MEMORANDUM

To: Financial Services Compensation Scheme

Re: Claims by Members of the Green and Fixed Income Pension Schemes

Date: 30 November 2017

1. BACKGROUND INFORMATION

1.1. FORMAT

1.1.1. The purpose of this document is to provide information to the Financial Services Compensation Scheme (‘FSCS’) to assist that organisation in assessing claims by members of the Green and Fixed Income Pension Schemes.

1.1.2. We are keen to ensure the members’ claims are upheld and members receive redress and relief and are therefore keen to provide information to assist in these claims. The format of the information however will generally be provided in a format conducive to keeping manual input to a minimum in order to maintain costs: resource is at a premium and the administrative costs of the schemes are met by the members.

1.1.3. This memorandum is being supplied in electronic form together with a schedule of documents (“the Schedule”). An index to the Schedule is contained in the annex to this memorandum.

1.1.4. We intend making this memorandum, but not the contents of the Schedule (given the amount of personal information it contains on individual members), available to members. Consequently, where we refer to individual members in the body of the memorandum, we identify them using their membership reference number. Lists of members by scheme, with both their names and their respective reference numbers, are contained in the Schedule [at Tab1].

1.2. BACKGROUND TO PENSION SCHEMES

1.2.1. The Green and Fixed Income Pension Schemes (“the Green Schemes” or “the Schemes”) refer to four schemes: -

<table>
<thead>
<tr>
<th>Scheme Name</th>
<th>Short</th>
<th>PSTR No.</th>
<th>Dates Established / Registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Retirement Pension Plan</td>
<td>G1</td>
<td>00784091RA</td>
<td>11 May 2012 / 21 May 2012</td>
</tr>
<tr>
<td>Green Retirement Plan Series 3</td>
<td>G3</td>
<td>00786421RM</td>
<td>23 August 2012 / 03 Sept 2012</td>
</tr>
</tbody>
</table>
1.2.2. The Green Schemes were designed by a Mr Mark Harris, a solicitor of Alexandra Chambers, and his administration company AC Management & Administration Limited (“ACMAL”). The Deeds establishing each scheme were executed by Taurus Business Consulting Limited as sponsoring employer; the ‘Dates Established’ in the table refer to the date that the respective Deed was executed. The schemes were ostensibly occupational pension schemes.

1.2.3. It is clear to us that the bulk of the members have no employment relationship with the sponsoring employer, despite these being occupational pension schemes.

- We believe it is likely that the Green Schemes were established in part to facilitate the distribution by IFAs of non-standard investments that, by that time, providers of Self Invested Personal Pensions (‘SIPPs’) were already choosing to reject.

- Looking at the pre-printed “Members Investment Decision” pro forma, relative to the lack of facilities for accessing regulated investments or securities listed on regulated markets, it is certainly our view that all of the transfers were made to the Green Schemes with a view to each member’s pension pot being invested in non-standard investments. We describe the “Principal Investments” below.

1.3. PROBLEMS EXPERIENCED

1.3.1. It is important to understand that members-qua-clients of the IFA firms have suffered losses in transferring to the Green Schemes that are greater than the specific problems faced by the Schemes. The totality of loss experienced by members-qua-client of the IFA firms is explained in more detail in Section 2.6 below. This section deals with problems experience by members-qua-members of the Schemes.

**Maladministration**

1.3.2. The administration of each of the schemes was never conducted competently or in compliance with pensions law. Formal accounts were not drawn up, let alone audited. Formal trustee reports were not produced. Statements were not routinely provided to members, and this appears to reflect financial records in respect of member pension pots ceasing to be maintained from about January 2014. Around this time, ACMAL’s software provider withdrew facilities through non-payment and their bankers Lloyds closed their accounts. We understand that other banks were unwilling to open an account for ACMAL, causing monies to effectively be frozen.

1.3.3. The current author was approached in late 2015 by both the sponsoring employer and some concerned members with whom he had been in contact. Green Pension Trustees Limited was incorporated on 09 October 2015 with a view to ousting Mr Harris as trustee and replacing ACMAL as scheme administrators. Deeds appointing Green Pension Trustees Limited as replacement trustee of each scheme were eventually executed on 04 January 2016 after Mr Harris failed to co-operate with the replacement process. (To be clear, neither Green Pension Trustees Ltd nor the current author were involved with the formation or promotion of the Schemes or in the investment of scheme monies).

1.3.4. Unfortunately, the absence of proper record-keeping and indeed active obstruction by Mr Harris / ACMAL in providing what records were maintained has acted as a chronic drag on returning the Green Schemes to proper compliance and sound administration.
1.3.5. For example, we would ordinarily have expected to inherit scheme bank accounts together with appropriate records e.g. bank statements. Indeed, we discovered that ACMAL only operated a single “client account” at any one time through which payments associated with a number of entirely unrelated pension schemes were also handled. Our requests for bank statements were then denied. This was quite improper. We subsequently recovered excerpts of banking records via the Economic Crimes Unit of South Wales Police who were kind enough to disclose copies of records that they had obtained using PACE production orders. These however remained incredibly difficult to decipher given the mix of transactions in respect of quite unrelated pension schemes.

1.3.6. Related to this maladministration, and the breakdown in the Schemes’ operation, there has been a long period of little or no information to members about the security or performance of their pension pots. This appears to have begun from early 2014 and persisted into 2016. We began issuing updates in general terms in March 2016, but it was not until Autumn 2016 when, having progressed the recovery and repair of the Schemes’ records a little, we were finally able to begin issuing ‘provisional statements’ to some members. Communication to members however has continued to suffer the knock-on impact of a lack of proper contact details for all members.

1.3.7. It should be understood that this breakdown in the administration of the Schemes has caused many members severe stress and often illness.

Investment Problems

1.3.8. There have been a number of issues with a clear detrimental financial impact on members-quaa-members. Firstly, they are likely to face duplication of costs. ACMAL levied “administration” charges of £350 + VAT = £420 per member initially, and then £250 + VAT = £300 per member for each of three years. Members of the G1, G2 and G3 schemes were also subject to charges of about £100 each in order to meet ACMAL’s legal costs when HMRC queried the Schemes’ bona fides. Notwithstanding all these charges, in the absence of these being recovered, members are also carrying the administrative costs of the windup which will extend to substantial auditing costs given the maladministration to date (detailed above).

1.3.9. Secondly, investments were chosen by the Schemes at outset without the Trustees taking proper investment advice, as required by s.36(3), Pensions Act 1995. The investments made, largely supposedly on the direction of the members (and we submit in full knowledge of the IFA firms advising each member), have proven to be highly problematic.

• Some members’ pension pots have been lost to investment fraud: the Para Sky Plantation via GFI Consultants Limited.

• Some members’ pension pots have been tied-up in investments that are illiquid and whose redemption is delayed, with an element of uncertainty as to ultimate timing and amounts that will be recovered. Note that 117 members are already aged 55.

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1 s.35(s), Data Protection Act (1998)
2 s.9 & Sch.1, Police and Criminal Evidence Act (1984)
• Many (about 228) members have also had the spare cash in their pension pots (including e.g. interest received from corporate bond investments) invested by Mr Harris in 20 year illiquid loans.

1.4. PRINCIPAL INVESTMENTS

1.4.1. Members’ pension pots consist of two elements: a nominal cash ledger (in respect of which we hold a mix of receivables and actual cash for the Schemes) and investments.

1.4.2. For the Fixed Income 2012 Retirement Plan, investments have matured for all but two (2) of the members. In a number of cases however, it appears monies were never invested at all for members.

1.4.3. For the G1, G2 and G3 schemes, comparatively little cash is held.

1.4.4. Investments made by the former trustee on behalf of the Schemes, and where monies are yet to be returned, are essentially three-fold.

Para Sky Plantation through GFI Consultants Limited

1.4.5. Between July 2012 and February 2013, about £1.643m was invested on behalf of 76 members into the Para Sky Plantation via GFI Consultants Ltd.

1.4.6. In our view, this amounted to a “collective investment scheme” within s.235, FSMA, and hence investments into it amounted to “units in collective investment schemes” i.e. specified investments per Art.81, Regulated Activities Order (“RAO”)\(^3\) and therefore “designated investments” within the FCA/FSA Rules.

• The plantation was in practice to be managed entirely by Maos Seguras Administração Agricola LTDA (“MSAAL”). This is notwithstanding the pretence that other companies were supposedly approved to manage plots; there is no evidence that either our members or the previous trustee were even offered the option of alternative management companies. Applying the rule in *Capital Alternatives*\(^4\) to the reality of how the property was managed, this “management as a whole” ought to render the Plantation a collective per s.235(3)(b), FSMA.

• In addition, or in the alternative, we would suggest that there was clear pooling of contributions to render it a collective per s.235(3)(a), FSMA. GFIC Title Limited being the majority owner of MSAAL, the latter being the supposed owner of the plantation, would not confer ownership of the plantation or individual plots on GFIC Title Ltd, whether in English law as was claimed\(^5\) (or indeed in Brazilian law). GFIC Title Ltd was therefore incapable of selling “leases” on individual plots, declaring trusts over them et cetera. In our view, as a matter of English law, monies that they or GFI Consultants Ltd received for

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\(^3\) Financial Services and Market Act (Regulated Activities) Order 2001 SI 544


\(^5\) In our view, it is a fairly basic point of company law that the property of a company is not in any sense a property interest of the shareholders: *Macaura v Northern Assurance Co Ltd* [1925] AC 619
passing to MSAAL amounted to pooled contributions to the Para Sky scheme in effect operated by MSAAL and/or either GFI company.

1.4.7. In short, we believe that the Para Sky Plantation amounted to an unregulated collective investment scheme ("UCIS") in that it was a collective investment scheme within the meaning of FSMA but was not authorised by the Financial Services Authority ("FSA") as it then was, or otherwise ‘recognised’ by virtue of Ch.5, Part.17, FSMA.

1.4.8. Ultimately, this collective investment scheme proved to be fraudulent. We set out in the Schedule evidence of this fraud. This is firstly [at Tab5d] in the form of bank statements for an account operated by Santander with A/C no. 02475834. An examination of these shows funds arriving from ACMAL’s accounts on behalf of the Schemes, various transfers into and then back out of other GFI Consultant accounts, but then most pointedly transfers to bank accounts belonging to the two directors of GFI Consultants Ltd, Mr Andrew Skeene and Mr Junie Omari Bowers. Enclosed in the Schedule [at Tab5e] are reports by the liquidators of GFI Consultants Limited. The report of 12 March 2017 for example explains that the liquidator has made claims of £4,087,808 against Mr Bowers and £3,244,923 against Mr Skeene “in respect of payments made to the individuals from the company bank account which are unexplainable and detrimental to the company”.

1.4.9. Whilst we have followed litigation undertaken by third parties with a view to tracing and recovering funds paid to GFI Consultants Limited, we believe the prospects for recovering members’ monies are in effect nil. As trustees, we do not believe that we are in a position to risk members’ funds – in practice, funds in respect of non-GFI-affected members – pursuing litigation where the likely cost would easily reach six-figures. All monies subscribed to the Para Sky Plantation have in effect been lost.

\textit{Eco Quest Plc Debentures}

1.4.10. Between July 2012 and February 2013, about £5.265m was invested on behalf of 219 members into corporate bonds issued by Eco Quest Plc.

1.4.11. Corporate Bonds or Debentures in companies such as Eco Quest Plc are specified investments being “instruments creating or acknowledging indebtedness” per Art.77, RAO and therefore “designated investments”.

1.4.12. We have been in regular and constructive contact with the shareholding directors of Eco Quest Plc. We appreciate that they have worked, and are continuing to work, hard to ensure that funds are available ultimately to redeem these bonds. This includes transferring other assets into the company and pursuing legal action against the GFI fraudsters. This follows the abandonment of their business plan.

1.4.13. Nevertheless, there are two potential issues here. Firstly, whilst these bonds are quoted on a multi-lateral trading facility, the Emerging Companies Market operated by the Cyprus Stock Exchange, there is in reality no secondary market for the debentures. Indeed, we understand that we hold, on behalf of the Schemes, the entire issue of these debentures.

- The illiquid nature of these debentures has caused immense stress for those members of the Green Schemes who wish to transfer out of their Scheme and back into regular insured personal pensions. In effect, we have little option than to quote a £1 ‘realisable value’ for Cash Equivalent Transfer Values ("CETV") purposes.
• Further, the profile of the membership is geared to those who typically lack other assets, and often income, and who looked forward to the changes to pensions tax law effective from April 2015 ostensibly allowing them to access their pension pots. These debentures proving illiquid frustrates this (as of course do any investment losses from the direct holdings in the Para Sky scheme, described above).

1.4.14. Secondly, maturity has now effectively been delayed. These debentures were due to (finally) mature 30 November 2017. In practice, Eco Quest Plc must now dispose of a number of its assets in order to raise the redemption monies. These disposals however are contingent upon third parties completing their own corporate transactions.

1.4.15. Whilst we remain hopeful of full redemption being completed by the summer of 2018, there is clearly uncertainty as to the timing of actual redemption and an element of uncertainty as to the final amounts likely to be received.

**Green Asset Solutions Limited**

1.4.16. Between March 2013 and December 2014, about £362,844 was invested on behalf of 228 members of the G1, G2 and G3 Schemes (but not the Fixed Income schemes). These represent a reinvestment of coupons and also of free cash otherwise not invested (or taken in charges) at outset.

1.4.17. These investments are a series of loan facilities made on behalf of the Schemes to finance provision by Green Asset Solutions Limited of various solar/energy saving equipment leased to small local authorities in Wales. The loans are secured on the leased equipment itself, so in theory ought to be secure. Interest has been paid to date without issue. Consequently, there is no impairment shown in the Scheme accounts or Member Statements.

1.4.18. There is nevertheless a particular problem with these loans. We have included the loan and security agreements in the Schedule [at Tab6]. The loans have been made for a term of 20 years. In the context of individually-earmarked money purchase pots, they represent a considerable headache for the Schemes in a way that such investments would not have done had they been made out of pooled funds. There does not appear to be any liquidity beyond the interest payments.

1.4.19. Given that the Schemes practically need to be wound up, and it is our intention to complete the windup once redemption monies have been received in respect of the corporate bond investments above, it is likely that these loans will have to be assigned (sold) with the Schemes (and hence members) taking a haircut relative to the carrying value.

1.4.20. There is a further point to be considered. The apportionment of the Scheme’s loans to Green Asset Solutions Ltd, and also of the interest payments received back, is not certain. You will see from the loan agreements [at Tab6] that these do not even specify the relative contribution to the loan amounts of each participating scheme. The payments to the borrowing company were made from ACMAL’s bank account (which it used for quite a number of schemes). No trustee resolutions appear to exist. We were previously supplied by ACMAL with a spreadsheet purporting to show some of these investments, though the amounts did not add up to the total loans made by the Schemes. We also recovered internal ledgers maintained by ACMAL via an external
software provider (Again, these were obtained by South Wales Police using PACE procedures and subsequent released to us).  These also did not add up to the total loans made on behalf of the Schemes, and indeed conflicted with the earlier spreadsheet in so far as they indicated the level of commitment in respect of individual members’ pension pots.  We have therefore apportioned the total commitments by the Schemes between each scheme and between members thereof on the basis of the level of “free cash” available in respect of each scheme and each member.  By their nature, this apportionment is dependent on other transactions impacting each pension pot, rendering the figures prone to change as more comes to light about other transactions.

2. BASIS OF CLAIMS

2.1.1. Members’ claims meet the qualifying conditions for compensation [COMP 3.2.1 R] because: -

- They are claims in respect of civil liabilities owed by “relevant persons”, being the IFA firms listed in Section 3.2 below, who were authorised persons at the time of the acts or omissions giving rise to the claims [s.213(9)(a), FSMA].

- They are protected claims by virtue of being connected with “protected investment business” [COMP 5.2.1 R(3)] because they all concern some form of “designated investment business” [COMP 5.5.1 R(1)] conducted from establishments in the United Kingdom [COMP 5.5.2 R(1)].

- The members themselves are ‘eligible complainants’ by virtue of being regular UK resident folk, none of whom fall within the classes of persons ineligible to receive compensation [COMP 4.2.1 R – 4.2.2 R].

2.1.2. In our view, the IFA firms breached duties to the members-qua-clients, who in turn have suffered losses as a direct result of those breaches. The IFA firms would have a civil liability to each member, and that liability falls to be protected under the COMP rules and associated Glossary definitions with the FCA Handbook of Rules & Guidance.

2.2. DUTIES OF ADVISER FIRMS

Statutory Provisions

2.2.1. From our examination of the records, we believe all members of the Green Schemes received advice from one of three IFA firms [See Section 3.2]. This is primarily based on commission/fee payments made to those IFA firms. These firms were authorised persons for the purposes of FSMA.

2.2.2. The services received by each member-qua-client amounted to Designated Investment Business. The reasons for this is two-fold. Firstly, we believe all members received advice, from one of the IFA firms named in Section 3.2. below, to transfer what were almost always existing insured personal pension arrangements to the Schemes. This was “advice on investments” per Art.53, RAO.

- A personal pension is a specified investment within the terms of Art.82, RAO; other insured pension arrangements are life policies and so contracts of insurance within the meaning of Art.75, RAO. Both specified investments fall within the definition of “designated investment” for the FCA Rules.
The advice concerning their transfer to the scheme amounted to advice to “sell” those particular investments for the purpose of Art.53, RAO. Art.3, RAO is expansive in its definition of “selling” to include all forms of disposal for valuable consideration, “disposal” including *inter alia* surrendering, assigning, converting et cetera in relation to a contractual-based investment [PERG 2.7.6A G].

2.2.3. In the alternative, members-qua-clients of the IFA firms received services that amounted to those firms “making arrangements with a view to deals in investments” per Art.25(2), RAO through their role in the transfer or switch of the members’ previous pension arrangements - irrespective of scheme type or status of those ceding pension arrangements as specified investments. In our view, this should include the small number of pension transfers amounting to “occupational-to-occupational” transfers. This is because the transfer or switch was made with a view to the member’s pension pot being used to purchase one of the Principal Investments, these being a “specified investment” amounting to a “designated investment”. Section 1.4 above refers to these Principal Investments.

2.2.4. As authorised persons (“firms”) engaged in regulated activity concerning designated investment business, the 3 IFA firms were subject to a number of Rules made by the Financial Services Authority (as it was then known) in its Conduct of Business Sourcebook (“COBS”): -

- A requirement to act honestly, fairly and professionally in accordance with the best interests of the client (“the Client’s Best Interests Rule”) [COBS 2.1.1 R].
- A requirement not to purport to “exclude or restrict...any duty or liability it may have to a client under the regulatory system” [COBS 2.1.2 R] and, given the Client’s Best Interests Rule, not to purport to exclude or restrict any other duty or liability to a client “unless it is honest, fair and professional for it to do so” [COBS 2.1.3 G(1)].
- A requirement to ensure its communications to clients were “fair, clear and not misleading” [COBS 4.2.1 R]. This included *inter alia* requirements to ensure information provided in relation to designated investment business was accurate, provided “a fair and prominent indication of any risks”, and was “sufficient for, and presented in a way that is likely to be understood by, the average member of the group to whom it is directed, or...likely...to be received” [COBS 4.5.2 R].
- A requirement not to accept any non-monetary benefit from third parties in relation to its designated investment business [COBS 2.3.1 R]. Prior to 01 January 2013, there was also a requirement on a firm not to hold itself out as independent unless prepared to give clients a personal recommendation on packaged products selected from the whole of the market [COBS 6.2.15 R] and drawn from a sufficiently wide selection [COBS 6.2.8 G]. From 01 January 2013, this became a requirement on a firm not to hold itself out as independent unless it offered personal recommendations about retail investment products based on a comprehensive and fair analysis of the relevant market and which are unbiased and unrestricted [COBS 6.2A.3 R].
- A requirement for any personal recommendation to be suitable for a client in terms of that client’s investment objectives, financial capacity for risk and knowledge & experience to understand the risks involved in the transaction [COBS 9.2] and to provide a suitability report that “explain[s] any possible disadvantages of the transaction for the client.” [COBS 9.4.7 R(3)]
2.2.5. Compliance with such rules amounted to a statutory duty, breach of which provided
the member-qua-claimant with the statutory cause for action [s.150, FSMA (as it was)
or s.138D, FSMA (the successor provision)].

2.2.6. Additionally, s.238, FSMA provides a further statutory duty: a requirement not to
“communicate an offer or inducement to participate in a collective investment
scheme” [s.238(1)] unless that scheme is authorised or recognised [s.238(4)], or
particular exemptions relating to high net worth or sophisticated individuals or to
suitability apply [FCA Rules and Treasury Orders made under s.238(5) and (6)
respectively]. S.241, FSMA provides a statutory cause for action from breaches of this
duty. Importantly, the wording of s.238 is very broad:

- “Participate” does not limit the provision to legal ownership of units in a
  collective investment scheme, but can extend to beneficial interests and further.
  In Seymour v Ockwell, the predecessor restriction was held to apply to clients
  of an IFA firm where their legal right was as a policyholder of an offshore bond
  where the insurer applied monies to such a scheme for the purpose of their
  policy value.

- Communicating an “invitation or inducement” is similarly broad: we submit that
  it is not limited to instances naming a particular collective investment scheme,
  but can apply also to communications concerning rights in a conduit-vehicle that
  is known will direct the individual investor’s monies primarily to such a collective
  investment scheme.

Common Law

2.2.7. The relationship between each member-qua-client and their IFA firm was fiduciary in
nature. This is because each member-qua-client was reliant on the advice of the IFA
firm to make what were particularly complex decisions concerning their financial well-
being; in our view, the characteristics of the scheme membership is such that no
member taking such advice was in a position to exercise an independent judgement
with a degree of skill anywhere near that of a professional financial adviser. The IFA
firms owed each respective member-qua-client fiduciary duties e.g. the duty of
loyalty.

2.2.8. In Tort, the IFA firms owed each respective member-qua-client a duty of care in
respect of the statements they made by way of advice. They agreed to provide advice
in each case, reasonably knowing that the member-qua-client would rely on the advice
that they gave.

2.2.9. In Contract, the IFA firms owed each respective member-qua-client an implied duty of
reasonable care and skill by virtue of s.13, Supply of Goods and Services Act (1982).

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6 Seymour & Anor v Caroline Ockwell & Anor [2005] PNLR 758
7 Per Millet LJ, Bristol and West Building Society v Mothew [1998] Ch 1: “This core liability has several facets. A
  fiduciary must act in good faith; he must not make a profit out of his trust; he must not place himself in a position
  where his duty and his interest may conflict; he may not act for his own benefit or the benefit of a third person
  without the informed consent of his principal. This is not intended to be an exhaustive list, but is sufficient to
  indicate the nature of fiduciary obligations.”
Standard of Care and Measure of Competence

2.2.10. The standard of care applicable to the IFA firms is that of a reasonably competent professional financial adviser.

2.2.11. Over the period from late 2009 up until (and indeed beyond) June 2012 when advice to members-qua-clients of the IFA firms started to be given, the IFA profession and community was treated to substantial regulatory action concerning unregulated and non-mainstream investments, and the use of pensions as a vehicle for such investments. This included disciplinary action by the FSA (as it then was) against IFAs concerning non-mainstream investments that were unregulated collectives, or shared many risk-characteristics of unregulated collectives despite technically falling outside the definition of collective investment scheme.

2.3. RISK CHARACTERISTICS INHERENT IN SCHEMES AND TRANSFERS-IN TRANSACTIONS

2.3.1. We believe that a competent adviser would have known, or reasonably ought to have known, that these schemes were always prone to failure, whether administrative breakdown or heavy investment losses and illiquidity. The key features and attributes of the Schemes should have been identifiable to competent advisers on reasonable enquiry. This includes the role of the investments in Section 1.4 above (“the Principal Investments”) being an inherent part of the Schemes.

2.3.2. Total Wealth Solutions Ltd had actual knowledge of where monies transferred to the Schemes were being invested, and that this was in to the two main Principal Investments. An Excel spreadsheet that we recovered from the previous trustee (Mr Harris) shows the early days of transfers into the Scheme [Tab3b] with the monies and investment decisions being tracked. The metadata from that spreadsheet [also shown in Tab3b] dates this at 02 August 2012, but more critically shows the spreadsheet’s author and last modifier to be a Mr Steven Bates. Mr Bates is the owner and director of Total Wealth Solutions Ltd [see Tab3b].

2.3.3. We believe that Designed 4 Life Ltd and the Kynaston-Carnoustie Financial Consultancy Ltd would have known of the defined role of the Principal Investments in the Schemes when they made arrangements to receive introductions in respect of potential members. In the alternative, they reasonably should have known that monies transferred to the Schemes were being invested into the Principal Investments.

- The first transfer value in respect of a member advised by Designed 4 Life Ltd was received on 02 October 2012. By this date, the Schemes had already received 217 transfer value payments in respect of 166 members worth £5,128,159.41 [See spreadsheet output in Tab1]. Also by the date, the Schemes had invested £4,107,200 into the Principal Investments. No monies had been paid to any other investments, be they mainstream regulated collective investment schemes or otherwise.

- The first transfer value in respect of a member advised by Kynaston Carnoustie Financial Consultancy Ltd was received on 26 November 2012. By this date, the Schemes had already received 290 transfer values in respect of 219 members worth £6,738,493.85 [See spreadsheet output in Tab1]. Also by this date, the Schemes had invested £5,871,800 into the Principal Investments. No monies had been paid to any other investments.
2.3.4. The IFA firms engaged in designated investment business in respect to transferring clients’ pension pots to the Green or Fixed Income schemes would have known, or reasonably should have known, of the following risk characteristics in the Schemes:

- The Schemes were not operated by an established business with a scale of operation or the broad range of technical skills found in conventional life assurance companies or pension scheme administrators. Instead they were operated by a small (almost “one man band”) company founded only a few months earlier and lacking established pension administration systems or proper financial controls. Consequently, they were always prone to breakdown or failure, whether through high levels of operational risk or through inadequate governance arrangements and/or a lack of controls.

- The Schemes had been established as occupational pension schemes, membership of which by a client unconnected with a sponsoring employer ought to have been considered an oddity, an exception rather than a rule, and only justifiable in a limited range of circumstances e.g. family members being employees or directors of the sponsoring employer.

- None of the parties to the establishment and operation of the Schemes – trustee, administrators or sponsoring employer – were authorised persons for the purposes of FSMA, and no FCA authorised fund manager was appointed for the purposes of s.47(2), Pensions Act (1995).

- The Schemes were in fact offering only the first two Principal Investments. They offered no “default fund” comparable to that found in a typical life assurance pension product or occupational money purchase scheme e.g. a properly diversified managed fund ultimately investing in a large basket of companies and issuers.

- The focus on a very narrow range of alternative investments made the Schemes inherently high-risk even before consideration of the characteristics of the actual investments. There were no opportunities for diversification.

- The Scheme’s Principal Investments were high or higher-risk, but also had particularly complex risk-profiles e.g. as to concentration, default, insolvency, illiquidity, governance, legal et cetera risks, rather than systematic market risks. Mainstream regulated collective investment schemes (e.g. ‘managed funds’ typically found in personal pensions) by contrast diversify-away these non-systematic risks, leaving only systematic market risks. Market falls, even extreme ones seen during the global financial crisis, are invariably reversed over time for long-term investors (e.g. pension-fund investors); the failure of individual companies or investment projects by contrast cannot be reversed. Complex risks were particularly pronounced with the Para Sky Plantation via GFI Consultants Limited. Whilst this might have given the impression of low market risk, on account of not being instruments traded on a public market, the property concerned was based in a non-English speaking overseas jurisdiction far away with green in its flag, trading in foreign currency, subject to a complex ownership chain with a defective title structure, with limited legal remedies or investor protection.

2.3.5. These risk characteristics of the Schemes made any transaction of transferring or switching from mainstream personal pensions (or regular occupational schemes) to the Schemes high risk. It is not merely that the Schemes themselves were high risk.
• By transferring away from their existing pension arrangements, members-qua-
clients became exposed to a significantly and dramatically higher risk of losing
their entire pension pot, with no chance of making it back, than they previously
faced.
• They also became exposed to the risk of not being able to retire when the law
allowed them to, due to the illiquidity they were not exposed to in their previous
pension arrangements.
• They also became exposed to the risk of the pension scheme operation breaking
down, and the surrounding confusion and lack of information causing them
immense stress.

2.3.6. Finally, it should be added that the risks assumed on transfer from a mainstream
personal pension to the Schemes were not ‘efficient risks’. They were not necessary
for the chance to obtain professed objectives like higher returns or “eco friendliness”
in investment.

• The Para Sky Plantation claimed to offer a 10% annual return (less a 1.5% annual
management charge) [See p.8 of GFI brochure contained in the Schedule at
Tab5a].
• By contrast, an investment into the Jupiter Ecology fund, a regulated collective
investment scheme, has produced a return of 92% over the five years between
October 2012 and October 2017\(^8\). Whilst such returns were erratically dispersed
and far from guaranteed, and whilst such an investment in isolation might be
characterised as higher-risk in ordinary parlance being 90%+ equities, there was
simply never the risk of the bulk of the monies being lost and not being capable
of being made back in time. The Jupiter Ecology fund is diversified. It typically
has no more than 3% exposure to its largest holdings.
• Nor would a mainstream ‘self-invested personal pension’ (‘SIPP’) product that
one might use to invest in such a fund, and whose operator would be FCA
authorised and regulated, have contained the same operational risk of the
scheme administration breaking down.

2.4. BREACHES

2.4.1. The IFA firms participation in the marketing arrangements of the Schemes and/or
the Principal Investments was a breach. Kynaston-Carnoustie Financial Consultancy
Ltd appears to have advised 6 members, Designed 4 Life Ltd 25 members, and Total
Wealth Solutions Ltd 210 members. The concentration of the advice in these firms,
and the absence of any other IFA firms, despite the geographical dispersal of the
members is symptomatic of the members being directed to these specific firms by
unregulated marketing companies. In any event, the concentration is highly indicative
of the IFA firms entering into an arrangement whereby they received leads, whom
they could charge a fixed 3% of monies transferred, in return for facilitating and
encouraging that transfer of funds. Indeed, arrangements to accept leads from
unregulated marketing companies, and to provide independent advice, had the effect
of rendering legal activities by the unregulated marketing companies (in promoting
the Schemes and/or the Principal Investments) that otherwise would have been

\(^8\) Source: citywire.co.uk
prohibited and potentially criminal. We submit that the IFA firms entering into such arrangements put themselves in clear breach of their fiduciary duties of loyalty, and their statutory duties to comply with FCA rules (the Clients’ Best Interests rule and the rule requiring them to accept a non-monetary benefit from a third party), owed to the clients they subsequently acquired.

2.4.2. The IFA firms’ recommendations to transfer or switch pension pots to the Schemes were unsuitable and hence a breach. There are a number of aspects to this breach, each of which would be sufficient itself to establish a breach of statutory duty in respect of COBS 9.2 and arguably common law duties in tort or contract: -

- The risks of the transaction recommended were simply incapable of being an “efficient” method of achieving professed objectives, whether the possibility of higher returns or access to ecologically friendly investments. [Para. 2.3.6 above refers].

- The method of assessing the risk profiles of members-qua-client evidenced in the example suitability reports [in Tab3c] were framed in terms of conventional market risks associated with investments in transferable securities (and funds thereof). There is simply no evidence that the IFA firms assessed the client attitudes to the complex and non-market risks described in Section 2.3 above. Consequently, they could have had no reasonable basis for believing the transaction they were recommending was commensurate to the member-qua-client’s attitude to risk.

- The statements as to objectives in the sample suitability reports appear to be focused on immediate objectives (e.g. “to invest ecologically”) or indeed means rather than objectives (e.g. “to transfer your pension”) and not focused on when the client wished to retire, how much they might need to retire, the importance of the existing pension arrangements to those retirement plans et cetera.

- Notwithstanding the complexity of the risk factors in the Schemes and in transfer transactions, as described in Section 2.3 above, the sample suitability reports evidence no particular assessment of the member-qua-client’s knowledge & experience for understanding such risks. We submit that the members-qua-clients were not at all sophisticated, and indeed the majority are from lower occupational and formal educational groups.

- The financial capacity of the member-qua-client to take on the risks involved in the transaction are framed little more than in terms of the member-qua-client saying in standard words (written by the IFA firm) that he is willing to assume these risks, rather than in terms of the member-qua-client’s actual financial position, potential (or otherwise) for future earnings and pensions savings et cetera. We submit that in fact, members simply could not afford to lose this money.

2.4.3. The IFA firms’ failures to explain the high-risks to members-qua-clients in terms they might understand were a breach. The description of the risks given in the sample suitability reports [Tab3c] use technical language and are generic in nature. They do

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9 The unregulated marketing companies would have been engaged in ‘arranging deals in investments’ or ‘making arrangements with a view to deals in investments’ per Art.25, RAO. To do this without authorisation or exemption is contrary to the ‘general prohibition’ [s.19, FSMA] and so an offence [s.23, FSMA]. Introducing to an FCA authorised firm with a view to independent financial advice benefits from an exemption [Art.31, RAO].
not explain to members-qua-clients *in language they are likely to understand* that by transferring to the Schemes, they were becoming exposed to a significantly and dramatically higher risk of losing their entire pension pot (with no chance of making it back) than they faced with their existing pension arrangements. Nor do they explain the other risks in the transactions identified in Para.2.3.5 above.

2.4.4. **The IFA firms’ refusal to advise on the merits of the Schemes’ investments, despite the Schemes’ being focused on non-standard high-risk investments, was a breach.**

The Green Schemes are money purchase (or ‘defined contribution’) schemes, as were nearly all the Members’ ceding pension arrangements. In giving advice on the relative merits of those ceding pension arrangements and the Green Schemes, it is impossible not to consider the investment aspects of both options. The Green Schemes were not self-invested personal pension (‘SIPP’) schemes with an ‘open architecture’ of investment choices, but instead schemes that in practice were focused on the Principal Investments with no facilities at that time for members to make any other investments. The members-qua-clients were asking the IFA firms for advice on the merits of transferring their existing pension arrangements.

- In purporting (e.g. in their suitability reports) to provide this whilst excluding consideration of the Principal Investments, the IFA firms were in breach of their statutory duties to comply with FCA rules i.e. the Clients’ Best Interests Rule and the rule on not purporting to exclude their regulatory responsibilities.

- In the alternative, in making statements recommending a transfer of pension benefits to the Schemes whilst refusing to advise on the merits of the Principal Investments inherent in the Schemes, the IFA firms were negligent, and breached their duty of care and the contractual condition to advise with skill and care.

2.4.5. **The IFA firms’ communicated invitations and/or inducements to participate in unregulated collective investment schemes, and these were breaches.** The sample reports evidence the IFA firms recommending monies be transferred to the Schemes. We submit that:

- The Para Sky Plantation was a ‘collective investment scheme in law [per Paras.1.46-1.4.7 above];

- Pension fund monies via an occupational money purchase scheme being invested into such a collective amounted to ‘participation’ [per Para.2.2.6 above];

- Suitability reports recommending a transfer into the Schemes, when known by the IFA firms to be a conduit to investing into such a collective, amounted to the firm “communicating an invitation or inducement”;

- Total Wealth Solutions Ltd therefore breached this duty in respect of 62 members-qua-clients, whilst Designed 4 Life Ltd breached it in respect of 14 members-qua-clients.

2.5. **CAUSATION**

2.5.1. The profile of the members of the Schemes is heavily tilted in the direction of those in non-professional occupations, and are generally weighted to those of limited means and limited financial assets. Whilst we have identified a small number of members with slightly ‘less blue collar’ occupational backgrounds – e.g. a school teacher, a
postmaster, a horror fiction writer, a sound engineer, a driving instructor, a nurse – we believe no members are accountants, lawyers, investment managers, financial advisers or indeed any occupation that might otherwise forearm them to undertake elements of investment analysis or due diligence themselves. The members-qua-clients of the IFA firms were reliant upon the IFA firms for advice and acted on that advice.

2.5.2. We submit that no member would have joined any of the Schemes and transferred their existing pension pots had:

- The IFA firms not involved in themselves in undisclosed marketing arrangements with third parties for the Schemes and/or Principal Investments contrary to per Para.2.4.1 above; OR
- The members received suitable advice i.e. a clear recommendation not to transfer explained in terms of the actual risks of the transactions [per Section 2.3 above]; OR
- The members received a clear statement of the risk factors in the transaction in language that they were likely to understand i.e. that by transferring, they were significantly and dramatically increasing the risk that they would lose the bulk of their pension pot, and do so in a way that made it impossible to regain through time.

2.5.3. Consequently, no member would have suffered the losses detailed below but for the breaches of the IFA firms.

2.5.4. The risk characteristics of the Schemes outlined in Section 2.3 above, including the role of the Principal Investments, were inherent in the Schemes at the time of the advice etcetera provided by the IFA firms. Their crystallisation was foreseeable. Losses flowed from the transfer transactions in the ordinary course of events. No breach of duty by the original trustee of the Schemes (Mr Harris) or the administrators of the Schemes (his company, ACMAL) amounted to some *novus actus* otherwise breaking the chain of causation. Any such breaches were part of the risk characteristics inherent in the Schemes at the time of the advice.

2.6. **LOSSES**

2.6.1. But for the breaches in Section 2.4 above, the members would enjoy ready access to the value of their ceding pension arrangements. We submit that the loss suffered by the members-qua-clients is:

\[
\text{(notional current value of ceding pension arrangements)} \quad \text{less} \quad \left[ (\text{accumulated amounts paid in benefits}) + (\text{transfer values paid}) + (\text{current realisable transfer value}) \right]
\]

**Loss Calculation: Notional Current Value of Ceding Pension Arrangements**

2.6.2. The ‘notional current value of ceding pension arrangements’ depend on several factors. The value of any form of money purchase scheme would be whatever value the investment fund units held would have grown to, after allowing for charges, from the actual date of transfer through to the current date of calculation. We not believe any of the ceding schemes were defined benefit schemes, given that they nearly all appear to be personal pensions.
2.6.3. An indication of what ceding pension arrangements might have grown to can be
gathered from inspecting the relevant fund sector average performance figures,
compiled by the Association of British Insurers (‘ABI’). These are\textsuperscript{10}:

<table>
<thead>
<tr>
<th>Current Sector Name</th>
<th>Risk / Volatility</th>
<th>Cumulative Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>PN Mixed Investment 0%-35% Shares</td>
<td>Defensive</td>
<td>37%</td>
</tr>
<tr>
<td>PN Mixed Investment 20%-60% Shares</td>
<td>Cautious</td>
<td>39.6%</td>
</tr>
<tr>
<td>PN Mixed Investment 40%-85% Shares</td>
<td>Balance</td>
<td>54.8%</td>
</tr>
<tr>
<td>PN Flexible</td>
<td>Higher</td>
<td>59.8%</td>
</tr>
</tbody>
</table>

\textbf{Loss Calculation: Benefits Paid}

2.6.4. According to our records, only one member received his tax-free cash payment whilst
Mr Harris was trustee of the Schemes. No other benefits have been paid and the
administration of the Schemes is not set up to pay benefits.

\textbf{Loss Calculation: Transfer Values}

2.6.5. No transfer values have been paid in respect of the G1, G2 or G3 schemes. In respect
of the FI scheme, a small number of full and partial transfer values have been paid (see
Section 3.9 below).

2.6.6. Cash Equivalent Transfer Values quoted to members are small and substantially less
than monies transferred-in, let alone the ‘notional current value of ceding pension
arrangements’. They reflect the actual losses on the Para Sky Plantation (that have
already been written down to £1 each on our books) and the illiquidity of the other
investments.

\textbf{Loss Calculation: Scheme Charges}

2.6.7. The Cash Equivalent Transfer Values quoted take into account the impact of charges
to date, but not further costs faced by the Schemes. It is important to understand that
in addition to commission payments to the IFA firms, most members pension pots
suffered a series of administration charges: an initial charge of £350+VAT=£420
followed by typically three (3) years’ worth of annual charges of £250+VAT=£300.
These charges however were not applied to the proper administration of the Schemes
e.g. financial statements are yet to be audited for the life of the Schemes.

\textbf{Illustration}

2.6.8. We are aware that in many cases involving unregulated \textit{investments}, the Financial
Services Compensation Scheme (‘FSCS’) has paid redress calculated simply by the
amount of money “had and received” by the investment. We submit that such a
formula would seriously under-estimate the losses suffered by our members, and fail
to do justice to members-qua-claimants’ protected claims. This is because the
transaction at issue – that the IFA firms should never have recommended nor
facilitated – is the transfer or switch of pension benefits to the Green Schemes.

2.6.9. This can be illustrated with reference to the case of Member Ref. 510\textsuperscript{\textbullet\textsuperscript{\textbullet}}:

\textsuperscript{10} Source: Fe Analytics. Cumulative performance is over the period 19/11/2012 to 17/11/2017.
• He was advised by Designed 4 Life Ltd to transfer two personal pension arrangements to the Fixed Income 2012 Retirement Plan. These were received in February 2013. Shortly thereafter, the administration of the Schemes broke down. Although commission was paid and initial charges taken, the monies were never applied to investment. The Member spent some years chasing the previous trustee. He suffered significant stress. He then spent a further nine months engaged in stressful correspondence with Green Pension Trustees Limited as we attempted to rebuild the records of the particular scheme. Eventually, we were able to make a transfer payment (equal to his original transfers-in less the commission and charges taken).

• We submit that it would be simply wrong in law to treat that member as not having lost money merely because his pension pot was not applied to any particular investments that lost money.

• As a consequence of breaches by Designed 4 Life Ltd, the member lost his original ceding pension arrangements: the quantum of his loss should therefore include the net growth he would have received on those arrangements (which we would expect to be in the region shown in Para.2.6.3 above), and on which he lost out on by the IFA firm’s breach of inter alia its contractual duty to advise him with skill and care. The breakdown in the operation of the Scheme arose through the risk characteristics in the Schemes at the time of the advice.

3. PARTICULAR INFORMATION FOR EACH MEMBER

3.1. Pension Type

Your standard request:

“Please confirm the type of pension held e.g. PPP, GPP, SH, EPP, SIPP, SSAS, s.32, RAC/S.226, OPS/DB, OPS/DC etc.”

The four schemes are all occupational money purchase schemes, notwithstanding the lack of connection between the member and the employer, nor the earmarked nature of the pension pots. The documents establishing the Schemes are contained in the Schedule [See Tab 2]. The precise scheme that the individual member / claimant joined is identified in the membership list [Tab1] and the respective Member Statement [See Tab 8 of the Schedule].

3.2. Adviser Firm

Your standard request:

“Confirmation of the original selling agent for the policy, their address and their SIB/FSA/FCA number”

The identity of the IFA firm in respect of each member is shown in the membership list [See Tab1 of the Schedule] and in nearly all cases in the respective Member Statement [Tab 8]. Confirmation should also be available in the form of the invoice issued by the respective IFA firm who advised the member. An (almost) complete set of these invoices was recovered from ACMAL and are also provided in the Schedule [at Tab3a].
Each of the members / claimants appears to have been advised to transfer existing pension benefits (typically from insured personal pensions) to their respective scheme by one of three firms of Independent Financial Advisers (“IFAs”).

*Total Wealth Solutions Limited [FRN. 475681]*
The Mansion House  
Wrest Park  
Silsoe  
Bedfordshire  
MK45 4HR

*Designed 4 Life Limited [FRN. 457927]*
51 Telford Gardens  
Hedge End  
Southampton  
Hampshire  
SO30 2TQ

*Kynaston-Carnoustie Financial Consultancy Limited [FRN. 439289]*
4 Temple Square  
Aylesbury  
Buckinghamshire  
HP20 2QD

### 3.3. Application Form

**Your standard request:**

“A copy of the original application form”

These have not all been recovered. Copies of the “Application to Join an Occupational Pension Scheme” form and the “Members Investment Decision [sic]” form for about 79 members – largely GFI-affected members - are contained in Schedule [at Tab4].

Aside from these, there were no further application forms ostensibly from members e.g. in respect of particular investments. The investments were made by the former trustee, Mr Harris. In the Schedule [at Tab5c], we have included what purport to be individual title documents, executed by ACMAL as administrators of the Scheme, in respect of the Para Sky Plantation.

### 3.4. Transaction History

**Your standard request:**

“A full transaction history from inception to present showing all transfers in and out, contributions, investments and disinvestments, charges, income payments and distributions, withdrawals and in—specie transfers”

These details are shown in each Member Statement [See Tab8 of the Schedule]. Please see the section of each Member Statement headed “Cash Transaction History”.
3.5. Fund and Transfer Values

Your standard request:
“The current fund and transfer values, and details of any penalty that would apply upon transfer”

These details are shown in each Member Statement [See Tab8 of the Schedule].

The current fund value for each member is shown on page 4 of the Member Statement (counting so as to include the covering letter) under the description “Total Value (Investments + Cash):” It is very important to understand that this value is either negligible or uncertain, depending on the investments held. See Section 1.4 above for more information.

The current transfer value is shown in the section of the Member Statement entitled ‘Cash Equivalent Transfer Value (“CETV”)’ – typically on page 9. There is no transfer penalty as such. However, these transfer values are calculated by applying an entirely nominal value (of £1 each) to holdings of illiquid assets. This is in line with Reg.7C(2), Transfer Value Regulations\(^\text{11}\) that require the statutory cash equivalent transfer value to reflect “the realisable value at the date of calculation of any benefits to which the member is entitled”. In the event of members insisting on taking these CETVs, per their statutory rights, it is possible that the Schemes might subsequently acquire a surplus through redemptions of investments no longer assigned to members. In this event, we would consider distributing such a surplus less windup expenses to the former members by way of further transfer value payments, though this is not guaranteed.

3.6. Current Charges

Your standard request:
“Details of any current charges that apply to the scheme”

Historically, ACMAL levied the following charges: -

- An initial transfer on receipt of the member’s transfer value of £350 + VAT = £420.
- An annual admin charge of £250 + VAT = £300
- On the three Green Schemes, ad hoc charges of about £100 per member

No charges were levied on members in 2016.

In 2017, the trustees levied £35 per member, per quarter, in February, May and August 2017 in order to meet scheme expenses. It is important to understand that whilst we are preparing action to recover a contribution from Mr Harris / ACMAL, members are likely to face additional costs associated with the windup of the Schemes, including costs of auditing previous years’ accounts and related activities that ought to have been addressed by Mr Harris & ACMAL.

3.7. Client-Firm Correspondence

Your standard request:
“Copies of all correspondence from the investor and the firm concerning the plan”

\(^{11}\) Occupational Pension Schemes (Transfer Value) Regulations 1996 SI 1847
We do not have these. We also doubt that Mr Harris and ACMAL, as predecessors would have ever seen these. Instead, the respective IFA firms will have been required to keep these as part of their business records [COBS 9.5.2 R].

For each, we would therefore advise you to contact the respective insolvency practitioner.

**Total Wealth Solutions Limited**
c/o Clarke Bell Limited
The Pinnacle 3rd Floor
73 King Street
Manchester
M2 4NG

**Designed 4 Life Limited**
c/o HJS Recovery
12-14 Carlton Place
Southampton
SO15 2EA

**Kynaston-Carnoustie Financial Consultancy Limited**
c/o Robert Finney
The Insolvency Service
3rd Level, Cannon House
18 Priory Queensway
Birmingham
B4 6BS

3.8. Invoices

**Your standard request:**
“Invoices provided by the any firms involved”

A complete set of the IFA invoices in respect of Members are contained in the Schedule [at Tab3a]. This covers most members / potential claimants, but sadly not all. Please search this for details of the respective member / claimant.

3.9. Transfers Out

**Your standard request:** “Details of any administration fees or charges applicable upon transfer”

**Your standard request:** “If the plan has been transferred to another provider, please provide details of the value and date of the transfer, as well as the name of the receiving provider (if any assets were transferred in specie, please provide details)”

There are no formal charges upon transfer.

Please note however that statutory transfers are highly problematic per Section 3.5 above. In addition to the Parasky / GFI Consultants investment being in effect worthless and irrecoverable, the investments in Eco Quest Plc and in the various Green Asset Solutions
Limited are illiquid. We are unlikely to be able to turn the Eco Quest Plc positions into cash until the summer of 2018. It is unclear when we will be able to liquidate the Green Asset Solutions holdings (their original term is 20 years).

It should be further understood that Green Pension Trustees Limited have recourse only to the scheme assets, and the Schemes only hold members’ pension pots (save for where a small amount is held between the levying of a member charge and the payment of scheme expenses). Consequently, where members hold illiquid assets in their pension pots, we have little alternative but to apply the Transfer Value Regulations in reflecting the realisable rather than carrying value of these investments in calculating cash equivalent transfer values (“CETVs”). In other words, each investment is valued at just £1 for these purposes.

For the Fixed Income 2012 Retirement Plan, we are fortunate in that most members’ pots consist largely of cash. In three cases to date – members ref 510, 510 and 510 - we have paid partial transfer values in cash. Where this has occurred, the receiving scheme should be identified on the respective Member Statement. Also, we have ascertained that in September 2013, shortly after receipt of their transfer values, transfer out payments were made by ACMAL to other registered pension schemes. These were in respect of members ref 510 and 510.

Please note that we have not hitherto made any payment of benefits or transfer values in-specie.

Yours sincerely

[Signed on the original]

Jonathan Purle
GREEN PENSION TRUSTEES
Email: jp@greentrustees.com
ANNEX: TABLE OF CONTENTS FOR THE SCHEDULE

The Schedule of documents is contained in an electronic folder named “Schedule1”.

Please note that where documents are supplied in respect to some members, but not others, this means that documents of those types do not exist or are not in our possession for those other members.

<table>
<thead>
<tr>
<th>SubFolder</th>
<th>Description</th>
</tr>
</thead>
</table>
| Tab1      | Membership Lists  
‘1-MembersByIFA’, ‘2-TransfersReceived’, ‘3-PrincipalInvestmentsByDate’  
Supplementary notes in respect of members 060, 060 & 020. |
| Tab2      | Schemes’ Governing Documents et cetera  
Original deeds x 3 (from July-Aug 2012), Deeds appointing GPTL and ousting Harris (x4), HMRC registration certificates (x4).  
Sample Rules, Handbook & Investment Principles (G1) |
| Tab3a     | IFA Commission invoices  
45 documents in all, but many list multiple members. These cover most of the entirety of the membership of the four Schemes, but not all e.g. some later members. There are no invoices in respect of Kynaston-Carnoustie. |
| Tab3b     | IFA firm information |
| Tab3c     | IFA firm samples  
Sample suitability reports from TWS (x3) and D4L (x1). Two of these were recovered from ACMAL, and appear to have been NPW. |
| Tab4      | Member Forms  
Forms in respect of 86 members. Cover joining the Schemes and the supposed member direction as to investment. Note the proforma nature and the tendency to be pre-filled. |
| Tab5a     | GFI Consultants Limited  
Promotional material issued by GFI in respect of the Para Sky and Belem Sky Plantations, issued between March 2010 and July 2012. Note that we recovered most of these from the redd-monitor.org website and it is unclear which of these (if any) were provided to individual members. |
| Tab5b     | GFI Consultants Limited  
Evidence of payments made to GFI in respect of the Scheme Members, as recovered from ACMAL from whose accounts payment were made. Proof in respect of 17 ‘block’ payments. |
| Tab5c     | GFI Consultants Limited  
Purported documents of title, being Investment Agreements, Rental Agreements and Certificates of Declaration of Trust. 133 items in all. These were recovered from ACMAL with the assistance of South Wales Police.  
Note however that these are incomplete. |
<table>
<thead>
<tr>
<th>SubFolder</th>
<th>Description</th>
</tr>
</thead>
</table>
| Tab5d     | GFI Consultants Limited  
Statements for GFI's bank account with Santander ending A/C no. 5834. These were obtained by South Wales Police using PACE production orders and show *inter alia* the movement of funds to the personal bank accounts of the GFI directors Skeene & Bowers. |
| Tab5e     | GFI Consultants Limited  
Reports for the periods ending 12 March 2015, 2016 and 2017 respectively from the liquidator, Mr Stephen Penn of Absolute Recovery Limited. |
| Tab6      | Green Asset Solutions Limited.  
Copies of both the Loan and Security Agreements for each of the six (6) projects financed: Civic Centre, Cyfarthfa, Gurnos, Heolgerrig, Treharris & Twynrodyn. 12 documents in all. |
| Tab7      | Eco Quest Plc  
| Tab8      | Member Statements  
These cover 247 members plus former members 510 and 510. |