

ESTATE OF **COLIN IAN ESTWICK DEANE**, DECEASED

ASCOT HOUSE

CHELSEA ROAD, SAINT MICHAEL
BARBADOS. W.I.

IAIN DEANE

SOLE EXECUTOR & PERSONAL REPRESENTATIVE

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25 February, 1997

Vernon O. Smith Esq.,
Messrs. Smith & Smith,
Gladstone House,
Pinfold Street,
BRIDGETOWN.

FAX: 429-3017

Dear Vernon,

H. deB Forde QC.,
Juris Chambers,
Kays House,
Roebuck Street,
BRIDGETOWN.

FAX: 429-2206

Dear Henry,

Mrs. M.I. Knox,
Bannatyne Cottage,
c/o PO BOX 88WRD,
Welches Road,
ST. MICHAEL

FAX: 429-3200

Dear Aunt Madge,

RE: RECEIVERSHIP OF KINGSLAND ESTATES LIMITED

As we prepare the information for you to commence the necessary steps to have the Courts appoint a Receiver Manager for Kingsland Estates Limited, there are certain items which tend to suggest that there has been a mammoth and far reaching conspiracy not only within Kingsland Estates Limited, but outside it as well.

The basis of my statement is contained in a "Managers" Notebook in the handwriting of the late Colin Deane and covering the period January 7th 1982 through 11th March 1982.

A. COLIN DEANE'S EVIDENCE IN NOTE BOOK

1. **LAND SALES** (commencing on page 3 of the notebook and dated 7th January 1982.

(a) **LAND DEVELOPMENT & BUILDING LIMITED.** Being looked after by Lee Deane. The note reads, "About 30 acres East of Kendal Hill & above Grape Tree. Pillersdorf. Blades. Expectation \$18,000.00 per acre. Letter in post." Expectancy is \$540,000.00.

(b) **PAT & ALGY SYMMONDS.** Being looked after by Lee Deane. The note reads, "Land at Adams Castle \$30,000.00". Please note that in 1993, 11 years later, this land was sold to Algy and Pat Symmonds for \$26,888.00. Less than had been negotiated 11 years previously.

2. **BARBADOS NATIONAL BANK.** There are several entries relating to BNB of which Colin Deane himself was a director. It is important to list these by date as they appear to be telling us a story.

(a) **JANUARY 14th 1982.**

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- (i) Note reads, "BNB Statement - checked"
- (ii) Note reads, "Keith BNB Current a/c. Bank Statement. Ag. Div.: Entries & Statement \$582,000.00."
- (b) JANUARY 21ST 1982. Reads:
"PEAT MARWICK AUDITORS:-
See Note Book. 19th January 1982.
BNB Original Loan \$690,000.00
Balance Due \$267,620.00
Interest -
Instalments unpaid 30
Collateral 3 acres at Wotton House
Spion Kop & Craigwell
Re Instalments Due (30). I spoke with Mr. Stewart [?Hayman of Laymon] 19-1-82. We decided to place question marks against Instalments unpaid.
- (c) FEBRUARY 3RD 1982. Reads:
"BNB. Peat Marwick - Horatio Cooke. Statement.
- (d) FEBRUARY 18TH 1982. Reads:
"COOKE - Ag. Div. - Payments & Interest re: Peat Marwick

3. The foregoing and the CONSTANT repetition of "PEAT MARWICK" raises the question, "Was Peat Marwick the firm of auditors that Colin Deane used for the business of Kingsland Estates Limited?" This is a MOST important question raising as it does, the following issue

- (a) Why was the connection with Peat Marwick discontinued?
- (b) Why was Coopers & Lybrand brought in as auditor?
- (c) If Peat Marwick WAS the auditor, why did the Board of Directors give us a false statement on which we relied in signing the warranties of the SBG Agreement to the effect that Colin Deane had never employed an auditor for Kingsland Estates and that, following the fire in 1975, no attempts had been made to re-constituted the accounts until, like Tarzan and Jane, enter Eerie Deane and David Cuke. What Eerie Deane is stating is that the BNB allowed Kingsland Estates Limited to borrow money for a period of over 17 YEARS without requiring audited accounts. Further, Eerie Deane stated that there was no accounting of any sort for Kingsland, yet I have established that Colin Deane had made all the necessary corporate and personal Income Tax returns for the relevant periods up until his death - INCLUDING THE PERSON INCOME TAX RETURNS OF ERIE DEANE WHICH ARE IN COLIN DEANE'S HANDWRITING! Please also note that David Cuke implied that no audited accounting had taken place during the tenure

(By Facsimile and/or Electronic Mail - 25 February, 1997)

of office of Colin Deane. In implying this, was David Cuke relying on the statements of Erie Deane or was he part of some conspiracy?

(d) Given the land sales, how did the debt escalate as it did?

I have spoken to Jane Goddard and we are trying our best to establish what actually happened here. However, I think it is indisputable that yourself and CERTAINLY Henry are far better placed to obtain the information which we need.

It is my understanding that Erie Deane has been advised that any action we may take is outside the time period for Limitation of Actions. However, the HOUSE OF LORDS handed down a decision January 23rd 1997 in the case of KERSHAW vs WHELAN (No. 2 - no ruling has yet been given on No. 1) in which it ruled that Limitation cannot apply either directly or by analogy to a claim in equity. It would seem, therefore, that we can pursue a claim for fiduciary breach, in the absence of laches or acquiescence, even where claims of negligence etc. MAY be statute barred. In reaching their decision, the House of Lords paid great attention to the act of CONCEALMENT on the part of the defendant and, because of this, determined that he had failed to make out the defence of laches.

I am in TOTAL agreement with you and am firmly convinced that we MUST place Kingsland Estates Limited into receivership. There is NO option. To delay any longer is to shut one's eyes and hope that the bogey man will go away. I have made it clear to Aunt Madge that we shall be acting with or without her - it is a matter for her to take advice on of her attorney-at-law and to instruct him. I would also like you to give some thought, in the circumstances of ultra vires acts and members of the board who have conflicts of interest, in making application for a Writ of Mareva pending the appointment of a Receiver Manager by the Courts.

As to the person whom we would find it best to recommend and ask be appointed as Receiver Manager, Jane Goddard and I both feel, pending further discussions between us, that Mr. TONY HOYOS would be good. Not only is he a most highly qualified accountant, but he is also a director of the BNB and, as such, should certainly be acceptable to BNB/BACT and any other interested Government organisations.

B. LIST OF KINGSLAND ASSETS DISPOSED OF OR COMMITTED WITHOUT NOTICE

1. **KEBLE WORRELL LIMITED.** Breach of performance by Keble Worrell Limited. No Closing Notice issued by Kingsland Estates. Subsequent amendment carried out *ultra vires*.
2. **EVELYN STABLES AT BANNATYNE.** An undertaking signed by Erie Deane without the Agreement having been submitted to the Board. Subsequent charging of rent to Evelyn without reference to shareholders.
3. **GARY FOSTER.** Rental of land at South Ridge which is under Agreement to Keble Worrell Limited to Gary Foster. The issue with Keble Worrell is *sub judice*.

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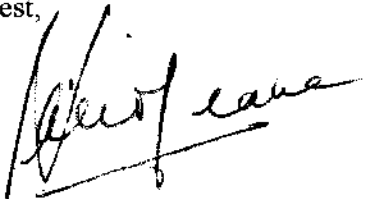
4. **DEMOLITION OF CRAIGWELL**. No financial details have been provided despite requests. This demolition was carried out in 1994.
5. **SALE OF SHARES IN:**
 - (i) **BANK (BARBADOS) BREWERIES LIMITED** (1,955 common shares).
Sold in or around May 1994.
 - (ii) **BARBADOS DAIRIES INDUSTRIES LIMITED** (3,000 common shares).
Sold in or around 1994.
 - (iii) **BARBADOS SUGAR INDUSTRIES LIMITED** 70,483 common shares).
Disposed of and no information available.
 - (iv) **PLANTATIONS HOLDINGS LIMITED** (37,890 Common Shares). No
information on disposal available.
 - (v) **PLANTATION HOLDINGS LIMITED** (2,000 6% perfs). No information
on disposal available.
 - (vi) **CARTER HOUSE DEVELOPMENT LIMITED** (12,500 Common Shares
being 51% of the share issue). There are two house spots (approx. ½ acre) left.
These have been valued for sale at \$14.00 per sq. ft. setting a value of
\$304,920.00 for the assets.
 - (vii) **COURTESY GARAGE LIMITED** (94,645 common shares). It is
reported that these have been disposed of.
6. **RENTAL OF BUILDINGS AT WOTTON**. It is our understanding that these have been
rented out. We have been given no information on the rental agreement or on the amount for
which they have been rented.
7. **SALE OF TREES**. Quantities of mahogany and other trees have been sold off and no
information on monies so acquired has been submitted.
8. **CRAIGWELL & SPION KOP PROPOSED SALE OF ALLARD ET AL**. Our
information first was that Howard Johnson's had tried to acquire this land. Next, it was
reported out of Henry Forde's office that a derisory offer had been received by Kingsland and
BACT and he had told BACT that if they attempted to allow a sale, he would be suing them
on behalf of Mrs. Knox.
9. **PLANTATION VEHICLES**. We have been asking for lists 1985 - 1997 of these with costs
and depreciations. They have NOT been forthcoming.
10. **LAND SALES**. Attached is a schedule of Land Sales falling within the period 1982 - 1993
with price per sq. ft. and a conservative estimation of what the prices should actually have
been. **THE CONCLUSION** is that between the years 1982 and 1993, Kingsland Estates

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Limited sold off \$7,367,840.00 sq. ft. (168.793 acres) for \$3,472,491.13. The land is valued at the times of the several sales at \$16,802,961.71 representing an undersell factor of \$13,330,470.58. THESE SALES WERE SANCTIONED BY THE BNB THROUGH ITS APPOINTED ATTORNEY MR. IAN STANLEY ROBINSON.

11. SALE OF LANDS AT HANSON. In the course of the immediately preceding week, lands at Hanson as they abut and abound the property of Mr. Francis Deher have been surveyed. This land overlooks the Buckley Valley and comprises about 22 acres (958,320 sq. ft.) of PRIME DEVELOPMENT LAND which has been officially valued UNDEVELOPED at \$7.00 per square foot. This sets the value of the land at \$6,708,240.00.

Best,



<u>DEED NO.</u>	<u>NAME OF PURCHASER</u>	<u>SQ. FTGE</u>	<u>CONSID</u>	<u>PER SQ. FT.</u>	<u>VAL SQ. FT</u>	<u>REAL VALUE</u>
4808/83	LOWE, G.E.L.	105,260	29,000.00	\$0.28	\$0.75	\$78,945.00
4753/83	B'DOS LIGHT & POWER LTD.	200,571	111,800.00	\$0.56	\$1.00	\$200,571.00
1716/84	DEHER, J.F.	134,553	28,954.00	\$0.21	\$2.50	\$336,382.50
6173/85	HALOUTE, A.A. & S.M.	724,693	116,456.48	\$0.16	\$2.50	\$1,811,732.50
2716/86	FORD, R.A.M. & J.D.	184,816	60,000.00	\$0.32	\$1.25	\$231,020.00
6605/87	BMLAS	2,009,730	1,004,884.00	\$0.50	\$1.50	\$3,014,595.00
8489/87	EVELYN CONCRETE WORKS LTD	180,941	50,000.00	\$0.28	\$2.00	\$361,882.00
3249/88	LAND HOLDINGS LTD	274,975	157,500.00	\$0.57	\$2.00	\$549,950.00
011866/88	LAND DEVELOPMENT & HOLDINGS LTD	159,368	80,000.00	\$0.50	\$2.25	\$358,578.00
3697/89	JARVIS, E.T	4,294	398.95	\$0.09	\$0.50	\$2,147.00
9264/89	HINDS TRANSPORT SERVICES LTD	166,733	76,500	\$0.45	\$4.00	\$666,932.00
9340/88	FELIX BROOME INC.	124,894.00	143,359.38	\$1.15	\$2.50	\$312,235.00
001064/89	LAND DEVELOPMENT & BUILDING LTD	635,609	276,165.00	\$0.43	\$2.50	\$1,589,022.50
5597/89	TINY TOTS LTD	68,049	67,500	\$1.00	\$2.50	\$170,122.50
2954/89	GRIFFITH, GRANVILLE	196,001	88,760	\$0.45	\$2.50	\$490,002.50
703/90	CARIBBEAN COMMERCIAL TRUST	193,643	100,000.00	\$0.52	\$2.75	\$532,518.25
5605/89	NASON, A.P.	193,643	79,857.00	\$0.41	\$3.00	\$580,929.00
8301/89	LAND DEVELOPMENT & BUILDING LTD	854,762	502,453.62	\$0.59	\$2.50	\$2,136,905.00
10711/89	HARRISON, M.U. & L.A.	20,113	\$47,662.70	\$2.36	\$2.50	\$50,282.50
11692/89	LAND HOLDINGS LTD	437,122	275,960	\$0.63	\$2.50	\$1,092,805.00
14/90	SENTINEL SECURITIES LTD	183,632	73,093.00	\$0.40	\$2.50	\$459,080.00
1993	HOLLYWOOD FASHIONS	143,748	59,725.00	\$0.42	\$4.00	\$574,992.00
1993	SYMMONDS, ALGY & PAT	80,581.64	26,888.00	\$0.33	\$10.00	\$805,816.40
1993	METHODIST CHURCH	78,146.64	5,040.00	\$0.06	\$5.00	\$390,730.00
1993	DEHER, J.F.	11,961.58	10,534.00	\$0.88	\$7.00	\$83,731.06
		7,367,840	3,472,491.13			16802961.71