

IN THE EASTERN CARIBBEAN SUPREME COURT  
HIGH COURT OF JUSTICE  
ST. CHRISTOPHER & NEVIS  
ST. CHRISTOPHER CIRCUIT  
(CIVIL)  
A.D. 2006

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 & 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

ROBERT MORSE ESTES

(Individually and as Executor of the  
Estate of Mary Estes, Deceased)

5<sup>TH</sup> DEFENDANT

PARADISE PARTNERS LIMITED

6<sup>TH</sup> DEFENDANT

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FIRST AFFIDAVIT OF DWAYNE K. PARSONS

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I, DWAYNE K. PARSONS, of 1903 Arbor Way, Sandpoint, Idaho, 83864, U.S.A,  
MAKE OATH AND SAY AS FOLLOWS:-

1. I swear this Affidavit in support of the Claimants' Action and to provide an account of my involvement with Bill Gagnon, also known as Bill Sherwood, Mary Estes, Robert Estes and others; and with the various investments schemes which were set up and administered by these individuals and which resulted in the acquisition of the Paradise Beach Resort in St. Kitts.
  
2. I swear this Affidavit from facts within my own knowledge, save where otherwise appears. Matters to which I refer in this, my first Affidavit, are within my own knowledge and are true. Where I refer to matters not within my own knowledge, the sources of such information are stated and I accept such information to be true to the best of my knowledge and belief. Now produced, and shown to me and marked Exhibit "DP-1" is a bundle of paginated papers. This bundle represents a true and accurate set of copies of documents I recognize from the time I worked for Bill Gagnon.
  
3. I first met Bill Gagnon in approximately 1998. I had been without gainful employment in rural Montana for a period spanning five months and had heard that Bill Gagnon kept food in his garage which he gave freely to poor people. Bill Gagnon operated a Christian ministry and I understood that he had been ordained as a minister and that this food was part of his ministry. At this time, Bill Gagnon was certainly not a rich man. To the best of my knowledge, within a year prior to my meeting him for the first time, Bill Gagnon earned his living from cutting wood. I knew this from what Bill told

me, and what I personally saw, for he often bragged about it. When I knew Bill he was married to Mary Estes, who was crippled with multiple sclerosis.

4. At the time of my first meeting him, I was a published author. When Bill learned this, he asked me to write a newsletter. The newsletter was called "Tax Haven Freedom". A true copy of an edition of this newsletter dated June, 1998 is now produced and shown to me at "DPI". I wrote this based on what he told me to write. It will be seen that this newsletter contains a mixture of "plugs" for the Paradise Beach resort; advice on minimizing liabilities to the Internal Revenue Service; discussions of tax haven status and "plugs" for the trust set-up which Bill was marketing. I had no experience in tax law or accountancy. I am neither a lawyer nor an accountant. In fact, I am currently a housepainter. I have followed this trade for much of my working life and at other times I have been editor and layout designer for 2 trade journals, The Real Estate Insider, a commercial real estate magazine serving the greater Seattle, Washington, area and the Dateline News an automotive trade journal serving members of the Automotive Service Association of Washington State out of Kent, Washington. I also edited and wrote for a short-lived community magazine in Great Falls, Montana, where I served various clients in some capacity as a publicist. When I moved to Montana in 1996, I was hired as a publicist for a Nikken Distributor, Greg Nelson, but was laid off in the spring of 1998 for lack of things to do. I had also written three auto-biographical books under contract for people who did not have adequate writing skills, in the period between 1991 to 1998. One of these can

be located on Amazon.com (or comparable bookseller sights) as Flying Over Rainbows, an autobiographical account of Buzz Fiorini, by Dwayne Parsons. Bill seized on this experience of mine and would tell me what to write; my job was to put what he told me into some sort of coherent English and into a format that was suitable for publishing as articles within the newsletters.

5. For the first six (6) months I knew Bill, I lived in Cascade, Montana and Bill lived in Helena, Montana. I would drive up to work for Bill Gagnon on a daily basis at his request. I worked pretty much as a secretary and wordsmith, happy to have a job. This was approximately a 100-mile round trip. Bill seemed to have a deep knowledge of the scriptures but over time, I formed the view that he was in fact a manipulator of people. He managed by using fear, saying often to me in Montana, and later when he was in St. Kitts, that he could fire people at will, and illustrating this comment with examples. Once when I tried to gain employment in Great Falls, Montana, Bill Gagnon would call me at that office every hour asking me what I was doing, until finally I had to quit the other attempt. I saw this kind of management both in Montana and in St. Kitts. At the time of my hiring, Bill knew that I needed the food and the small amounts of money he gave me and that I was in a vulnerable position due to my difficult circumstances in 1998. I believe Bill took advantage of my situation as well as capitalizing on my desire to make a living as a writer. As well as the writing I did, I was also a contact point in Montana after Bill moved to St. Kitts, used primarily to write the newsletters and other promotional materials which I would printed in Great Falls and then

bundled for mailing by Fed-ex down to the Paradise Beach Resort. While I doing this work, I often talked with Derrick Fraites (by telephone) who was, I believe, a secretary within the Gagnon controlled companies.

I do not have any documents from this period, as in late 2002, Brad Woodard, then acting on behalf of Mary Estes, as Bill was dead, and Bob Estes did not yet have power of attorney over Mary's holdings, ordered me to send everything that I had in the way in documentation related to my work for Bill Gagnon and Mary Estes, to him in St. Kitts. I obeyed Brad's instructions.

6. After Bill died, his wife Mary took over. It was difficult to deal with Mary Estes as she didn't appear to trust anybody. Although Mary tried to keep control of as much as possible, she was certainly not an experienced or capable business person, (I concluded) in the habit of being wheel-chair bound wherein all decisions had been made for her since I first met her. It was under Mary's tenure that things really seemed to go wrong. Once Mary's brother, Bob Estes, came into the picture in St. Kitts, I began to think that the investments being made in the St. Kitts Resort were crooked. I never met Bob Estes, not at any point in time, but he seemed overly secretive about everything involving the resort. I gradually realised that the investments were a scam under which a lot of good people thought they were investing in a hotel but in fact lost control of their money.

7. I also worked to some extent with Terry Murphy. Terry worked with Bill Gagnon and Mary Estes. I had met Terry when I was collecting food from Bill Gagnon in 1998. It was obvious to me over a period of time that Terry had serious alcohol problems and I never trusted what he said or did. Bill often talked about Terry's problem. My understanding was, however, that he was a partner to Bill and Mary Gagnon and therefore had some authority over me whether I liked it or not.
  
8. After Bill's death, knowing that Mary Estes was looking to find a third party investor to complete the resort, I travelled to St. Kitts with a man named Ken Lords whom I met in Great Falls, Montana, who claimed to have the backing sufficient to buy the Resort. He paid all expenses for the trip, though I knew little about him. My hope was that Mr. Lords would be able to come through on behalf of the investors. While I was there, I saw that Mary Estes was also being wooed for a business relationship by Roland Thomas and another man, a partner to Roland whose name I do not recall. Several of us met in a restaurant for lunch. Also present were Brad Woodard, Mary's son, Tim, Ken Lords and myself. The atmosphere was cordial and no specific dealings were discussed at that table, nor was I ever included in any business dealings with either Roland Thomas and his partner or Ken Lords. Ken Lords remained in St. Kitts, convinced that he could accomplish his buyout, though he did not. I flew back to the United States shortly after that lunch meeting and have since lost contact with Mr. Lords. I understand that he worked for Mary Estes for a

short time, but was fired by Brad Woodard. The last I heard was that he'd moved to Antigua.

9. I worked fairly closely with Derrick Fraites by telephone. Bill and Mary treated Derrick much like a servant with secretarial abilities. I always thought Derrick was very honest and reliable as he proved to be genuine and a real pleasure to work with. I met Denise Stapleton while there also and she seemed to me to be quite sensible, down-to-earth and conscientious.
  
10. When Bill and Mary moved to St. Kitts, I was given a plot of land in rural Montana. The plot was 20 acres. The land was vested in a trust known as Jehovah Jirah. It was raw land with a well on it. I put a trailer on the land and a generator and for a while my family and I believed we would stay in Montana. Bill had put the land into this trust under the premise that it would be mine for life as long as I continued to work on his behalf. This arrangement had been carried on by Mary after Bill's death. Mary said when she took over that though I would no longer receive pay checks from her, I could remain on the land if I continued to help her, as I had Bill. Mary died, I believe, several months later, sometime after which Terry Murphy wrote to me saying that because I was not making "rent payments on the land" he wanted it back and showed evidence of papers stating that he'd been a partner to Bill Gagnon and Mary. Without money, I could not fight his claim. At that time, I was cutting and selling firewood for a living, following in the imagined tracks of Bill Gagnon. I surrendered the land, during the recovery period from the injury

sustained as described in paragraph 11 below. Terry Murphy took it over for resale to the best of my knowledge and kept the money for himself.

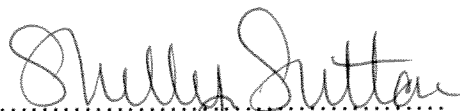
11. That summer, in 2002, I was hit by a tree while cutting wood in North Idaho where I had gone for a week's work to help a friend clear timber. I broke my neck and my back in the accident. Though I have recovered, it was during the period of my recovery from the injury that I was ordered by Brad Woodard to send all documentation related to Gagnon/Paradise Beach to St. Kitts. I was happy to do so in that by then I was thoroughly disgusted with everything to do with the above. I wanted to dust my feet and leave it all behind. As I recovered, I was advised by a therapist to take up a profession which would involve me in physical exercise. I had worked as a housepainter in my twenties and thirties and went back to that occupation. I am now a licensed painting contractor in the State of Idaho.

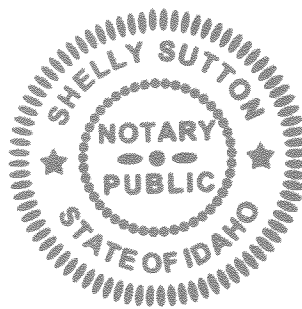
12. I confirm that the contents of this Affidavit are true.

SWORN this 10<sup>th</sup> day of )  
January, 2007 at Sandpoint, )  
Idaho )

  
DWAYNE K. PARSONS

BEFORE ME: )

  
Notary Public/Commissioner for Oaths



7-12-2014

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FIRST AFFIDAVIT OF DWAYNE K.  
PARSONS

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