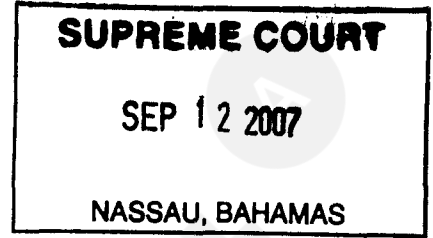


**COMMONWEALTH OF THE BAHAMAS  
IN THE SUPREME COURT  
Common Law and Equity Division**

2007  
CLE/GEN No. 1052



Between

**LESTER M. TURNQUEST, JR.**

**NASSAU, BAHAMAS**

**First Plaintiff**

**THE BONNYCORD GROUP LIMITED**

**Second Plaintiff**

**AND**

**HYWEL JONES**

**First Defendant**

**THE BRITANNIA GROUP LTD**

**Second Defendant**

**HAMPTON INSURANCE COMPANY LIMITED**

**Third Defendant**

**STEPHEN DICKSON**

**Fourth Defendant**

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**Affidavit of Hywel Jones**

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I, **HYWEL LLOYD JONES**, businessman and resident of Seacliff Estate, West Bay Street, Nassau, Bahamas and citizen of the United Kingdom, make oath and say as follows:

1. I am the First Defendant herein make this affidavit in response to the affidavit of Lester M. Turnquest Jr. ("Turnquest"), filed on 11<sup>th</sup> August 2007, though not

served until 5<sup>th</sup> September 2007, in support of his application for an injunction and other relief as set out in his summons, also filed on 11<sup>th</sup> August 2007 and not served until 5<sup>th</sup> September 2007. I also make this affidavit in support of my application for a proprietary freezing injunction and world wide Mareva injunction freezing the assets of Turnquest and the entities controlled by him ("Turnquest Entities"), and for the production of corporate documents from Turnquest /Turnquest Entities, and both corporate and banking documents from banks at which entities against whom he has fraudulently asserted ownership and/or control of accounts. I make this affidavit on behalf of all of the Defendants herein, and am authorised to do so.

2. Where the contents of this affidavit are within my own knowledge they are true. Where the contents of this affidavit are not within my own knowledge they derive from information provided to me by my legal representatives, and from the documents in my and their possession. I verily believe that this information is true. There is now produced and shown to me a paginated bundle of true documents to which I will refer in this document marked Exhibit "HLJ1". References to page numbers are to those contained in that exhibit.
3. The basis for this application is the discovery of what I believe to be a two part fraud committed by Turnquest during his tenure as Managing Director of Britannia Mercantile Limited, in respect of which we will be making a substantial counterclaim. The first part was the unlawful transfer out of office and client accounts from companies wholly owned by me to himself and companies controlled by him that did not constitute either his salary or annual bonuses. The second part of the fraud is evidence of fraudulent share transfers transferring ownership of companies wholly owned by me, out of my control. The full extent of both frauds is not known, however, the removals from the business are likely to be in the region of \$20 million. Over the last 3 months I have been making efforts to resolve the difficulties with Mr. Turnquest, but this has not been successful.
4. In respect of his activities, a criminal complaint was made on 31<sup>st</sup> August 2007, and the police are currently investigating the activities of Mr. Turnquest (see the

letter dated 10<sup>th</sup> September 2007 from Chief Superintendent Glenn A. Miller of the Royal Bahamian Police Force at page [1] of exhibit HLJ1.

**Response to the facts stated in the Turnquest affidavit**

5. In the affidavit filed in support of Mr. Turnquest's application for an injunction, many of the facts stated are completely false, and not substantiated with real evidence. Mr. Turnquest's affidavit boils down to 5 assertions:
  - a. that Turnquest was, at 27<sup>th</sup> July 2007 a director of West Coast Holdings Limited ("West Coast");
  - b. that, at 27<sup>th</sup> July 2007, the Registered Agent (and Registered Office) of West Coast was Bonnycord, Turnquest's' company and the 2<sup>nd</sup> Plaintiff herein ("Bonnycord")
  - c. that, at 27<sup>th</sup> July 2007, Turnquest was a signatory on the bank accounts of West Coast
  - d. that (since 13<sup>th</sup> July 2006) the sole shareholder of West Coast has been Experta Trust Company (Bahamas) Limited (a Turnquest company); and
  - e. that, on 31<sup>st</sup> July 2007, I had wrongfully detained a package sent to West Coast at my office;
6. Each of these assertions is demonstrably false. Accordingly, any allegation of tortious interference in the business of the plaintiffs, or misrepresentations in reliance thereon is wholly without foundation.
7. The particulars of the ownership and control of West Coast is set out in detail below.
8. I will say at this point that I do not believe that either of the Plaintiffs (Turnquest or Bonnycord) have any standing to request delivery up of documents on behalf of West Coast, in respect of which Turnquest is neither an owner nor director.

## **Ownership of the Britannia Consulting Group**

9. The Britannia Consulting Group consists, at the highest tier, of four companies: the Third Defendant, Hampton Insurance Company Limited (“Hampton”), Regency Holdings Ltd, Britannia Mercantile Ltd, and Britannia Group Limited (the Second Defendant) together with numerous subsidiaries. I shall briefly provide an overview of the Britannia Consulting Group.

### *Hampton*

10. Hampton was incorporated on 30<sup>th</sup> July 1998 in the British Virgin Islands as a licensed life insurance company. On or about 14<sup>th</sup> September 2006, Hampton was registered in the Bahamas with the Registrar of Insurance. I have operated Hampton from the Bahamas since incorporation. I am the sole owner of this company as at this date and have been so from the incorporation of Hampton. I exhibit at page [2] of the exhibit HJL1 a certified copy of Hampton listed Members and Share ledger whereby it can clearly be seen that I alone am listed as the sole owner of the company.

### *The Hampton Subsidiaries*

11. Hampton has many wholly owned subsidiaries including but not limited to the following
- a. West Coast Holdings Ltd (“West Coast”) Limited, the subject of the fraudulent share transfer as discussed above;
  - b. Paradise Hills S.A (“Paradise Hills”). Paradise Hills S.A, incorporated in the Bahamas on 12<sup>th</sup> March, 2004, is a wholly owned subsidiary of Extempo Re Ltd (“Extempo”), Extempo is a Nevis re-insurance company, which itself is a wholly owned subsidiary of Hampton.
  - c. Allium Holdings Ltd
  - d. Amarylis Holdings Ltd
  - e. C.S. Holdings Ltd
  - f. Calla Lilly Holdings Ltd

- g. Coconut Palm Estates Ltd
- h. Cornflower Holdings td
- i. Exquisite Island Properties Ltd
- j. Freesia Holdings Ltd
- k. Gladiola Holdings Ltd
- l. Green Meadows Holdings Ltd
- m. Jumbalaya Investment Ltd
- n. Maldives Holdings Ltd
- o. Marlin Consulting Resources Ltd
- p. Montage Holdings Ltd
- q. Platinum Consulting Services Ltd
- r. Plaudit Trading Inc
- s. Sherwood Forest Enterprises Ltd
- t. Sorand Ltd
- u. Xavano Ltd

12. For the sake of Convenience I shall collectively refer to these companies as the "Hampton Subsidiaries".

*Britannia Mercantile*

13. On or about 1<sup>st</sup> August 1996, I incorporated Britannia Mercantile Services Ltd. ("Britannia"), which is a Bahamian incorporated operating company that acted as the principal marketing arm for Hampton and its products. From the incorporation of Britannia until 30<sup>th</sup> March 2007, I was the sole shareholder. On 30<sup>th</sup> March 2007 I transferred 51% of the shares in Britannia to Stephen Dickson, the Fourth Defendant herein, who continues to work with Hampton and the group of companies in the Cayman Islands, (having departed the Bahamas in August 2007 after 21 years in the Bahamas when, unexpectedly, his work permit was not renewed in March 2007).
14. Britannia Mercantile is our main operating company. This company had a chequing account, and it was through this company that the expenses of the business were paid.

*Regency Holdings Ltd.*

15. On or about 10<sup>th</sup> January, 2002, I incorporated Regency Holdings Ltd. ("Regency"), which is a St. Kitts corporation wholly owned by me. As far as I was aware, Regency had very little in the way of business going through it, until I became aware of the activities of Mr. Turnquest. This is described in detail below.

*Britannia Group Limited*

16. At all material times I was 75% owner of Britannia Group Limited. Turnquest owned 25% of this company from its incorporation on 28<sup>th</sup> February 2003 until 1<sup>st</sup> March 2007.

**The business of the Britannia Consulting Group**

17. The Britannia Consulting Group sets up tax and investment structures for private and corporate persons outside of the Bahamas. Britannia designs tax efficient structures to enable these persons to invest funds in life insurance policies. Some of the structures utilise Charitable organisations, who make substantial benefits from the business ("the Charitable business"). Other structures utilise captive insurance companies ("the Captive business").
18. The Britannia Consulting Group receives income from its clients by way of an upfront fee, and an annual fee, both of which depend on the value of the assets within the structure. The Introducer by whom the client has been referred will also be entitled to a commission, which is an amount equal to the upfront fee retained by Britannia. Typically the Introducer and Britannia both receive fee of approximately 5% of the total sum being invested in the policy.
19. Britannia Consulting Group have maintained bank and securities accounts, including but not limited to the following institutions in its own right and on behalf of clients:

- a. Ansbacher (Bahamas) Ltd. – Nassau
- b. Caledonia – Nassau
- c. Experta Trust Company – Nassau
- d. Bank of Butterfield – Nassau and Cayman
- e. Mellon Bank – California
- f. Wells Fargo – California
- g. Oppenheimer – Ft. Lauderdale
- h. Morgan Stanley – New York
- i. Goldman Sachs – Grand Cayman
- j. Banner Bank – Washington
- k. CIBC (Bahamas, Cayman and Canada)
- l. Royal Bank of Canada (Barbados and Cayman)
- m. London & Capital (London)

**Lester Turnquest's engagement, and his duties and responsibilities**

20. On or about 1<sup>st</sup> January 2001, Britannia Mercantile hired Turnquest, a Bahamian citizen and resident to act as the Managing Director of Britannia and Hampton. I had met Turnquest whilst giving a course on Accounting in 1989. On New Year's Eve 2000, Turnquest called me to inform me that the Prime Minister had fired him as Permanent Secretary for Health, and to inform me that he was looking for a job. Turnquest was a person of some stature in the community and had been a Senior Vice president at Bank Leu. I believed that he would be a safe pair of hands to assist in running my business.

21. During his tenure as the Managing Director of Hampton, Britannia Mercantile and affiliated companies, Turnquest had exclusive control, responsibility and dominion over the Treasury Management of the group. In fact, he was responsible for approving and executing substantially all transfers of cash and securities amongst the group of companies and held such role in a fiduciary capacity as a director of these regulated and non-regulated entities. As part of this, Turnquest had signatory authority on all accounts owned or operated by Hampton, Britannia and all of their subsidiary and associate companies.

### **The basis of Turnquest's remuneration.**

22. At that time he joined the Group Turnquest was paid a salary of \$24,000 per annum, and received an annual bonus. It is worth mentioning that at the time that he was hired, Turnquest was still an MP for Malcolm Creek (and therefore continuing to draw his salary as an MP).
23. This amount was increased incrementally over the following 3 years as the business grew. By January 2004 his salary had increased to \$72,000.
24. In addition to a salary also paid its directors, officers and employees an annual discretionary bonus, usually at the end of the financial year. During the period 2001 – 2004, this bonus would be approximately \$15,000 – \$20,000.
25. Occasionally the partners in the business such as myself and Martin Eveleigh, who runs a company associated to Hampton and Britannia, would make additional drawings on the assets of the companies by way of remuneration of directors. When we did so, we would always obtain the agreement of Turnquest, as the treasurer. Although both Turnquest and I had full signing authority. I never took money from the business without the agreement Turnquest as treasurer. Neither did Martin. In turn, we trusted that Turnquest would not abuse his position.
26. On or about January, 2004 myself, Turnquest and Martin Eveleigh, agreed to award ourselves improved salaries of \$180,000 per year to be paid monthly in arrears. I refer to the sworn affidavit of Martin Eveleigh at page [218] of Exhibit HLJ1.
27. Although the business was performing well (and its employees including Turnquest being well paid as a result), I became aware that Turnquest was not satisfied with his remuneration. In particular I believe that he found it particularly galling that the Introducers, such as Jim Weisz, a US corporate lawyer of firm Rutan & Tucker, were remunerated on an entirely different, commission based,



basis (as described above), would occasionally make very large sums. By way of example, if a client invested \$10 million, Britannia would charge an upfront fee of approximately \$500,000, and the Introducer would receive an equivalent sum. I recall one occasion when an Introducer made a seven-figure sum of a single large deal, Turnquest called me incandescent with rage and made it clear that he believed this was outrageous in circumstances where he, as a salaried employee, received only a fraction of such sums. In hindsight, I believe this may have been the moment when Turnquest decided to take matters into his own hands.

### **Turnquest's departure, and the discovery of his unauthorised transfers**

28. On or about 1<sup>st</sup> October, 2006 Turnquest notified me of his intention to leave the company and his intention to take some of 'his' clients with him. Describing the clients as 'his' is wholly inaccurate. The clients were clients of the company, and at no such time either before or since has any Hampton client informed me or Hampton of their intent to have their policies or underlying assets moved to the control and or ownership of Turnquest and/or Weisz.
29. Since Turnquest and Hampton have parted ways, I began checking all of the bank statements and other financial records of Britannia, Hampton and affiliated companies and noted voluminous unauthorised payments from the companies directly to third parties including Weisz and entities associated with Weisz personally. Turnquest and to entities owned and/or operated by Turnquest and/or Weisz. In undertaking this process, it has become clear that our trust in Turnquest had been wildly misplaced, and that Turnquest had wrongfully transferred from the business, either to himself or to entities controlled by him, approximately \$20 million.
30. The question has been asked as to how it was possible that, given the scale of these transfers, that they could have gone unnoticed for so long. The reason for this is that business was good. - bills were always paid on time, there was cash in the bank and the business was making a lot of money, even while Turnquest was helping himself to the assets of the business. Moreover it was Turnquest's

responsibility to manage the money. I trusted him, and had no reason to suspect that he was guilty of any improper behaviour.

31. It is clear that at some point in time, Turnquest started to make transfers of cash from the various companies in the Britannia Group over which he had signatory authority, to both himself, and to companies controlled by him. This was done without any entitlement or authority. Monies would be taken both from office funds, and client funds. This was done in a number of different ways, including the following:

- a. writing cheques to himself, or companies owned or controlled by him;
- b. making wire transfers to his bank accounts, or those of companies owned or controlled by him;
- c. using company and client monies to pay his personal credit card bills;
- d. writing cheques in respect of petty cash to employees, who would then draw on the cheques and provide the money received to Turnquest.

32. These transactions can be clearly seen from the evidence.

33. I exhibit at pages [315] to [325] QuickBooks printouts of for the whole Britannia Consulting Group showing payments made by Turnquest to himself, or to companies wholly owned by him between 1<sup>st</sup> January 2004 and his departure in February 2007. You will note that the vast majority of the payments are to a company called Cold Harbour Ltd, which is a company owned by Turnquest. The QuickBooks reports show that direct payments from Britannia to Turnquest or Cold Harbour totaled \$3,185,322.30.

34. Direct payments from Hampton to Turnquest or Cold Harbour over the same period totaled \$631,165.11.

35. These payments were generally made by cheque. A copy of the cheques and wire transfers held by Britannia evidencing payments by Turnquest to himself or Cold Harbour are exhibited at pages [226] to [314] of HLJ1.

36. The recipients of the unauthorised payments include but are not limited to the following:

- a. Lester Turnquest
- b. Cold Harbour Ltd.
- c. Cold Harbour Development Company
- d. Peter Skinner
- e. James Weisz
- f. Carolyn Sturup
- g. The Cold Harbour Trust Ltd.
- h. The Cold Harbour Trust
- i. Scotia Visa Account #4539-3820-1000-2495
- j. Barclays Card #4517-9520-2200-4634
- k. Scotia Visa Account #4539-3870-1000-1942
- l. Royal Bank Visa #4551-5503-0411-3011
- m. Scotia Gold Mastercard #5443-3514-6000-0376
- n. Royal Bank Mastercard #5544-4100-0062-2004
- o. Canyon Finance
- p. Platinum Consulting
- q. Marlin Consulting
- r. Countywide
- s. Silver State
- t. Phoenix Equestrian
- u. Cayman National Trust
- v. Northern CA Partners
- w. Rurick Trust
- x. Emerald Management
- y. Green Meadows
- z. WJC Ventures
- aa. Bonnycord Group Ltd.
- bb. Overlord Enterprises Limited
- cc. Horizon Development Limited

37. Some or all of these recipients have bank accounts at:

- a. Rurick Trust (Cayman)
- b. Bank of the Bahamas (Bahamas)
- c. Scotia Bank (Bahamas)
- d. FINCO (Bahamas)
- e. Royal Bank of Canada (Bahamas)
- f. Ansbacher (Bahamas) Ltd. (Bahamas)
- g. Wells Fargo (California, US)
- h. Mellon Bank (California, US)
- i. London & Capital (UK)

38. These sums are exclusive of those further sums removed by Turnquest from Regency Holdings Limited (see below). Turnquest's salary over the same period was only \$540,000 in total.

39. By comparison, over the same period, my drawings on the assets of the Group, as ultimate beneficial owner, were only \$1,824,230.51 from Britannia, \$93,230.50 from Hampton and \$135,000 from Regency (a total of \$2,052,461) (see pages [326] – [332]). This should be viewed in the context that I was the 100% owner of Britannia, Hampton and Regency and 75% owner of Britannia Group. In contrast, Turnquest was simply a salaried employee with a small shareholding in one of the Group Companies, itself of minimal value.

40. I am aware from the email dated 20<sup>th</sup> February 2007 from Turnquest to Martin Eveleigh (following Turnquest's departure) exhibited at page [333], that Turnquest claims that there was an arrangement in place between myself and him by which

- a. all monies from the Charitable business would be split 50-50 between myself and Turnquest
- b. on all other deals, Turnquest would receive 40% after payouts with the balancing remaining in Britannia.

41. This claim is wholly false. With all of our deals the arrangement was always the same. The Introducer would receive a fee equal to the fee payable to Britannia. I personally did not receive any 'cut' of these fees, contrary to Turnquest's suggestion. The only payments Turnquest ought to have received were his salary of \$180,000 per year after 2004, and the annual discretionary bonus.
42. Further evidence as to the falsity of this arrangement is provided by the fact that it is not even consistent with Lester's unauthorised transfers. For example, at the meeting on 23<sup>rd</sup> January 2007 (following his departure) Lester boasted during the meeting with the Canadian Accounting Professional that \$12 million was made by him and Weisz on one single deal while he was still employed by Britannia. I believe he was trying to justify why he paid himself so much. Of this, we (Britannia) only received a little over \$500,000. Another example of this is provided by the example referred to below in relation to Paradise Hills.

#### **Unauthorised transfers to and from Regency**

43. On 23<sup>rd</sup> January 2007, a Canadian accounting professional went to the office of Turnquest and agreed the Balance Sheet for Regency Holdings Ltd exhibited at page [334]. I am informed and do verily believe that Turnquest confirmed that the entities listed under "current assets" and "current liabilities" related to him and Weisz.
44. The "other current assets" shows payments to clients, Introducers (such as James Weisz) and Turnquest or associated Companies) in the total sum of \$86,438,630.
45. "Other current liabilities", which shows payments to Regency over the same period from the same parties, shows only \$81,671,982.76. There is a deficit of some \$4,434,699.78. Since these figures were presented to Turnquest at the meeting on 23<sup>rd</sup> January 2007, he has been either unwilling or unable to explain this deficit.

46. By reason of the lack of any cooperation or acceptable explanation from Turnquest, Martin Eveleigh, Nick Leighton (a British Chartered Accountant and director of some of the Group Companies) and I had a conference call with Weisz on or about 19<sup>th</sup> May 2007. Weisz, who is the source of the vast majority of Turnquest's clients in his new business following our split, agreed to instruct Turnquest to cooperate with us in clarifying the Regency figures. Stephen Dickson and I produced the spreadsheet exhibited at pages [337] to [343] which was delivered to him by Roshan Noronha, an employee of Britannia at the time.
47. Turnquest has never provided a substantive response to this Schedule, though did scribble on the top of the Schedule that the Schedule should be re-done (though without offering any explanation as to why) (see the top of page [337]). Weisz himself also said he would look at the numbers but did not want them sent to him in the US so we posted them on a website together with what supporting documentation we had. Again Weisz was unable or unwilling to respond.
48. The Balance Sheet demonstrates that Turnquest in fact funded the deficit in Regency by making unauthorised transfers from Britannia, Hampton and their clients. At pages [3] to [217], I exhibit a copy of the bank transfers made from Regency. To this date Turnquest has not been able to provide any explanation for the consequent loss suffered by Britannia to the ultimate benefit of Turnquest and the entities he controls.
49. There may well be more incidences of unauthorised transfers. However, this is impossible to discern because Turnquest has retained of the files relating to these entities notwithstanding that Britannia Mercantile was reinstated as the Registered Agent and Registered Office. Turnquest himself has informed me and others that documents were shredded in relation to these transactions.

#### **Other unauthorised transfers**

50. In addition to the direct unauthorised payments transfers from Britannia and the unexplained Regency deficit, our accounting professionals have determined that in addition to the subsidiaries and their assets Turnquest has caused

approximately a further US\$15 million to be diverted from Hampton and the Hampton Subsidiaries to Turnquest and entities controlled by or affiliated to him.

51. The statements for the Hampton subsidiary Paradise Hills S.A (exhibited at pages [344] to [354]) is illustrative of Turnquest's activities. Many millions of dollars of client and company money have been moved from companies owned by me out to Turnquest or companies owned or controlled by him. We have limited details as to the basis of these transactions. To take an example, on page [351], is evidence of a transfer to Bonnycord (a Turnquest Company) dated between 18<sup>th</sup> October 2006 in the sum of US\$2 million. At this time Turnquest was a salaried employee of Britannia, and only entitled to a salary and discretionary bonus (which, for the avoidance of doubt, he continued to receive at this time). You will note that an identical payment of US\$2 million was made to Horse Whisperer Ltd (Jim Weisz's company) on 16<sup>th</sup> November 2006. It is clear the payment to Horse Whisperer represented the money due to Weisz in commission as Introducer for a deal. The payment to Bonnycord was the upfront fee due to Britannia. Neither Turnquest nor Bonnycord had any entitlement to it whatsoever.
52. This pattern is repeated on numerous occasions throughout the latter years of Turnquest's tenure.
53. I also refer to a series of correspondence between Ansbacher and Turnquest exhibited at pages [355] to [366], in which he attempted to conceal the nature of payments made to Bonnycord (the second plaintiff and a Turnquest company) and Overlord (a Weisz company). Turnquest specifically requested (see page 358) that entries of the payments to these entities were changed, and to change the statement so as not to show these entries. Obviously Ansbacher were unwilling to do this.
54. It has been suggested by Turnquest that these payments were commission due to him. This is demonstrably false, since commission was paid to only Third Party Introducers (not employees) who brought in clients to the business.

## **The attempted fraudulent seizure of the Hampton Subsidiaries**

55. The second part of Turnquest's fraudulent activities is what appears to be the attempted fraudulent seizure of the Hampton Subsidiaries (and clients) from the summer of 2006. This is continuing to this day. The Hampton Subsidiaries hold liquid and illiquid assets worth in excess of US\$80 million.

### *Control of the documents of the Hampton Subsidiaries*

56. It is currently impossible to ascertain exactly what has happened to the Hampton Subsidiaries. For all of them, Turnquest changed the registered offices/Agents of the Hampton Subsidiaries from Britannia to Bonnycord. Although Turnquest has subsequently been removed as director of the Hampton Subsidiaries by Shareholders' Resolution, and the Registered Agent changed back to Britannia, Turnquest has refused to return the corporate files.

57. In early 2007, Hampton attempted to ensure that the assets in the Hampton Subsidiaries would be secure in order to meet Hampton's obligations to its clients.

58. By letter dated 4<sup>th</sup> April, 2007 I notified Turnquest that the subject companies were Hampton assets and requested the records of all such files. In addition, I advised him of the possibility that Hampton could be liquidated and in such event questions of fraudulent preference would arise. Such notice should have apprised Turnquest that it would become his obligation to prove any claim he may have in form of ownership of such Hampton assets and to date. No response has been received (see page [367]).

### *Removal of Turnquest from the Banking mandates*

59. On or about 11<sup>th</sup> May, 2007 in order to protect the interests of our clients, I sent an instruction to the various identified financial institutions that their bank mandates be changed to require my signature and approval of any transaction



occurring with relation to any of the subject subsidiary companies, including one such letter that was sent to Ansbacher (Bahamas) Ltd (see page [368]).

60. Notwithstanding this instruction, Turnquest was able to wire, both later on the day of the instruction, and on 14<sup>th</sup> May 2007, several million US Dollars from Ansbacher to accounts owned or controlled by him, without my authorization [see pages 431 to [468]. It is my belief that one Roshan Noronha ("Noronha"), an employee of Hampton at the time, provided Turnquest with advance notice and copies of the letters to the financial institutions so that Turnquest would have time to abscond with additional monies. Noronha was terminated from our group of companies on or about 30<sup>th</sup> July 2007.

61. As a consequence of Turnquest's failure to respond to our various requests and pursuant to our fiduciary obligations to the Hampton clients, on or about 6<sup>th</sup> June 2007, we passed shareholder resolutions for all the Hampton Subsidiaries moving the registered office from Bonnycord back to Britannia where they rightfully belonged as well as removing Turnquest as a director or having any signatory authority of such subsidiaries and accounts. I exhibit at pages [368] to [394] copies of these resolutions (behind the covering letters sent to various financial institutions). As of the date of this affidavit, share certificates, assets and files for such subsidiaries remain unlawfully in the exclusive control and possession of Turnquest.

*Attempted transfer of ownership of the Hampton Subsidiaries and their assets*

62. It is also apparent that Turnquest has gone further to assert his ownership over the Hampton Subsidiaries. It has been virtually impossible to check exactly what he has done in this respect because, as described above, all of the corporate documentation is still controlled by Turnquest. However, by good fortune, it has been possible to discover what Turnquest has done in relation to one of these companies, West Coast Holdings Limited ("West Coast").

**The forged signature on the share transfer form for West Coast Holdings Limited**

63. At all times since its incorporation West Coast has been a wholly owned subsidiary of Hampton (which is wholly owned by me). On 6<sup>th</sup> June 2007 Mr. Turnquest was removed as a director by Special Resolution of the Shareholders. By Directors' Resolution on 7<sup>th</sup> June 2007, the Registered Office and registered Agent was changed to Britannia Group Ltd, and by letters dated on or about 11<sup>th</sup> June 2007 to the custodians and investment managers of West Coast requesting that Turnquest be removed as a signatory (see exhibit LMT1 to the affidavit of Turnquest, pages 1-3).
64. These actions having been done, the UPS package sent to West Coast at Britannia's address on 8<sup>th</sup> August 2007 (see pages [413] to [426]) was not wrongfully detained, as alleged in the Turnquest affidavit, but lawfully received.
65. Upon opening such package found numerous share transfer forms to be signed by Turnquest. On or about the same day Turnquest called my offices demanding the return of the envelope and share transfer forms. When I enquired as to what right he was trying to transfer shares from a Hampton subsidiary he notified me that I no longer owned or operated such company.
66. Mr. Turnquest's hysterical desire to retrieve the contents of the packages is however understandable, since it evidences his unlawful attempts to transfer the assets of West Coast to a company controlled by him, and named "West Holdings Limited". Police officers, presumably acting on Turnquest's instructions, have twice attended my office without warrants or supporting documentation to claim the share transfer forms. The firms are in fact now held by the Criminal Detectives unit in connection with their investigations into Turnquest's activities.
67. On or about 20<sup>th</sup> August 2007, I was forwarded a share certificate for West Coast from Caledonia, the bank at which West Coast held an account. The share certificate showed that as at July 2006, the shareholding had changed from Hampton to Experta Trust Company (a Turnquest controlled company ) and on said share certificate was a signature purporting to be mine. See pages [426] to

[427] of Exhibit HLJ1. I did not sign this document and therefore believe the signature to be a forgery.

68. Although I was provided with a copy of the share transfer form, it has been possible for a forensic handwriting expert to confirm that this is indeed a forgery. A copy of the report from the handwriting experts is expected to be ready by the date of the hearing on 12<sup>th</sup> September 2007.

69. As Turnquest also apparently signed the share certificate, then it appears that he was at least complicit with the forger.

70. In respect of the other Hampton Subsidiaries, attempts to check that the client assets are still held, or that there have been no other fraudulent transfers of ownership, have been fruitless. Hampton has written to all the banks at which accounts were held for the Hampton Subsidiaries. By letter dated 20<sup>th</sup> August 2007, exhibited at page [430], Hampton made the request of Ansbacher (Bahamas) Limited at which accounts are held for

- a. Green Meadows Ltd.
- b. Plaudit Trading Inc.
- c. Xavano Ltd.
- d. Platinum Consulting Services
- e. West Coast Holdings Ltd.
- f. Paradise Hills S.A.
- g. Coconut Palms Estate Ltd.

Ansbacher's response dated 22<sup>nd</sup> August 2007 was that

*"We are not in a position to release any further information concerning the above referenced Companies because as you know this can only be done with the consent of Mr. Lester Turnquest, who has not agreed the release. We need consent from you both, to agree the releases.*

*we have received conflicting information regarding the signing authorities relating to the ...companies and until the dispute between you and Mr. Turnquest is resolved I am sure that you will understand that we cannot release any information to either disputing party until we have received either a court order or an agreement signed by both parties determining the authorised owner of the accounts."*

See page [428] of exhibit HLJ1.

71. Turnquest had been removed as a director of the Hampton Subsidiaries on or around 6<sup>th</sup> June 2007. On or around 7<sup>th</sup> June 2007, the registered office of the Hampton Subsidiaries had been changed back to the office of Britannia Group Ltd. In addition, by letters dated on or about 11<sup>th</sup> June 2007 to the banks at which the accounts of the Hampton Subsidiaries, Turnquest had been removed from having signatory authority over the bank accounts of the Hampton Subsidiaries. For these reasons there is simply no way that Turnquest could have exerted any legitimate control over these companies or accounts.
72. It is my belief, based on the response from Ansbacher dated 22<sup>nd</sup> August 2007 that the forged share transfer form for West Coast is not unique and that forged documentation also exists for some or all of these companies sufficient to cause the banks to decline to provide information to Hampton as the sole owner.
73. The total assets in the Hampton Subsidiaries are approximately US\$80 million. The vast majority of this sum are client assets. These are sums in respect of which Hampton remains contractually liable to its clients. When there is a draw on the life insurance policy, the clients are legally entitled to look to Hampton for satisfaction thereof, whether or not those assets have been transferred. In this respect we have received no communication from any of the clients authorising the transfer of assets held for them from Hampton to any other companies.
74. It is for this reason that it has become necessary to not only seek the freezing of the assets in the hands of the Hampton Subsidiaries to prevent further sums being transferred therefrom, but to seek from the Court an order that the banks

listed above provide full disclosure of the account details and corporate documentation they hold in respect of the Hampton Subsidiaries. Once this information is provided, the full extent of the fraud will be revealed.

### **Relief Sought**

75. For the reasons set out above I am seeking the relief set out in the summons and draft order, namely a proprietary freezing injunction and worldwide Mareva Injunction freezing the assets of Turnquest and his companies until this dispute is resolved, requiring disclosure from Turnquest of the bank records for him and his companies, and the corporate records of the Hampton Subsidiaries which he unlawfully retains.

76. I have also sought from the Banks at which both Turnquest and the Turnquest companies hold accounts full bank records and other relevant documentation. It is hoped that this will reveal the extent of the unauthorised transfers made to those parties.

77. Lastly I have sought from the Banks at which the Hampton Subsidiaries hold accounts full bank records, corporate documentation and any other relevant documents in order that the Turnquest's actions with regard to these companies can be ascertained and any resultant disputes as to their ownership resolved.

### **Physical attacks on me**

78. I have lived in the Bahamas for 19 years, without incident. Since I have become aware of Turnquest's unauthorised transfers of assets to himself and related companies, and his apparent attempt to fraudulently transfer ownership of the Hampton Subsidiaries and their assets, I have been attacked twice and now fear for my life. I rarely sleep in my home and am constantly looking over my shoulder.

79. I wish to make clear without waiving any legal privilege that I am aware, and have been advised by my counsel that there is presently no evidence connecting

these two attacks to my dispute with Turnquest, or to suggest that the timing of the attacks is anything more than co-incidental. Moreover I am advised that I should await the outcome of the police investigation before making any conclusions or allegations in this respect. However, despite this advice, I remain for the reasons stated below convinced that these attacks are not co-incidental and feel it paramount to my safety that at I put my concerns before the Court at this time when I am making sworn allegations of fraud against Turnquest. I have therefore insisted that this part of my affidavit remain in.

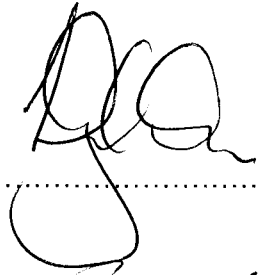
80. On or about 5<sup>th</sup> April 2007, I was attacked in my bed at my home by two assailants demanding I open a safe (which did not exist) on the property. I received only minor abrasions, but a guest at my home was badly beaten, and stabbed in the same incident. Both I and my guest were admitted to hospital for treatment, my guest having to stay overnight. The timing of this incident was about the same time Turnquest refused to return the subject files of the Hampton subsidiaries.

81. On or about 30<sup>th</sup> May, 2007, I was attacked in front of my home for no apparent reason, with the assailants not seeking any money or asking any questions. Once again I was admitted to hospital, this time with a broken eye socket and jaw, multiple head-wounds and severe bruising to back and legs. I have reason to believe that one of the assailants was a police officer. Again the timing of this incident was just after a meeting with the Canadian accounting professional at which time Turnquest had been confronted with his fraudulent activities. The Canadian accountant was at the scene of the attack, and was fortunate to avoid injury.

82. For the reasons set out above, I pray that the Court grants the relief set out in the summons and draft order.

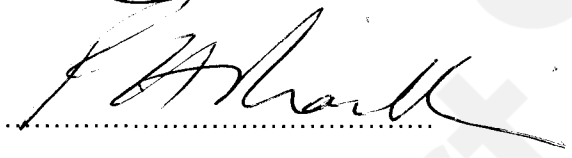
SWORN to this 12<sup>th</sup> day  
of September, 2007  
in Nassau, Bahamas

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Before me,



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NOTARY PUBLIC.

OffshoreAlert

**COMMONWEALTH OF THE BAHAMAS  
IN THE SUPREME COURT  
Common Law and Equity Division**

**Between**

**LESTER M. TURNQUEST, JR.**

**First Plaintiff**

**THE BONNYCORD GROUP LIMITED**

**Second Plaintiff**

**AND**

**HYWEL JONES**

**First Defendant**

**THE BRITANNIA GROUP LTD**

**Second Defendant**

**HAMPTON INSURANCE COMPANY LIMITED**

**Third Defendant**

**STEPHEN DICKSON**

**Fourth Defendant**

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**Affidavit of Hywel Lloyd Jones**

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**CLE/GEN No. 1052**

**2007**

*Lennox Paton*

**Lennox Paton**

Fort Nassau Centre

Marlborough Street

Nassau, Bahamas

Attorneys for the Defendants