

## **STAR MEETING WITH FSA AND EFL – 11 December 2023**

Representatives of Supporters' Trust at Reading (STAR) and the Football Supporters' Association (FSA) met with the EFL on Monday evening to understand the status of a number of matters relating to ongoing disciplinary proceedings against Dai Yongge and the Club, alongside developments in respect of a takeover.

The attendees at the meeting were: Trevor Birch (CEO, EFL), Nick Craig (COO, EFL), John Potterill-Tilney (Director, CFRU), Mark Rowan (Chief Communications Officer, EFL), John Nagle (Head of Policy, EFL), Sarah Turner (STAR Chair), Matthew Batten (STAR representative), Ashley Brown (FSA representative).

The meeting gave STAR a further opportunity to ask a number of questions of the League and a summary of the discussions is as follows:

The EFL began by providing an update on the proceedings against Mr Dai Yongge following his failure to fund the deposit account to cover salary costs following an earlier breach of non-payment. The League confirmed that the hearing had taken place at the end of November, but it was yet to receive the judgment from the independent Disciplinary Panel. It is not known when this will arrive and due to the confidential nature of the proceedings, it was unable to provide any further details. The League did confirm that there was a range of sanctions available to the panel.

The second set of proceedings against the Club also remain ongoing but the hearing is yet to take place and will not do so until the new year. These proceedings relate to the wider financial defaults, including monies owed to HMRC and Club staff, which has resulted in the Club triggering the '30-day rule' meaning fee restrictions will be in place for the next three transfer windows. The League confirmed that staff are also protected as football creditors. The EFL noted there are no outstanding payments but expressed frustration at the approach of the Club in prioritising players over other staff in the way it did.

The EFL further noted that the hearing against the owner has been prioritised, but the timing of the decision is purely a matter for the independent panel. However, they confirmed it was in the best interest of all parties to have this decision sooner rather than later.

Matters then turned to the sale of the Club and the EFL admitted their frustration when confirming they were not in receipt of any application for a change of control, nor are they aware of any exclusivity being granted to a potential purchaser. The EFL says it is due to a lack of progress in this area that they have prioritised the proceedings against Mr Dai.

They continue to liaise with the Club.

STAR raised the emergence of Mr Christopher Samuelson and provided an update through the lens of "this is information received by STAR but we are unable to verify content". STAR referenced that there had been dialogue regarding Samuelson pulling together a consortium, and rumours of a new Cyprus based consortium emerging - which is an area that Samuelson is known to engage with. The EFL acknowledged that they are aware of Mr Samuelson given his previous links to football, including at Reading. However, the EFL has had no direct contact from Samuelson for some time.

The final major topic discussed was the subject of the ongoing protests and impact fan behaviour may have on the Club in regard to future sanctions. The EFL acknowledged the frustrations of the fanbase and their right to protest but could not condone the use of tennis balls and flares.

STAR raised queries about possible sanctions from the FA Cup match against Eastleigh and what possible outcomes there could be if the FA fined Reading, but the Club was unable to pay. The EFL confirmed that if there was non-payment of a fine to the FA then there would be further action. A standard route of action would be that the EFL would have to pay the FA the amount of non-payment through central distribution and then the EFL would reduce future revenue to Reading FC to the value that was taken from central distribution.

The EFL clarified that crowd behaviour is a matter for the Football Association unless it was to lead to abandonment, at which point EFL rules would come into effect. STAR noted that the current focus on protests is not match-impacting and there are other items that are not scheduled for matchdays.

EFL stressed their exasperation and displeasure with the current cycle of sanctions against Reading but noted that it is their responsibility to apply the rules that members (including Reading) have agreed and voted for. They recognise that this has a negative impact on fans and all those associated with the Club and it remains a challenging time for all concerned. The EFL also stated that they hope wages are paid in December, but if players are not paid again then the EFL will have no choice but to take the appropriate action.

Finally, Matthew Batten queried whether the EFL could notify Supporters' Trust at Reading when an application for sale of the Club was received by the EFL. The EFL could not commit to confirming once an application to the EFL for the sale of the Club has been received but did confirm that they will continue to engage as matters develop.