

**IN THE HIGH COURT OF JUSTICE  
ST. CHRISTOPHER AND NEVIS  
ST. CHRISTOPHER CIRCUIT  
(CIVIL)  
A.D. 2004**

**CLAIM NO.: SKBHCV2003/0222**

**BETWEEN:**

**RICHARD ROWE  
And  
MARK SECRIST  
(As Representative Claimants)**

**CLAIMANTS**

**AND**

**ADMINISTRATIVE SERVICES LIMITED**

**1<sup>ST</sup> DEFENDANT**

**B.M.T. LIMITED  
(d/b/a The Angelus Resort, Paradise  
Beach Resort and Casino or Paradise  
Beach Resort and Convention Center)**

**2<sup>ND</sup> DEFENDANT**

**J.I.K. LIMITED**

**3<sup>RD</sup> DEFENDANT**

**THE EXECUTORS of the Estate of Bill  
Gagnon also known as Bill Sherwood,  
Deceased)**

**4<sup>TH</sup> DEFENDANT**

**SIR PROBYN INNISS  
(Individually and as Executor of the  
Estate of Mary Estes, Deceased)**

**5<sup>TH</sup> DEFENDANT**

**ROBERT MORSE ESTES  
(Individually and as Executor of the  
Estate of Mary Estes, Deceased)**

**6<sup>TH</sup> DEFENDANT**

**PARADISE PARTNERS LIMITED**

**7<sup>TH</sup> DEFENDANT**

**AFFIDAVIT OF DENISE STAPLETON**

I, Denise Stapleton of Seaview Gardens in the island of St. Christopher make  
**oath and say** as follows:

1. I am the Bookkeeper at the Angelus Resort, the property of B.M.T. Limited. I started working for Bill Gagnon, then owner of Administrative Services Limited in February 1999. I am familiar with the operations of the Defendant companies herein as their operations were all intricately intertwined. The 5<sup>th</sup> and 6<sup>th</sup> Defendants are also known to me.
2. The facts and matters deposed to herein are within my own knowledge unless otherwise expressly stated. Insofar as they are within my own knowledge, the facts and matters deposed to are true. Insofar as they are not within my own knowledge, the facts and matters deposed to are true to the best of my knowledge and belief. Where I rely on matters not within my knowledge the source I rely on for my information and on which my belief is based are the persons or documents I refer to or both.
3. As Bookkeeper at the Angelus Resort (and formerly for Administrative Services Limited) I am responsible for paying wages, recording monies coming in whether by wire transfer, cheque or cash, out going wire transfers, accounts payable and accounts receivable. As such I know of the persons who invested funds, the amounts and ultimately where the funds were eventually placed. I am also familiar with the functions of other staff members to the extent that those functions impacted my functions.
4. All the Defendant Companies held bank accounts at the St. Kitts Nevis Anguilla National Bank in St. Kitts ("National Bank"). Accounts were also held at Swiss American Bank in Antigua at some point but were eventually closed. Incoming monies rarely came in the form of cash. Rather monies would be sent via wire transfer or cheques. Whenever I was informed that investors had sent monies via wire transfer I would monitor the bank account to determine when those funds were received. Once the funds were received I would make the relevant entries on the QuickBook Registers that I maintained on the computer system at the office.
5. I knew that Derrick Fraites, a fellow employee, was responsible for maintaining some Books containing similar information. Therefore I would inform him as to the receipt of the incoming wire and the related details to enable him to update his books. This I knew he did.
6. I was aware that records were kept of all cash transactions, both incoming and outgoing, trusts registrations and renewals, and incoming and outgoing Federal Express transactions. These were kept in separate books but I did not have responsibility for maintaining these. The books were kept in filing cabinets at the offices used for Administrative Services

Limited and B.M.T. Limited. In fact the offices were used for all the Defendant Companies.

7. Derrick Fraites was also responsible for maintaining the records of monies received by cheques. He would update the book, recording source of the incoming monies, the amount sent and the purposes for which the monies were sent. He would then deposit the cheques in the bank account of Administrative Services Limited maintained at National Bank. Sometimes the cheques would be deposited in the accounts of B.M.T. Limited or Jehovah Jireh held at the same Bank.
8. Clients sent monies to Administrative Services Limited for several different purposes, for example, for the purpose of purchasing a trust, renewal fees for a trust and for investment in one of the several schemes promoted and sold by Bill Gagnon. The monies sent would be deposited in various accounts of Administrative Services Limited and/or B.M.T. Limited and/or other accounts.
9. Monies would then be withdrawn from these accounts for repayment of investments when they became due and the client requested a payout, interest payments to investors, payment of staff wages, general expenses and overheads of the Defendant companies, and for the general construction expenses of Paradise Beach Resort now known as The Angelus Resort which at the time was under construction and not generating any income of its own. Monies were withdrawn from the said accounts and used to purchase building materials that were then used in the construction of the Resort.
10. There were also many internal transfers, that is, the transfer of monies from the account of one of Defendant Company into another. I was personally responsible for carrying out these transactions and so I am fully aware of what took place. I knew the purposes for which the monies were sent and I knew that they were not always utilized according to the purposes for which they were sent but I was acting on the instructions of Bill Gagnon when he was alive and thereafter Brad Woodard who used to work for Administrative Services Limited.
11. Sometime late in 2003 I was at work when Robert "Bob" Estes and Roland Thomas, the CEO of B.M.T. Limited, instructed Derrick Fraites and me to place all the files that did not belong to B.M.T. Limited in boxes as they were not supposed to be on the premises. This instruction was given on several occasions, sometimes in Derrick Fraites' office and sometimes in mine. The files in question were investors' files, trust files, any and

everything that did not relate to B.M.T. Limited. These instructions also specifically came from Mr. Sylvester Anthony whom I knew from seeing him around the office. I knew him to be a lawyer and the lawyer for B.M.T. Limited.

12. Derrick Fraites and I along with the assistance of Kurtney Glasgow, a former security officer at the Resort, together with other members of staff gathered the files and packed them in cardboard boxes as instructed. Also packed in the boxes were company stamps, seals and other books. The boxes were then labeled so that we knew what was in each box and sealed with tape and/or rope. I labeled the boxes that I had packed whilst Derrick Fraites labeled those he had packed. I was aware that Derrick Fraites had also instructed someone to assist him in labeling some of the boxes. The boxes then remained in the office for a while until they were taken to the offices of Larkland Richards on the instructions of Robert Estes and Roland Thomas. Thereafter I did not see the boxes again.
13. I knew of Larkland Richards from a long time ago. I knew him to be a hotelier. Last year I became aware that he was the lawyer for the Estate of the late Marv Estes.
14. On another day in February 2004 whilst I was again at work, sometime after midday, Larkland Richards and Sylvester Anthony came to the office. It appeared to me as if both men had just come from court as they were both still dressed in suits. They came into the office. Derrick Fraites, Shervin Christopher, a part-time information technician with the Angelus Resort, and I were present. I am uncertain as to whether Sylvester Mason, a security officer with the Angelus Resort, was already in the office when Larkland Richards and Sylvester Anthony came in or if he later came into the room. Sylvester Mason was however in the room when the conversation started.
15. I recall that Sylvester Anthony started the conversation by asking if we had any "red books, green books or books of any other colour in the office". He was speaking to Derrick Fraites. The office is fairly open so everybody present could hear what was being said. I was doing my work and I did not get up to assist the men. Derrick Fraites began to look for the books requested. Sylvester Mason, the security officer, also began looking in the drawers of the desk that was used by the security officers. That desk was previously used by a former employee, Brad Woodard.
16. Sylvester Mason found some documents in the desk. There was also a box with some documents that was next to the security's desk. A blue/green ledger was found in that box. Sylvester Anthony then said in an urgent

voice that we had to clear the premises of everything that did not belong to B.M.T. Limited.

17. The other materials found on the premises that day that did not belong to B.M.T. Limited were again packed into boxes and later taken to Larkland Richards' office. I don't recall how many boxes there were but Derrick Fraites had informed me when he was leaving that he was going to take the boxes to Mr. Richards' office. I know that Sylvester Mason went with Derrick Fraites. That was the last time I saw those boxes or the things packed in them.
18. To my certain knowledge there were at least two occasions when files and documents were packed up in boxes and taken off the premises.
19. On or about February 27, 2004 I was instructed by Roland Thomas to prepare a cheque payable to KDP Enterprises for the sum of \$1,611.77. I know that KDP Enterprises are the ground handlers for Amerijet, a cargo jet that runs directly between St. Kitts and the United States of America. I prepared the cheque as instructed and gave it to Ancilla Chumney, a fellow employee, or Scott Ward, the manager of The Angelus. I cannot recall with certainty which one of the two. I later received an invoice, which indicated that the cheque was payment for freight of 15 cartons sent to Atlanta, Georgia in the United States of America.
20. It was only after the boxes had been air freighted that I became aware of the fact. The boxes were actually air freighted in the name of Ancilla Chumney an employee of the Angelus Resort whose function was to do the odds and ends in the office. Her job title was 'Clerk of Works'. We were later told by Robert Estes and Roland Thomas that the boxes had in fact been sent to the IRS in the United States of America.
21. One day after February 27, 2004 Roland Thomas came into the office and said to Derrick Fraites, Shervin Christopher and me that we were to delete all files that had nothing to do with B.M.T. Limited from the computer system. Roland Thomas made it clear that he wanted all traces of information pertaining to the other Companies deleted from the system. In my presence Roland Thomas asked Shervin Christopher whether he had access to any "bleaching software" which could be used to delete all traces of information recorded on the hard drives of the computers in the office. Shervin Christopher said he did not have access to any such software.
22. I deleted all the information not pertaining to B.M.T. Limited from my computer as instructed. Later Roland Thomas came to me and asked me

for the password to gain access to my computer. I gave him the password. I do not know if he went onto my computer system.

23. I am aware of the ongoing litigation between the Claimants and the Defendants and am still employed at The Angelus Resort at the time of swearing this affidavit. I know it to be true that there were hundreds of investors and trust clients who invested monies through Administrative Services Limited in one or the other of various schemes promoted by Bill Gagnon. I also know it to be true that large sums of those investors' funds were used to fund the construction of what is now The Angelus Resort. I know this because I was the one who handled the day to day finances of the Defendant companies under instructions from management and was therefore aware of the movement of funds from investors into various accounts, the movement of funds as between accounts and the use of those funds to pay for building materials, wages and general construction costs of what is now The Angelus Resort.
24. I have come forward willingly and of my own accord to set out my role and knowledge as bookkeeper for Administrative Services Limited and B.M.T. Limited and in the interests of fairness and justice to all the parties involved in this unfortunate situation.

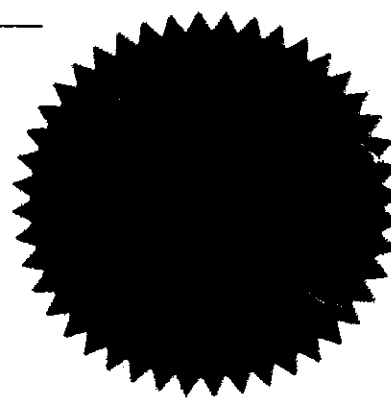
And I swear this Affidavit accordingly knowing the contents to be true in every respect.

Sworn at Basseterre )  
in the island of St. Kitts )  
This 4<sup>th</sup> day of June, 2004 )  
Before Me:-

*Patricia Dublin*

**PATRICIA A. DUBLIN  
NOTARY PUBLIC  
ST. KITTS-NEVIS**

  
Denise Stapleton



Filed by Daniel, Brantley & Associates of Chambers, Main Street, Charlestown, NEVIS, Solicitors for the Claimants.