.

NF said the return of fans is the most positive thing to happen in 4 months. Furloughed staff are set to return within the next few weeks, including the players.

DR asked about the Sunderland Ladies team, considering they have lost several players. Would there be support for them next season?

Angela Lowes (AL) said everything was in place for them to be admitted to the WSL if they achieved promotion. The end of the season due to coronavirus, prevented this, but should we wish to go through process the FA will be supportive of a future application to the WSL. Sunderland Ladies are set to announce new players.

NF praised Mel Copeland and her success in retaining players when Sunderland Ladies went into National League North for an extra season with the aim of getting promoted, but players wish to play at a higher level so have moved on. Sunderland AFC remain committed to the Ladies team.

DR recognised the club's intention to build bridges with the fans and asked how this was going to be done.

JR acknowledged the season a ticket refunds issue had been incredibly difficult to manage.

NF recognised the mistakes had been made, but that the club had tried to do the right thing; when we said we'd give the refund, it seems the refund order was incorrect.

A supporters' group representative asked for different views of fans to be considered would be a positive step in the future in terms of building bridges. JR agreed.

Another supporters' group representative asked if it was still the intention of the club to host concerts at the Stadium.

AL said that although this was all on hold now, it was still the intention.

NF responded to criticism of staff recruitment from Eastleigh FC. The new secretary is already receiving stick. He worked at Eastleigh went to Swindon, but he independently applied for role. He was interviewed along with others by outgoing secretary, who gave him the job on merit. In business, people use who they know and value. The new secretary has already made an excellent start to the job. Give him a break