COMPLYPORT
COMPLIANCE LEADERSHIP

# PAUL GRAINGER'S EXPERT REPORT

For Kingsley Napley re:

London Capital & Finance PLC and Others

and

Paul Careless and Surge Financial Limited and Others

27 July 2023

COMPLYPORT LIMITED
34 Lime Street, London, EC3M 7AT

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## Overview

In this Expert Report, I provide expert opinion to Kingsley Napley (the instructing party), in response to the question put to me in my instructions. They require me to give expert opinion, on what was, for the period from 2015 to 2019, the ordinary market rate (or, in the absence of a relevant market, the rate that would have been agreed between reasonable parties in an arm's length transaction) for services of the type specified in paragraph 5(3) of the Defence of the Fifth and Sixth Defendants?

Paul Careless (who was a director of and shareholder in Surge Financial Limited) is the Fifth Defendant. Surge Financial Limited (Surge) is the Sixth Defendant. Surge provided services to London Capital & Finance Limited (LCF) relating to marketing and promotion of a financial instruments known as mini-bonds. LCF is now in administration.

## 1 Statement of Instructions

1.1 This report has been prepared following instruction as an Expert, by Kingsley Napley who act for the Fifth and Sixth defendant in this case.

1.2 The instruction requires me to give an opinion on what was, for the period from 2015 to 2019, the ordinary market rate (or, in the absence of a relevant market, the rate that would have been agreed between reasonable parties in an arm's length transaction) for services of the type specified in paragraph 5(3) of the Defence of the Fifth and Sixth Defendants?

1.3 A summary of my instructions is included at Appendix 2.

## 2 Qualifications and Experience

2.1 I hold the following academic and professional qualifications:

- Bachelor of Arts (Dual Honours);
- Chartered Fellow of the Chartered Institute for Securities and Investment;
- Chartered Wealth Manager;
- Certified Financial Planner;
- Associate of the Personal Finance Society.

2.2 I am a financial services regulatory and compliance consultant. I have 35 years' experience of regulatory and compliance consulting in financial services, predominantly in the United Kingdom (UK). I also have financial services regulatory and compliance consulting experience in overseas jurisdictions.

2.3 I am currently a Non-Executive Director and Non-Executive Chairman of Complyport Limited. I have experience of advising regulated financial services companies and other companies on the management of Governance, Risk and Compliance (GRC) matters. This includes issues relating to the day-to-day management of a firm, the identification of and mitigation of key business and regulatory risks and the design and implementation of compliance processes and procedures to ensure compliance with regulatory requirements.

2.4 I have 30 years' experience of acting as a company director. During this time, I have held the position of executive director or non-executive director in 20 companies.

2.5 As a regulatory consultant I have advised client firms on making applications to regulators for authorisation as investment advisers, investment managers, fund managers, banks, payment services providers, money services businesses and issuers of electronic money. I have experience of advising firms on compliance with relevant regulations regarding the operation of such businesses and the prevention of financial crime, money laundering, terrorist financing and bribery and corruption within the banking and payment services sector.

2.6 I was formerly a practising financial planner and Independent Financial Adviser (IFA). I remain qualified at the standard required by the Financial Conduct Authority (FCA) including for the role of Pension Transfer Specialist, but no longer practice. I have over 40 years' experience of financial advice, investment management and collective investment undertakings (including mutual funds and alternative funds). I also have experience of dealing with the administration of Occupational Pension Schemes (OPS), Small Self-Administered Schemes (SSAS) and subsequently Self-Invested Personal Pension Schemes (SIPPs) and similar retirement benefit arrangements.

2.7 I was formerly a Non-Executive Director (NED) of a financial services group that had subsidiaries providing investment management, investment funds management, financial planning advice and mortgage advice. In addition to being a member of the group Board, I was also Chair the Group's Risk and Compliance Committee, sat on the Group's Remuneration Committee and I was the Group's Whistle Blowing Champion.

2.8 I am Chairman of the Association of Governance Risk and Compliance (AGRC), which is a professional and educational body that promotes best practice and improving standards for governance, risk management, compliance management and cyber security principally in the financial services sector.

2.9 I am a member of the Examinations Board of the Chartered Institute of Securities and Investments (CISI), which oversees examination standards for advisers and practitioners in the financial services industry. I also train assessors for financial planning qualifications and sit on the CISI Examination Panel that sets financial planning examinations for financial planners.

2.10 I have carried out Section 166 Skilled Persons investigations and reports for the Financial Services Authority (FSA) and subsequently for the FCA into the suitability of advice given to clients involving investment instruments and insurance policies, the administration of pension schemes and the investment of pension scheme assets. I have also carried out investigations for and provided expert opinion to the Institute of Chartered Accountants in England and Wales (ICAEW). The investigations and opinion related to the conduct of member firms that were authorised by the ICAEW to carry out investment business.

2.11 I have over 30 years' experience of acting as a Compliance Officer and Money Laundering Reporting Officer in the financial services sector.

2.12 In addition to having attended numerous seminars, courses and briefings given by various regulators, I have received training in conducting investigations, investigative interviews and assessment techniques. I have also contributed to professional publications and journals on the subject of corporate governance, regulation and compliance, financial planning and wider financial services.

2.13 I am a Non-Executive Director of and Member of the Association of Professional Compliance Consultants (APCC). I sit on working groups within the APCC.

2.14 I am the former Chairperson of the Financial Planning Standards Board (FPSB UK), involved in setting educational and skills standards for the financial planning profession.

2.15 I was formerly the Senior Assessor for the Certified Financial Planner Licence in the UK and sat on the Education Committee of the Institute of Financial Planning. I was the chief author of the Certified Financial Planner Licence UK syllabus and assessment methodology (prepared for the Institute of Financial Planning). I am a former visiting lecturer at the European Academy for Financial Planning in Germany.

2.16 My Curriculum Vitae is attached at Appendix 1.

## 3 No Conflict of Interest

3.1 To the best of my knowledge and belief, I am not undertaking and have not undertaken any employment or activity that would raise a possible conflict of interest with my instructions in this case.

## 4 Instructions and Purpose of Report

4.1 I have been instructed by Richard Clayman, of Kingsley Napley, to provide an expert report for the case of London & Capital Finance Limited and Others v Paul Careless and Surge Financial Limited and others. My instructions are contained in a letter from Richard Clayman dated 30 May 2023.

4.2 Paul Careless (the Fifth Defendant) and Surge Financial Limited (the Sixth Defendant) are collectively referred to as the Surge Defendants.

4.3 In an Order dated 24 May 2022, Mr Justice Miles gave permission for the Surge Defendants to obtain expert evidence on the following issue:

*"In the period from 2015 to 2019, what was the ordinary market rate (or, in the absence of a relevant market, the rate that would have been agreed between reasonable parties in an arm's length transaction) for services of the type specified in paragraph 5(3) of the Defence of the Fifth and Sixth Defendants?"*

## 5 Background

5.1 The background information below, is based upon the documents provided to me (including the Case Memorandum) with my instructions. I have also drawn upon my own knowledge of the regulatory environment at the relevant time.

5.2 Page 36 of the Re-Re-Amended Particulars of Claim states that the Fifth Defendant, Paul Careless, owned or controlled the Sixth Defendant, a company called Surge Financial Limited (Surge), from 6 April 2016. He became a director of Surge on or around 7 July 2017.

5.3 Between 2015 and 2019, Surge provided services to LCF to support the issue of mini-bonds. These services included marketing services, technology services and account management services.

5.4 From August of 2015 and through to the Summer of 2017, Surge was in discussion with London and Capital Finance PLC (LCF) regarding completion of a draft Services Agreement to document the provision of the services to support the issue of "mini-bonds" to prospective investors. The discussions were still ongoing in July 2018.

5.5 In the Amended Defence of the Fifth and Sixth Defendants, at pages 26 and 27, it is confirmed that Surge was charging LCF a fee of 22.5% or 25% of monies raised from bond purchases.

5.6 During 2018, LCF issued an Information Memorandum dated 11 June 2018, offering the Series 4 Bond (a mini-bond) to prospective investors. The Series 4 Bond was launched in January 2016.

5.7 The Information Memorandum disclosed (on page 11) that there had been three previous fund raising rounds. The First Fund raising (bond issue) took place in 2013 and was redeemed in 2014. The second fund raising round (Series 2 Bond) was issued between September 2013 and 7 January 2016. This series of bonds had not been redeemed as at 30 April 2018. Series 3 Bonds were issued and remained available for investment.

5.8 On pages 1 and 2 of the Information Memorandum, LCF states that the target market is retail clients who are UK taxpayers, and who fall in the category of either High Net Worth Individual, Sophisticated or Self Certified Sophisticated Investor, or Restricted Investor. It also explains that the Information Memorandum is a financial promotion under S21 of the Financial Services and Markets Act 2000 (FSMA), that the investment carries a high degree of risk and that prior to investment an investor should take professional advice regarding the suitability of the investment for the investor. It also warns that the investment is not transferable and is not regulated by the Financial Conduct Authority (FCA) or protected under the Financial Services Compensation Scheme (FSCS).

5.9 In January 2019 LCF went into Administration.

5.10 On14 April 2018, Surge entered into a Service Agreement with another mini-bond issuer, Blackmore Bond PLC, to provide services that were very similar to those provided to LCF. Although the Service Agreement with Blackmore Bond was signed in 2018, Surge had been providing services to Blackmore Bond regarding mini-bond promotion and marketing since 2016.

5.11 The charge for services provided by Surge to Blackmore Bond PLC was 20% of the funds raised from the bond investors. It is not clear whether the difference in fees charged by Surge to Blackmore Bond PLC compared to LCF, is due to a difference in the breadth and/or depth of services provided to the two firms.

5.12 In April 2020, Blackmore Bond PLC went into Administration.

## 6 Mini-Bonds and the Regulation of Financial Services

6.1 A mini-bond is a loan of money by an investor (a person or firm) to another firm. The loan may be secured on assets or may be unsecured.

6.2 A mini-bond is similar to a conventional bond (loan security) in that it is normally a loan for a specified term in exchange for which the issuer (borrower) will pay a coupon (interest) at specified intervals until the maturity (redemption) date, when the capital is also repaid. However, a mini-bond is not transferable to another person, meaning it must be held to redemption date.

6.3 The provision of financial services and products in the UK is regulated under the Financial Services and Markets Act (FSMA) 2000 (as amended). The regulated activities or regulated financial instruments are defined in FSMA and the Regulated Activities Order 2001 (RAO).

6.4 S19 of FSMA prohibits the conduct of regulated financial services business unless the firm or person concerned is authorised by or exempted from authorisation by the Financial Conduct Authority (FCA). This is known as the general prohibition.

6.5 The FCA is the regulator which regulates the provision of financial advice, investment transactions and investment management services as per the Financial Services and Markets Act 2000. From 2001 until 2013 this regulatory function was carried out by the Financial Services Authority (FSA) which came into effect from 1 December 2001 and was superseded by the FCA from 1 April 2013.

6.6 Certain firms may be exempt from the requirement to be authorised by the FCA. The most common of these are firms who carry out business as agents of another FCA authorised firm. A firm such as this is known as an Appointed Representative (AR) and its supervising FCA authorised firm is known as the Principal.

6.7 Whilst a mini-bond is not a regulated packaged product, it is a Specified Investment under Article 77 of FMSA, being an instrument creating or acknowledging indebtedness.

6.8 Advising on or arranging transactions in a Specified Investment is a Specified Activity (regulated activity). Advising on mini-bonds or arranging investment into mini-bonds or authorising and issuing financial promotions for mini-bonds are activities that require authorisation by the FCA.

6.9 S21 of FSMA prohibits the distribution of a financial promotion (an inducement to enter into a financial transaction or service involving a regulated financial instrument) unless that financial promotion has been approved by a firm that is authorised by the FCA.

6.10 The FCA does not regulate the terms on which mini-bonds may be issued, as a mini-bond is not a packaged product.

6.11 As a mini-bond is not itself a regulated product, in the event of a default by the bond issuer, there is normally no recourse to the Financial Services Compensation Scheme (FSCS) for restitution of any loss.

6.12 A mini-bond falls outside of the scope of the Prospectus Regulations. This means the issuer does not have to produce a prospectus which would require authorisation by the FCA. An issue of mini-bonds can be structured as a series of smaller issues so that each of the issues in the series falls below the threshold that would otherwise require a prospectus. This makes mini-bonds attractive to issuers as the regulatory obligations and costs are lower than for a public offer of securities.

6.13 The FCA and other commentators sometimes refer to mini-bonds as Non-Transferable Debt Securities (NTDS).

6.14 In 2019, in response to the failure of mini-bond issuers, the FCA introduced a temporary ban on promoting and issuing mini-bonds to investors who were retail clients. In 2020 the ban was made permanent.

## 7 Question and Matters to Consider

7.1 I will now consider the specific question upon which I am instructed to provide my opinion.

***"In the period from 2015 to 2019, what was the ordinary market rate (or, in the absence of a relevant market, the rate that would have been agreed between reasonable parties in an arm's length transaction) for services of the type specified in paragraph 5(3) of the Defence of the Fifth and Sixth Defendants?"***

7.2 The question has several elements which it may be helpful to address separately. I have responded to each element in Sections 8 to 11 below.

## 8 Services Provided of the type specified in paragraph 5(3) of the Defence of the Fifth and Sixth Defendants

8.1 Paragraph 5 (3) of the Defence of the Fifth and Sixth Defendants states that:

*"Surge provided LCF with third party, outsourced investor facing services from July 2015 until LCF entered administration in January 2019. The services provided by Surge to LCF from time to time were as follows:*

(a) ***Marketing***. *Surge provided branding, website design, design of promotional materials, advertising and lead generation via digital and print. The content of Information Memoranda (the "**IMs**") was drafted and/or approved by LCF and its advisers (Lewis Silkin and, in relation to at least the ISA IMs, Ernst & Young considered and approved the tax section). All other marketing materials were based on the content provided in the IMs and were similarly subject to LCF approval. From Series 3 onwards, all marketing materials and financial promotions were approved by the relevant Compliance Officer for the purposes of s.21 Financial Services and Markets Act 2000 ("**FSMA**") (prior to LCF obtaining its own FCA authorisation, s.21 approvals were provided by Sentient Capital London Limited; after LCF obtained its FCA authorisation, it provided s.21 sign-off on all materials).*

(b) ***Technology.*** *Surge designed, built, hosted and maintained LCF's website, involving an online application pathway and a customer dashboard (allowing investors to view their investment) and systems integration with other service providers (such as the cash custodian and AML providers).*

(c) ***Account management***. *Surge provided an outsourced call/support centre, including a team of account managers who acted as representatives of LCF, supported by a team of administration staff. Account managers handled day to day communication with potential and actual investors e.g. answering questions from potential investors as to details of the bonds offered and dealt with administrative matters through the lifetime of the bond (which could be up to 5 years). Account managers were reliant on LCF for the substantive content of the information they provided (e.g. they were permitted to provide information as contained in s.21 signed off material (e.g. the IMs), the answers to frequently asked questions and call scripts as provided by LCF; if and insofar as a factual question arose which was not contained in these materials, the question was escalated for LCF to advise. All calls were recorded and regularly monitored by Surge and by LCF's*

*Compliance Officer. LCF also provided ongoing training including call feedback and periodical compliance training."*

8.2 LCF was authorised by the FCA from 21 October 2015 (initially as London and Capital Finance Ltd). When LCF changed to a Public Limited Company (PLC) in 2016, the FCA changed its registration to London and Capital Finance PLC on 21 June 2016.

8.3 LCF was able to authorise its own financial promotions from June 2017. Prior to then, financial promotions issued by LCF were approved by Sentient Capital London Limited, which was an FCA authorised firm.

8.4 In December 2018 LCF agreed a variation of its regulatory permission with the FCA and effectively ceased to carry out regulated activity from January 2019.

8.5 The services offered by Surge are those of intermediation as discussed in Section 9 below.

## 9 Market for Services

9.1 During 2019, HM Treasury commissioned research and a report into mini-bonds from research firm London Economics and market research agency You Gov. The report, "Research into Non-Transferable Debt Securities" was published in November 2019. It is the most comprehensive survey of the mini-bonds market that is publicly available.

9.2 The report found that in the period 2009 to 2019, there were at least 68 businesses that issued more than 152 mini-bonds. The value of the loan funds raised was more than £815 million. This is an estimated figure and the report states that it understates the actual market as there were several mini-bond issues for which there was no available information on the amount raised. There were also likely to have been mini-bond issues that the research did not identify. The report goes on to state that the understatement is not likely to be substantial.

9.3 The report also states that up to 2015, mini-bonds were most commonly issued by consumer-facing businesses that used the funds raised to expand their business whilst simultaneously encouraging company-customer engagement. This often included loyalty or other benefits for the investor-as-customer and encouraged the investor to feel involved with and loyal to the business.

9.4 After 2015, the situation changed. Issuers tended to be businesses that were smaller, more recently founded and more concentrated in the financial services sector. This development was influenced by an influx of new, financial services micro enterprises whose business model involved raising funds through mini-bond issues to invest in projects by third parties, rather than expanding their own business. In summary, they were acting as alternative lenders or smaller scale venture capital or private equity style investment propositions.

9.5 The report states that the total value and volume of mini-bonds issued by the financial services sector issuers has dwarfed the value and volume of mini-bonds issued by customer-facing businesses.

9.6 These changes influenced the way in which mini-bonds were issued.

9.7 From 2009 to around 2014 the most common method of issuing a mini-bond was for the issuer firm to take professional advice from relevant professionals (eg, lawyers,

accountants and similar), get the Information Memorandum approved by an FCA regulated firm and then to issue the mini-bond Information Memorandum direct to its own contacts and /or those of a financial adviser, stockbroker or similar firm who may have clients interested in such investments.

9.8 In the latter part of this initial period, the use of crowdfunding platforms grew in popularity until in 2015 it surpassed direct issue. However, from 2016 onwards, these two methods of issuance were less significant by volume of minibonds issued and the value of funds raised, as the number of financial services mini-bond issues increased.

9.9 The financial services mini-bond issuers either approved their own Information Memoranda (because they were themselves FCA authorised) or they had a sister company or a friendly third party company that was FCA authorised, that approved the Information Memorandum on its behalf. These firms went direct to prospective investors using a combination of direct mail, direct e-mail and internet websites and investment portals to attract and solicit prospective investors.

9.10 The report shows that the number of financial services issuers was relatively small compared to the number of customer facing issuers. However, the volume of mini-bonds issued and the value of funds raised by the financial services issuers was very significantly higher.

9.11 Around 2015 to 2016 demand grew for intermediation to assist a prospective mini-bond issuer to market and administer a larger scale issue or a repeated issue of mini-bonds. This arose because many of the firms in the financial services sector who wished to raise money via an issue of mini-bonds, often had little or no experience of issuing securities such as bonds or mini-bonds themselves. Their business model was focused on lending money to or investing in other firms.

9.12 A range of firms offered services to mini-bond issuers. They included law firms, accountants, investment managers and stockbrokers, marketing consultants, website designers and related third party services providers. However, the issuing of mini-bonds was not the core business for any of these firms.

9.13 Around 2015 Surge had positioned itself as a marketing consultancy business that had developed specialisation and expertise in supporting the issue of mini-bonds. The key proposition of Surge was to be able not just to provide marketing consultancy, but to be able to provide outsourced marketing, technology and account management (investor relationship management) and administration. However, Surge did not provide corporate finance advice to LCF nor did it provide investment advice to prospective or current bond investors.

9.14 Whilst there were other firms that offered some services similar to Surge, many, particularly those from the stockbroking or corporate finance sector, such as Beaufort Securities, W H Ireland or S P Angel, could not (or did not wish to) offer the end to end support that Surge offered at that time.

## 10 Ordinary Market Rate

10.1 As I have set out above, there was a market for the types of services that Surge provided. However, based upon my own knowledge and experience as a consultant in this market, I am aware that very few, if any, firms provided the comprehensive range of end to end support that Surge offered for intermediation of mini-bond issues.

10.2 I use the term "market" above to indicate that there was a need for and demand for the services offered to support mini-bond issues. However, it was not a formal market with formal market rules (such as a stock exchange or similar). As it was a relatively new market, it was not bound by significant custom and practice or conventions. Similarly, the market was not transparent. The price structure and price at which firms were prepared to provide services was not widely known. Additionally, because of sensitivity to competition, such information was treated as commercially sensitive and was not widely shared or disseminated.

10.3 Based upon the above consideration, it is very difficult to distil what may have been a market rate for the package of services, as offered by Surge and as described at paragraph 5(3) of the Defence of the Fifth and Sixth Defendants.

10.4 However, it is possible to compare the service offering of firms who offer similar services even though they may be less comprehensive or only offer part of the services offered by other service providers.

10.5 Based upon my own knowledge and experience of providing consultancy services in this market and information available via the internet, I am aware that a corporate finance adviser or broker-dealer/stockbroker would typically charge a fee of between 1% and 5% of funds raised for providing the service known as private placement of securities, ie, of distributing financial promotions to prospective investors (often lists of pre-screened clients and prospective investors) and where appropriate, contacting them or discussing it with them the investment opportunity.

10.6 The fee charged would normally depend upon the quality of the security or bond being offered by the issuer. The lower the quality of the bond the higher the fee that would be charged. This is intended to reflect that, in theory, the better quality or more attractive investment offering should more readily appeal to investors leading to higher take-up and thus higher fees. Fees as a percentage of funds raised tend to be higher where the volume and monetary value of the private placement is low. The reverse is true where the volume and monetary value is higher. There is normally a minimum monetary fee, regardless of the percentage agreed.

10.7 This type of service and charging structure is normal where the securities offering is for good quality bonds and shares. From my own knowledge and experience, I am aware that many firms that traditionally provided private placement services in this area of the market, focused only on transferable bonds and shares, as they are generally more readily traded. This meant that many stockbroking or corporate finance advisory firms did not cater for the mini-bond market.

10.8 From 2019 onwards the promotion of mini-bonds to retail customers has been banned by the FCA so the service aimed at supporting private placement of mini-bonds has ceased to exist.

10.9 However, this type of service is not directly comparable to that set out by Surge. The Surge services involved a much higher degree of contact with and interaction with the prospective investors. This is likely to be more time consuming and thus more expensive to deliver. It was very similar to what is known as Business Process Outsourcing (BPO) and also known as Managed Services.

10.10 In a BPO or Managed Services proposition, the client firm agrees a number of functions that it outsources to the service provider for a fee. The fee for such services is normally based upon the greater of the time cost and overhead plus profit margin required for delivery or an ad valorem percentage charge linked to a measurable value, such as, the value of funds raised or assets under management. Where ad valorem fees are quoted,

they are usually subject to a de minimis figure, ie, a minimum monetary sum. There is no agreed or normal market rate for such services as each service offering is normally a bespoke package of services to reflect the specific requirements of a client firm.

10.11 The services offered by Surge also involved providing continuing services over a period of years. In the case of the Service Agreement signed on 14 April 2018 with Blackmore Bond PLC, the service delivery term was 5 years. In the case of the draft Service Agreement proposed between Surge and LCF in 2017, the proposed term was 2 years initially, with renewal proposed every 2 years thereafter on a rolling basis.

10.12 In the case of the Blackmore Bond Service Agreement, the fee stated was 20% of funds raised. As the service was to be delivered over 5 years. It could be said to be broadly equivalent to 4% per year over 5 years.

10.13 Similarly, in the case of LCF, the fee stated was 25% of funds raised. As the service was to be delivered over 2 years. It could be said to be broadly equivalent to 12.5% per year over 2 years. However, in the case of the Series 4 mini-bond issued in 2018, the Information Memorandum states it is a 3 year bond. In this case the fee of 25% of funds raised would equate to approximately 8.33% per year, if apportioned over 3 years.

10.14 The services offered by Surge are similar in several ways to those offered by firms that provide unregulated collective investment undertakings and Alternative Investment Funds (AIFs). Such firms are known as fund managers.

10.15 A fund manager normally forms and manages a fund that it owns and controls or forms and manages a fund on behalf of a third party.

10.16 From my own knowledge and experience as both an investment adviser/financial planner and as a consultant to the financial services sector, I am aware that a fund manager will charge for fund formation on a percentage of funds invested basis, plus an annual management charge based on the value of the fund. (The charges are normally paid by way of deduction from the investment units attributable to each investor.) The percentage level of charge will normally be subject to the fund having raised sufficient funds such that the monetary value of the charges exceeds the minimum monetary fee set by the fund manager. Whilst fund formation charges are not generally publicly available, once a fund is formed, fund management charges are readily available in the fund documentation that must be made available to prospective investors.

10.17 To give a practical example, if a fund was raised of £5 million and the investors had an investment term of 5 years, the fund manager may charge an initial management fee of 5% of the sum invested by unit holders, plus an annual management fee of say, 0.75% of the fund value each year. This would mean that the fund investors would between them pay an initial management fee of £250,000 plus £37,500 each year for 5 years. Over 5 years the total charge would be £437,500 which is equivalent to 8.75% of the amount initially invested.

10.18 Most mini-bonds had a term of between 3 and 5 years. I have therefore reworked the example above to reflect a 3 year investment term. If a fund was raised of £5 million and the investors had an investment term of 3 years, the fund manager may charge an initial management fee of 5% of the sum invested by unit holders, plus an annual management fee of say, 0.75% of the fund value each year. This would mean that the fund investors would between them pay an initial management fee of £250, 000 plus £37,500 each year for 3 years. Over 3 years the total charge would be £362,500 which is equivalent to 7.25% of the amount initially invested.

10.19 The examples above assume that the fund has grown sufficiently after charges each year, to replenish the initial amount invested. The minimum fee is likely to have been circa £50,000. The fee rates quoted above are fairly common for the management of smaller funds.

10.20 The example above illustrates that the initial and annual fees charged by a fund administrator, if all taken up front over 3 years, would be approximately one third of those charged by Surge.

10.21 However, this illustrates the difficulty of comparing fees for different types of service due to the different ways in which fees are charged and taken. The example at 10.17 above illustrates that although the headline rate of fee is apparently a 5% initial fee plus a 0.75% annual fee, when taken as a whole the fees combined equate to 7.25% over the 3 year term. Similarly, the apparently very high fee of 25% up front charged by Surge, when apportioned over the service period, equates to 8.33% for each of the 3 years of service provision.

10.22 It is important to point out that the investor services provided by investment funds are not directly comparable to those provided by Surge in its intermediation services for mini-bond issuers. The level of services described as provided by Surge appear to be much more proactive and interactive with the mini-bond investors than those provided to unit holders by fund managers/administrators. This higher degree of service delivery would justify a higher fee than that charged by a fund administrator.

10.23 I observe that the fees taken by Surge for intermediation services to LCF, when expressed as 25% of funds raised, do appear to be high, when compared to the headline rates of investment management fees charged by fund managers. However, upon analysing the services provided by Surge and the length of time over which the services were provided for (or intended to be provided for), it is apparent that the fees taken from sums invested, were intended to pay for service delivery over several years. In the case of the Series 4 bond, this would have been a 3 year period.

10.24 When the 25% fee is then apportioned over a relevant time period, say, 3 years, the fee then equates to 8.33% per year which is much closer to the fees charged for fund management services or for private placement of lower quality securities. Whilst it is still a greater amount, it must be borne in mind that the services being provided by Surge are much greater than those being provided by a fund manager or stockbroker, as Surge is effectively acting as the marketing and investor relations function of LCF.

10.25 In my view, a more relevant and important factor to consider, is the nature of the service provided by Surge. It is a more complex service than that normally provided by a corporate finance adviser or stockbroker. Similarly, fund managers will generally not offer this type of service. The services offered by corporate finance advisers, stockbrokers or fund managers are generally considered to be more transactionally focused and not relationship management based. However, the service offered by Surge was clearly more focused towards relationship management, presumably to build and preserve a pool of prospective future investors who may be interested in either top-up investment, further investment or on maturity of a mini-bond, reinvestment in other mini-bond offerings. This is clear from the summary of services provided by Surge to LCF and also from Schedule 2 of the Services Agreement between Surge and Blackmore Bond PLC.

10.26 As part of this relationship based service, Surge provided bespoke marketing consultancy services and an outsourced marketing department for LCF. The nature of the service provided could be described as Managed Services or Business Process Outsourcing, as Surge effectively caried out all of the marketing and investor relations function relating to the mini-bonds on behalf of LCF.

10.27 In the Services Agreement with Blackmore Bond PLC, Section 8 of Schedule 2 sets out a clear intent that Surge will exclusively be responsible for Re-broking. The term Re-broking refers to the services provided to existing mini-bond holders when their mini-bond matures or is redeemed. At this time, Surge will provide marketing and/or marketing and issue financial promotions to existing mini-bond holders informing them of re-investment opportunities on new issue mini-bonds by Blackmore Bond PLC available at that time. Similarly, Section 8 also sets out that any additional or top-up investment by a mini-bond holder will be treated as a new investment and Surge will be entitled to a 20% on those amounts invested.

10.28 In the absence of a written agreement with LCF I cannot confirm that the same terms would have applied to services between Surge and LFC for Re-broking. My Instructing Solicitor, Richard Clayman of Kingsley Napley, has confirmed to me in an e-mail dated 25 July 2023, that Surge did not receive a fee on reinvestment of original funds. However, Surge would receive a 25% fee if bond holders invested into a new bond with additional funds. He also confirmed that Surge expected high levels of reinvestment from bond holders.

10.29 It is clear from the summary of services provided to LCF by Surge that Surge designed, built, maintained and hosted the LCF website, via which mini-bond holders applied for LCF mini-bonds. This appears to been an on-line portal permitting interactive engagement between the mini-bond investor and LCF.

10.30 It is also clear that Surge provided a complete outsourced marketing service to LCF, including brand re-design, promotional and direct mail campaigns, running promotional events, internet search engine optimisation, e-mail marketing and promotion, social media advertising and promotion, on-line advertising, outbound and inbound call/contact centre staffing.

10.31 However, the outsourced marketing service was provided by Surge employees using Surge technology but white labelled as LCF.

10.32 Based on the prospect of further and future investment by mini-bond holders discussed above, it is reasonable to conclude that Surge would need to maintain (and possibly grow) the number of employees required to deliver the service. This would be a considerable cost.

10.33 Surge was providing intensive marketing and promotion of the LCF mini-bond offering to its target market, comprised largely of prospective investors who were likely to be retail clients. Ordinarily, a financial promotion for a mini-bond could not be issued to a retail client unless that retail client met the criteria under which they were eligible to receive the financial promotion.

10.34 Surge needed to screen the database of prospects to ensure they met these criteria. In order to do so, they sourced or built a website which permitted interactive communication with the prospective investor. This website provided information, on-screen application capability and verification capability and the ability for investors to engage with a person for assistance.

10.35 The scope and depth of service provided is far more complex and far beyond the service provided by other service providers in the fund/capital raising market, such as, stockbrokers/placement agents, corporate finance advisers or funds.

10.36 Based on the breadth and depth of marketing services and support provided by Surge to LCF, I would not expect the fee charged by Surge to be directly comparable to that for a stockbroker, corporate finance adviser or fund manager.

10.37 I have analysed the Financial Cost Summary for Surge provided to me in the documents. I note that Surge was incurring very significant cost of sales. The gross profit in most years amounted to circa 53%. This means that 47% of revenues/turnover generated were paid out to cover the cost of sales. The most significant overhead in the cost of sales is the direct marketing cost which averaged 37% of revenues.

10.38 Labour (staff) costs were also significant averaging at 21% of revenues. A marketing consultancy service as offered by Surge could not operate effectively without staff to make the processes and procedures work effectively.

10.39 In assessing the cost incurred by Surge, have consulted with colleagues in my own firm's marketing team, drawn upon my experience of advising clients and my experience of marketing and service promotion as a former Chief Executive and as a director in several professional sector companies. Based upon this, I conclude that the costs incurred by Surge are realistic for the type of service consumed by Surge in providing services to its clients.

10.40 Based upon the evidence I have seen and my own knowledge and experience of capital raising and fund management, I conclude that at the relevant time, there were few (if any) other providers of intermediation services in the mini-bond market that provided services that were directly comparable to those of Surge.

10.41 Having analysed the services offered by Surge and compared it to the much more limited services provided by stockbrokers or corporate finance advisers, I would point out that Surge was providing at least three service components, of which fund raising by way of facilitating bond issues, was only one of the three service lines. As explained above, a major part of the services provided to LCF included retained ongoing marketing consultancy to promote the LCF brand, image and business. Another major part of the service proposition was the provision of a marketing department to LCF that was staffed by Surge employees, ran on Surge provided software, provided a website designed and hosted by Surge, provided a bond-holder contact centre and handled investor relations. Based on this complex and comprehensive provision of services in addition to the relatively simple fund raising offered by stockbrokers and corporate finance advisers, it is appropriate to recognise that a significant proportion of the fee charged by Surge was for the provision of additional services in addition to the placing of mini-bonds.

10.42 Based upon the evidence I have seen and my own knowledge and experience of capital raising and fund management, I conclude that whilst the initial fee taken by Surge appears to be high, when apportioned over the number of years for which services were intended to be provided, when the elements of the fee related to providing marketing consultancy and an outsourced marketing department are taken into account, the fee for bond issuance is very likely to be much closer and comparable to that charged by similar service providers who offered a much narrower service proposition, no marketing consultancy, no outsourced marketing department, no investor contact centre and little or no ongoing servicing and relationship management of the investors.

## 11 The rate that would have been agreed between reasonable parties in an arm's length transaction.

11.1 It is generally accepted that in a free market, ie, a market for goods or services where price is not regulated by the market rules or by regulators, price is derived from the state of supply and demand for those goods and services. This is known as the law of supply and demand.

11.2 The law of supply and demand is based upon the premise that where supply is greater than demand, price will fall until it equates to demand and where demand is greater than supply, price will rise until it equates to demand. In simple terms, demand is driven by whether customers can afford to or are willing to pay the asking price for the goods or services on offer. Supply is also responsive to demand. Where demand is high it is likely that more goods will be produced or more services offered. Equally, where demand falls or is low, there will be fewer supplies of goods or services offered.

11.3 A key factor in the operation of the law of supply and demand is market price transparency and access to information. Where a customer is not aware of the prevailing price range for a particular item or service, the customer may pay a price without being aware that a comparable item or service could be obtained for less cost elsewhere of possibly for better quality at a similar price. To illustrate this, financial services regulators globally have introduced laws and regulations that make it an offence to manipulate a financial market through the abuse of price sensitive information or of time sensitive information. Such laws and rules enforce the principle of market price transparency and equal access to information. Similar regulation applies in many countries to prevent cartels or monopolistic dominance causing rigged markets or lack of competition.

11.4 When assessing how reasonable parties would behave in agreeing a rate of charge or fee in an arm's length transaction, one must assume that each party is reasonably well informed of the market rate prevailing for the desired goods or services and how much above or below that rate the supplier and the customer are prepared to accept.

11.5 In the case of Surge providing intermediation services to prospective clients wishing to issue mini-bonds, I have explained above that there were few if any other service providers at the relevant time that offered services that were as comprehensive as the services offered by Surge. I have explained that other service providers offered more narrow services that were not directly comparable to that offered by Surge. I also explained that when the fees charged by Surge are apportioned over the period of years for which service is delivered, the rate was comparable to that for other similar services and time periods, especially when the greater service delivered by Surge is considered.

11.6 I am aware that around the time that Surge was providing services to LCF, it received enquiries for fundraising assistance from at least two parties who were aware of the services provided by Surge and of the 25% fee.

11.7 In business, generally the scope of service required or desired is established between customer and supplier before price is negotiated and agreed. Often, a higher price is agreed where a service is urgent or where there is a lack of availability or supply. It is clear from the documents provided to me that some form of negotiation of terms of service took place between Surge and LCF as I have seen at least two drafts of a service agreement that were discussed between Surge and LCF. On the basis that LCF engaged with Surge to provide services including very significant and important services such as marketing consultancy, investor contact centre and outsourced marketing department, it would suggest that LCF was a willing purchaser of these services in addition to those related to bond issuance.

11.8 A reasonable customer is not forced to buy a service, but is likely to be driven by whether they perceive a need for the service, how urgent and/or important that service delivery is likely to be for their business and whether they consider the price to be acceptable.

11.9 LCF was following a business model that was considered relatively new, innovative and disruptive in the lending market. LCF followed a fintech business model. It utilised website/internet and technology based service delivery to raise funds and lend funds. Its business model was predicated on charging lending fees and charging more in interest

on loans it made to borrowers than the interest it was obliged to pay to its bond holders. As with many fintech businesses, its business model required volume to become and remain profitable. Many fintech companies have very large marketing budgets to generate business. They often spend amounts that proportionately are significantly higher than in professional services or other service sectors. In the fintech sector, many firms at start up and early stage development are loss making yet pay out large sums in marketing costs to attract clients or investors. A good example of this is that according to an article by David Thorpe on 14 October 2019 in FT Adviser, the fintech business Nutmeg had spent £3 to acquire each £1 of revenue. However, in June 2021, the Nutmeg was sold to J P Morgan for £700 million.

11.10 Outside of the financial services sector, it is not common for payment for services to be delivered in the future, to be front loaded, ie, for the majority or all of the price to be paid up front/in advance. However, as I have explained above, in the delivery of financial services such as fund management, an initial charge is often taken which is front loading of fees/charges. In securities dealing, particularly in private placement of securities, payment is normally made on delivery of the security. Whilst it is not strictly front loaded, the full charge is paid simultaneously with delivery. These services can normally only be accessed by accepting these payment conditions.

11.11 A reasonable service provider will normally explain how they propose to meet the prospective clients service requirements, what they wish to charge in fees to do so and at what time intervals they will expect to be paid. It appears that some form of discussion must have taken place between LCF and Surge with regard to services required and fees to be charged.

11.12 Assuming that acting as reasonable parties, both LCF and Surge entered into open discussions regarding the supply of services by Surge to LCF. When the up-front fees are apportioned over the years for which service will be provided, they are comparable to other service providers that LCF could have engaged with for narrower service delivery.

11.13 In the absence of alternative service offerings providing a service broadly the same as Surge, taking account that other service suppliers provided a narrower range of services and were charging fees that were reasonably similar to those of Surge (if apportioned over the time services would be delivered), I conclude that the agreement of the level of fees was broadly in line with other comparable suppliers. Based upon this, I also conclude the fee agreed between LCF and Surge in pricing terms was not significantly different to that offered by other potential service providers when the greater scope of services provided by Surge is considered.

11.14 It is possible that the clients of Surge could have entered into discussion with Surge regarding the spreading of fees over a longer term. However, this would only have avoided front loading of the fees and would not have changed the total of fees.

11.15 I have not seen a signed written agreement that confirms what was agreed between LCF and Surge.

11.16 It is evident is that the terms of service and level of fees offered by Surge were accepted de facto by LCF. Services were provided to LCF by Surge and fees were paid to Surge by LCF.

11.17 Ultimately, the fee for a service agreed between a reasonable service provider and a reasonable prospective client, is a matter influenced by the perceived value to the prospective client of the service to be provided. The fee agreed will reflect the perceived value of the service to the client.

## 12 CONCLUSIONS

12.1 I have concluded that there was no generally accepted market rate for the services provided by Surge.

12.2 I have concluded that when the services offered by Surge were compared with other potential service providers, those other service providers would have provided a less comprehensive and narrower range of service delivery than that provided by Surge.

12.3 I have concluded that when the up-front fees charged by Surge are apportioned over the time period for which service was to be delivered, the fee is higher than that charged by other potential service providers, but those providers were providing less services and they are not directly comparable to that provided by Surge.

12.4 I have concluded that the fee agreed between LCF and Surge, when apportioned over the period of time for which service delivery was expected, is not significantly out of line with the fees for similar services offered by other service providers, if the greater scope of services provided by Surge is considered.

12.5 I have concluded that LCF as the willing purchaser of services and Surge as the willing vendor of services, reached an agreement on scope of service and fee for services that was mutually acceptable.

12.6 I have concluded that in the absence of any other means of establishing a market rate, the two willing parties, acting as reasonable parties and at arm's length, effectively established a market rate acceptable to both parties for the scope of services required.

12.7 In reaching my conclusions above, I have assumed that the services and fee were agreed between LCF and Surge, who were each acting as reasonable parties in an arm's length transaction.

## 13 DOCUMENTS AND EVIDENCE RELIED UPON

13.1 I have relied principally upon documents provided to me by Richard Clayman, of Kingsley Napley.

13.2 I have relied upon my own knowledge and experience of financial services regulation, financial planning, wealth management, investment advice and tax efficient investment.

13.3 I have also relied upon information available from regulatory sources, from my own and my firm's resources and other information available via the internet.

13.4 I have relied upon my own knowledge and experience of investment services, the provision of Business Process Outsourcing/Managed Services and Resourcing services.

13.5 I have provided a list of key documents relied upon in Appendix 3.

## 14 EXPERT'S DECLARATION OF TRUTH

**I Paul Timothy Grainger, declare that:**

1. I understand that my duty is to help the court to achieve the overriding objective by giving independent assistance by way of objective, unbiased opinion on matters within my expertise, both in preparing reports and giving oral evidence. I understand that this duty overrides any obligation to the party by whom I am engaged or the person who has paid or is liable to pay me. I confirm that I have complied with and will continue to comply with that duty.

2. I confirm that I have made clear which facts and matters referred to in this report are within my own knowledge and which are not. Those that are within my own knowledge I confirm to be true. The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer.

3. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

4. I confirm I have read and understood Part 35 of the Civil Procedure Rules, Practice Direction 35 and the Guidance for the Instruction of Experts in Civil Claims August 2014 (as amended 8 December 2014).

5. I confirm that I have not entered into any arrangement where the amount or payment of my fees is in any way dependent on the outcome of the case.

6. I know of no conflict of interest of any kind, other than any which I have disclosed in my report.

7. I will advise the party by whom I am instructed if, between the date of my report and the trial, there is any change in circumstances which affect my answers to points 3 and 4 above.

8. I have shown the sources of all information I have used.

9. I have exercised reasonable care and skill in order to be accurate and complete in preparing this report.

10. I have endeavoured to include in my report those matters, of which I have knowledge or of which I have been made aware, that might adversely affect the validity of my opinion. I have clearly stated any qualifications to my opinion.

11. I have not, without forming an independent view, included or excluded anything which has been suggested to me by others including my instructing lawyers.

12. I will notify those instructing me immediately and confirm in writing if for any reason my existing report requires any correction or qualification.

13. I confirm that I have acted in accordance with the code of practice or conduct for experts of my discipline, namely, The Chartered Institute for Securities and Investment.

14. I confirm that the contents of this report are true to the best of my knowledge and belief and that I make this report knowing that, if it is tendered in evidence, I would be liable to

prosecution if I have wilfully stated anything which I know to be false or that I do not believe to be true.

| | |
|---|---|
| Signed: | [redacted] |
| | **Paul Timothy Grainger** |
| Dated: | 27 July 2023 |

## APPENDIX 1 – EXPERT'S QUALIFICATIONS AND EXPERIENCE

### EXPERT'S QUALIFICATIONS - PAUL TIMOTHY GRAINGER

#### Professional & Academic Qualifications

- Chartered Fellow of the Chartered Institute of Securities & Investment – Chartered FCSI
- Chartered Wealth Manager
- Certified Financial Planner – CFP
- Associate of the Personal Finance Society – APFS
- European Financial Planner - EFP
- Pension Transfer Specialist
- Training & Competence Assessor
- Bachelor of Arts (Dual Honours) – BA (Hons)

#### Additional Professional Body Membership

- Institute of Risk Management (IRM) - Associate Member
- Chartered Institute of Internal Auditors (Chartered IIA) - Associate Member
- Institute and Faculty of Actuaries (IFoA )- Associate Member
- Association of Governance Risk and Compliance (AGRC) - Member

#### Major Expert Witness Assignments

**2023 Instructed by In House Counsel**

I was instructed to provide expert opinion on issues relating to the effectiveness of supervision of its Appointed Representative by an FCA authorised Principal firm, matters relating to the competence of financial advisers and matters relating to fulfilment of duties to its customers.

**2023 Cartwright King**

I was instructed to provide expert opinion on issues relating to alleged fraud and the theft of pension fund monies. My opinion was required on matters relating to the role of a financial adviser, a stockbroker and an operator and trustee of Self Invested Personal Pensions Schemes (SIPPS).

**2022 Instructed by McCartan Turkington Breen**

I was instructed to provide expert opinion on issues relating to alleged mis-selling of tax incentivised investment schemes.

**2021-2022 Instructed by ERSOU**

I was instructed to provide expert opinion to the Special Operations Unit of several regional police forces in England to assist in investigating alleged financial services fraud and the potential use of payment systems in facilitating money laundering and related criminal activity.

**2021 Instructed by the Criminal Assets Bureau (Republic of Ireland))**

I was instructed to provide expert opinion on issues relating to payment systems, normal and expected practice followed by payment service providers and the potential use of payment systems in facilitating money laundering and related criminal activity.

**2021 Instructed by APJ Solicitors**

I was instructed to provide expert opinion on issues relating to transfer of a UK pension scheme to an overseas pension scheme and the suitability of advice provided by a financial adviser.

**2021 Instructed by Keystone Law**

I was instructed to provide expert opinion on issues relating to payment systems relating to alleged fraud and money laundering.

**2021 Instructed by Smith Partnership**

I was instructed to provide expert opinion on issues relating to the quantum of loss in a case relating to a financial fraud scam.

**2021 Instructed by Cripps LLP & Dentons UK & Middle East LLP (Single Joint Expert)**

I was instructed as a Single Joint Expert to provide expert opinion on issues relating to the remuneration of a company director. My instructions related to advising on the market rates for remuneration and employee benefits for a shareholder director of a private limited company operating in a specialist industry. As part of my instruction, I was requested to estimate current and historical remuneration and benefits value for a period of 10 years.

**2019-2020 Instructed by RPC**

I was instructed by a leading law firm in a case involving an appeal to a Tax Tribunal. My instructions related to describing the use of derivatives contracts and derivatives financial instruments as part of an investment strategy or investment portfolio to hedge risk or to create gains and the potential for these contracts and instruments to produce significant losses.

**2017 Instructed by In-House Counsel**

I was instructed by In-House Counsel of a major national firm of Independent Financial Advisers (IFAs). The firm was the defendant in a litigation case between a former client and the firm of Independent Financial Advisers (IFAs). The case related to the appointment and supervision of Appointed Representatives as well as the scope of regulatory permission. The case was settled out of Court in 2018.

**2015 Instructed by McCormicks Solicitors**

I was instructed in a litigation case involving alleged financial services fraud. My instructions were to prepare expert opinion on the nature of regulatory activities carried out and an expert report relating to a fraudulent investment scheme. The case went to trial in 2016.

**2014 Instructed by Gateley & FBC Manby Bowdler (Single Joint Expert)**

I was instructed in a litigation case between two firms of financial advisers relating to the transfer of a business and potential liabilities arising from alleged non-compliance with regulatory requirements. My opinion was required relating to the nature and scale of the alleged non-compliance. The case was listed for trial in the summer of 2016 but was settled out of Court

**2014 Instructed by Russell Cooke.**

I was instructed in a litigation case between a private client and a major firm of financial and investment advisers. My opinion was required relating to unsuitable advice and actions leading to potential loss of a significant capital sum. The case settled out of Court in the summer 2015.

**2013 Instructed by Foot Anstey.**

I was instructed in a litigation case between a private client and Zurich Assurance Group. My opinion was required relating to unsuitable advice and actions leading to potential loss of pension tax protection. The case settled out of Court in spring 2014.

**2013 Instructed by Patrick J Taylor.**

I was instructed in a litigation case between a small, self-administered pension scheme (SSAS) member and a pension scheme adviser and administrator. My opinion was required relating to unsuitable advice and actions leading to potential loss of pension tax protection. The case settled out of Court.

**2008-09 Instructed by Osborne Clarke (Litigation Dept.)**

I was instructed in a major litigation case between the Financial Services Compensation Scheme and NDF Administration. My opinion was required relating to unsuitable sales of and misleading promotional materials for financial products. The case was settled out of court following delivery of expert reports.

**2007 Instructed by Osborne Clarke (Employment Dept.)**

I was instructed in a major Employment Tribunal case between a senior banker and a major Japanese bank. My opinion was required relating to allegations of non-compliant practices in capital markets transactions. I appeared at the Tribunal as a witness and was subjected to cross-examination.

**2003-06 Instructed by Institute of Chartered Accountants in England and Wales (ICAEW Professional Standards Dept.)**

I was instructed by the Professional Standards Department to provide lead opinion and expert reports in several disciplinary cases against ICAEW members, involving investment business transactions or advice. (I was asked to give an opinion on the suitability of investment advice and transactions under the ICAEW Investment Business Regulations and the Financial Services Act 1986.) The cases involved expert reports, appearing at a Disciplinary Tribunal as a witness and cross-examination.

## SUMMARY OF RELEVANT EXPERIENCE

I have over 30 years' experience of advising client firms in the financial services sector on product and service development and product and service distribution. My experience includes

a) Formation and administration of various forms of investment funds (collective investment undertakings/schemes) including
   - Undertakings in Collective Investment Schemes (UCITS)
   - Non UCITS Retail Schemes (NURS)
   - Alternative Investment Funds (AIFs)
   - Unregulated Collective Investment Schemes (UCIS).

b) Formation, approval and administration of pension schemes including
   - Registered Pension Schemes

- Occupational Pension Schemes
- Group Personal Pension Schemes
- Self-Invested Personal Pension Schemes (SIPPS)
- Small Self-administered Schemes (SSAS)
- Unapproved Pension Schemes.

c) Formation, approval and administration of tax incentivised savings and investment schemes including
   - Individual Savings Accounts (ISA)
   - Enterprise Investment Schemes (EIS).

I have experience of stockbroking and corporate finance advice including the process of Initial Public Offer (IPO) and of private placement fund raising for investment by private and public companies.

My experience in product and service development includes assessing business models, assessing product design, assessing manufacturing and administration costs, assessing marketing, promotion and distribution costs and assessing profit stream and product life span.

## EXPERT'S GENERAL INDUSTRY EXPERIENCE

I have significant experience as a practitioner, compliance officer, director, business consultant and regulatory consultant within the financial services sector, including:

- experience of dealing with financial planning, investment, pensions, mortgages, social security and long-term care issues since 1983;
- experience of financial services practice standards since 1983;
- experience of financial regulation and compliance since 1988;
- experience as a regulatory and compliance consultant since 1989;
- experience of product and service development since 1989;
- experience span as a compliance officer & money laundering reporting officer since 1992;
- experience as a director/partner in financial services since 1992;
- experience of senior management and risk control in financial services since 1988.

## EXPERT'S CAREER EXPERIENCE

**PAUL GRAINGER BA (Hons), FCISI, CFP, APFS, EFP**

**Chairman, Complyport Limited**

Paul is the Chairman of Complyport Ltd, a major regulatory and compliance consultancy firm advising in the financial services sector. He joined Complyport Ltd in April 2014 as Chief Executive Officer. Paul became Chairman in March 2021.

Prior to joining Complyport, Paul established Grainger Consulting, a regulatory and compliance consulting firm in 1993. The firm grew and merged with Compliance Consultants Ltd/Compliance Solutions Ltd in 1995 to form the Compliance.co.uk Group Ltd. In 2007 the group was acquired by Resources Global Professionals (RGP), a major NASDAQ listed professional services company to form its financial services regulatory and compliance consulting arm. It was renamed Resources Compliance UK Ltd. Throughout this period Paul was a divisional managing director and latterly was Managing Director Business Development and Client Relations.

Prior to establishing Grainger Consulting, Paul was formerly a senior manager in a top 20 international accountancy and management consulting firm and later a director of an actuarial and pension consultancy firm. He has experience in those roles of the compliance issues relating to financial planning, securities dealing and investment management. He has over 30 years' experience in financial services and over 25 years' experience of regulatory consultancy in the financial services sector. He has held several roles as a Compliance Officer and Money Laundering Reporting Officer.

As a regulatory consultant, Paul has led or advised on several S166 Skilled Person investigations for the Financial Services Authority (FSA) and subsequently for the Financial Conduct Authority (FCA). He has also advised on or carried out several fraud or financial crime investigations.

Paul is a former business financial planner and is a pensions specialist. This entailed detailed knowledge and understanding of investment management and securities dealing as well as packaged investments such as collective investment schemes and life assurance products.

He also has extensive knowledge and experience in wealth management and stockbroking, investment management, collective investment schemes/funds management, private equity investment and corporate finance.

Paul is an experienced trustee of pension schemes and employee benefit schemes. He has carried out Skilled person investigations into pension trustee and pension scheme operator firms regulated by the Financial Services Authority (FSA) and the Financial Conduct Authority (FCA). He is familiar with various forms of pension schemes ranging from large defined benefit occupational schemes and group defined contribution schemes or personal pension schemes to more specialised pension schemes including SSAS, SIPPs, QROPs and other overseas schemes.

Paul is a member of the Examinations Board of the Chartered Institute for Securities and Investment. He also sits on the Examination Panel for the CISI Diploma in Financial Planning and for the Level 7 Certified Financial Planner qualification.

Paul has served as a director of several financial services companies and non-financial services companies. He is currently Non-Executive Chairman of the Association of Governance Risk and Compliance (AGRC) and is a Non-Executive Director of The Association of Professional Compliance Consultants (APCC) and sits on several Working Groups. He is also a former Non-Executive Director The Beaufort Group of Companies Ltd.

He is the former Chairman of FPSB UK (Financial Planning Standards Board for the

UK) and is the former Senior Assessor for the Certified Financial Planner (CFP) License in the UK. He has involved in the development of compliance and financial planning qualifications for over 25 years. He has also designed and tutored several advanced qualification or skills courses in financial services. He is a former visiting lecturer at the European Academy for Financial Planning in Bad Homburg near Frankfurt.

Paul has extensive experience as a business consultant within the financial services sector in advising clients on the development of products and services. His experience includes markets in the UK, Ireland, Germany, The Netherlands, Scandinavia, the USA, Hong Kong and the Middle East.

Paul is a specialist in the area of Governance, Risk and Compliance (GRC) in the financial services sector. He is an Affiliate Member of the Institute of Risk Management (IRM), the Chartered Institute of Internal Auditors and the Institute and Faculty of Actuaries.

In addition, Paul has provided expert and/ or lead opinion on Professional Standards to the Institute of Chartered Accountants in England and Wales (ICAEW) and has attended Disciplinary Tribunal as an Expert Witness. He has also provided briefings to the Chartered Accountants' Compensation Scheme and to the Association of Solicitor Investment Managers (ASIM).

Paul has a wide experience of advising firms of differing size in all aspects of compliance or training and competence. His experience includes assignments under FSA rules (and former PIA, IMRO, and SFA regulators) as well as several Recognised Professional Bodies.

Paul has been the leader of several unusual compliance or research projects, particularly in the use of technology or the Internet in financial services. He is also a specialist in the compliance issues relating to private equity, derivatives funds and third party administration firms.

## APPENDIX 2 – SUMMARY OF INSTRUCTIONS

### Instruction Letter issued by e-mail on Kingsley Napley Letterhead

Mr Paul Grainger

By Email: [redacted]

30 May 2023 Our ref:WTC/RAC/RAC/66600-1/31244853.31
Your ref:

Dear Mr Grainger

**High Court proceedings -claim by London Capital & Finance Plc and London Oil & Gas Limited**

Thank you for agreeing to act as an expert witness in this matter. This will involve producing an expert's report in accordance with Part 35 of the Civil Procedure Rules (**CPR**) and its Practice Direction on the issues identified at paragraph 2below, responding to any questions in relation to your report and participating in discussions with the opponent's expert.

You may also be required to give oral evidence at the trial and carry out any other duties appropriate to the role of an expert witness, as directed by the court or instructed by us.

With regard to oral evidence at trial, please note that the court has the power to order experts to give evidence concurrently at trial (commonly referred to as "hot-tubbing"). This means that the parties' experts are in the witness box at the same time and the judge may direct questions to them, perhaps on an issue by issue basis.

I set out below the background facts of the case, the issues between the parties and the matters for you to address.

**1. Relevant Parties**

1.1. Instructing solicitors act for Mr Paul Careless (**"PC"**) and Surge Financial Limited(**"Surge"**), who are the Fifth and Sixth Defendants(**"the Surge Defendants"**) respectively in a claim before the High Court (BL-2020-001343)brought by the administrators of London Capital & Finance PLC (**"LCF"**) and London Oil & Gas Limited (**"LOG"**) (**"the Proceedings"**). PC is the owner, and (since July 2017) a director, of Surge.

1.2. There are 13 further Defendants in the proceedings, however the issues upon which you are instructed to opine relate solely to matters in the Proceedings concerning the Surge Defendants.

**2. Issue for you to address**

2.1. By Order dated 24 May 2022, Mr Justice Miles gave permission for the Surge Defendants to adduce expert evidence as to the following issue:

*"In the period from 2015 to 2019, what was the ordinary market rate (or, in the absence of a relevant market, the rate that would have been agreed between reasonable parties in an arm's length transaction) for services of the type specified in paragraph 5(3) of the Defence of the Fifth and Sixth Defendants?"*

2.2. For reference, the services provided by Surge to LCF, as specified in paragraph 5(3) of the Defence of the Surge Defendants were (in summary):

2.2.1. Marketing, including branding, website design, design of promotional materials, advertising and lead generation via digital and print.

2.2.2. Technology, including design, build, hosting and maintenance of LCF's website, involving an online application pathway and a customer dashboard and systems integration with other service providers (such as the cash custodian and AML providers).

2.2.3. Account management, including an outsourced call/support centre staffed by account managers who acted as representatives of LCF and administration staff who handled day to day communication with potential and actual investors. Calls were recorded and regularly monitored for compliance purposes.

2.3. A particularised list of services provided by Surge to LCF is provided with the enclosures.

## 3. Enclosures

3.1. We enclose the following documents:3.1.1. Order of Mr Justice Miles dated 24 May 2022;

3.1.2. Case Memorandum;
3.1.3. List of Common Ground;
3.1.4. Re-Re-Amended Particulars of Claim ("RRAPOC") dated 20 May 2022;
3.1.5. Surge Defendants' Amended Defence dated 19 April 2022;
3.1.6. Claimants' Amended Reply dated 4 May 2022;
3.1.7. Inter-parties Correspondence concerning expert evidence;
3.1.8. Appendix to Claimants' Skeleton Argument for hearing on 8 March 2023;
3.1.9. Unsigned Contracts between Surge and LCF;
3.1.10. List of services performed by Surge on behalf of LCF;
3.1.11. Customer Journey Documents prepared by Surge;
3.1.12. Surge Financial Statements to 30 September 2018;
3.1.13. LCF audited accounts from 30 April 2016 and 30 April 2017
3.1.14. Third Party Costs Analysis prepared by Surge
3.1.15. Contract between Surge and Blackmore Bond PLC(comparable)
3.1.16. Notes for experts on their duties and their evidence
3.1.17. A copy of the reference materials which are referred to in the above Notes.

## 4. Background

Summary of proceedings

4.1. The background to the Proceedings is set out in the Case Memorandum.

*Surge*

4.2. At all material times Surge was a business services company supporting the alternative investment market place. Surge provided LCF with a fully outsourced range of services from August 2015 until LCF entered administration in January 2019.

4.3. LCF was Surge's biggest client, although it had others. LCF was an FCA regulated business and it signed off all marketing materials and financial promotions prior to publication, as required by the Financial Services and Markets Act 2000. Surge was a supplier of services used in relation to raising investment for LCF. It did not handle bondholder/client money (LCF appointed GCEN as a cash custodian) and was not involved in any aspect of the deployment of bondholder/client funds to LCF's borrowing companies.

4.4. Surge charged LCF fees ranging between 22.5% and 25% of the funds it raised from bondholders on behalf of LCF. It is alleged by the Claimants that this equates to £60,861,452.18. This is broadly agreed by Surge, although the actual figure might be slightly different.

4.5. From August 2015 there was a services agreement between Surge and LCF, however this was deemed not fit for purpose because it didn't cover the full range of services provided by Surge. An updated draft was subsequently circulated between the parties but was not signed before LCF entered into administration. These contracts are provided.

PC

4.6. PC is an entrepreneur. He has previously served in the army and police force. He is a director and 90% Shareholder of Surge. Prior to early 2015 PC had no knowledge of, and no relationship to LCF. PC is alleged to have received out of the business £8,586,364.69 in dividends. The exact dividends figure is not admitted.

Key Allegation

4.7. It is alleged by the Claimants that LCF was (by way of very brief summary) a Ponzi scheme. It is further alleged that PC had actual knowledge of fraudulent trading of LCF and/or LOG and knowingly participated in it, and that PC's knowledge is to be attributed to Surge. The Claimants allege that PC and Surge's knowledge of fraud arises on the basis (amongst other things)as follows:

*"[PC] and Surge knew that the money being paid to Surge was not a bona fide fee but was obviously extravagant, disproportionate, uneconomic and/or uncommercial and/or that no legitimate and honest moneylender would have been willing or able to pay such a fee."*(see paragraph 42(5)(i) of the RRAPOC).

4.8. The allegation is denied (see paragraph 34(1) of the Surge Defendants' Defence). It is the Surge Defendants' case that the fees charged by Surge to LCF were reasonable and commercial for the services performed on behalf of LCF. Further, and although not yet pleaded, the Surge Defendants are aware of other reported examples of customer acquisition costs for new entrants into the alternative finance sector such as Funding Circle, Rate setter and Lending Club (which at various times are reported to have marketing spends equivalent to approximately 40% of revenue during the same years that Surge provided services for LCF). Surge was responsible for developing and maintaining a brand and customer base for a new market entrant in alternative finance.

Further relevant context to key allegation

4.9. Further, although not formally pleaded, and not (as yet) evidenced with any contemporaneous documents, the Claimants have also sought to develop their argument (most recently contained in the Appendix to their skeleton argument filed for a case management conference on 8 March 2023) as follows:

> 4.9.1. A company called Beaufort Securities Limited ("Beaufort") had offered to provide fund raising services to a fee equal to 1.25% of the monies raised by LCF. Beaufort Securities Limited was an established company with an annual turnover of £11.8 million.
>
> 4.9.2. Instead, LCF chose to use Surge, a very small company, which was not an established company but had only recently been incorporated, for a fee equal to between 22.5% and 25% of the monies raised by LCF. This was therefore not a *bona fide* fee but was obviously extravagant, disproportionate, uneconomic and/or uncommercial and/or that no legitimate and honest company would have been willing or able to pay such a fee.

4.10. On the basis of limited preliminary investigations, instructing solicitors understand that Beaufort was a stock broker offering a markedly different set of services to clients. Instructing solicitors do not accept, and intend to challenge the Claimants' comparison of Surge with Beaufort (or similar). You are not required to comment or opine upon this comparison (unless the Claimants seek to introduce it through their own expert report) however we bring this line of argument to your attention for context.

## 5. Instructions

5.1. If, having read the letter, you feel that you may not have the appropriate experience or expertise to deal with these matters, please do let us know immediately.

5.2. If it would be helpful, or if you need to interview any witnesses or conduct any inspection of additional materials and documents relating to the dispute, please do let me know. In particular, any interview with relevant witnesses should be arranged through this firm and conducted with one of our representatives present.

## 6. Expert's duties

6.1. You have a duty to exercise reasonable skill and care in carrying out your instructions and should comply with any relevant professional code of practice, but your overriding duty as an expert is to the court. Your primary function is to assist the court and, in this capacity,

you must provide your unbiased opinion as an independent witness in relation to those matters which are within your expertise.

6.2. An expert's duties are set out more fully in the attached Notes for experts on their duties and their evidence, and you should ensure that you comply with these duties and all other requirements set out in the reference materials.

6.3. As you may be aware, in certain circumstances, experts may be held liable for costs and do not enjoy immunity from civil proceedings. In addition, proceedings for contempt may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth. Please do let me know if it would be helpful to discuss these points further.

**7. Your report**7.1. To be used in evidence before the court, your report must comply with the requirements of the Civil Procedure Rules (which govern the conduct of civil proceedings in England and Wales) and the Civil Justice Council (CJC) guidance for the instruction of experts in civil claims. You will find a copy of the CJC Guidance and a checklist of the points which must be covered in your report in the enclosed Notes.

7.2. Please let us know immediately if, at any time after producing your report, you change your views. It is also important to let us know promptly if you need to update your report after it has been served, for example because new evidence has come to light, so that we can consider whether an amended version of your report or a supplementary report should be served.

**8. Pre-report discussion**

8.1. At this stage we are aware of the following dates in relation to these proceedings:

8.1.1. Your expert report to be submitted by 2 June 2023;

8.1.2. The Claimants' expert report to be submitted by 30 June 2023;

8.1.3. Experts to meet and identify areas of disagreement by 14 July 2023;

8.1.4. Supplemental expert reports to be exchanged by 31 July 2023;

8.1.5. Trial is listed to commence from 11 January 2024 for 22 weeks (first week pre-reading).

8.2. It would therefore be helpful if you could review the enclosed documents as soon as possible and we will then contact you to discuss the relevant issues before you begin to write your report. As you can see, we will need to seek an extension of time to submit your report. You have indicated that you believe 14 July 2023 is the earliest realistic date that you will be in a position to provide a report. We will need to agree this with the opponents and/or obtain an extension of time from the Court, neither of which can be guaranteed at this stage.

8.3. The discussion between experts itself will be without prejudice and, therefore, what is said at the discussion should not be disclosed at trial unless the parties agree otherwise.

The joint statement, however, will be an open document which the court will see (although it is only binding on the parties if they choose to be bound by it). We will contact you nearer the time to suggest how you should approach this discussion.

8.4. Please let me know immediately if, at any time between now and the date listed for the commencement of trial, you become aware of any difficulty in attending the trial. I will, of course, let you know if any of these dates change.

8.5. It is important to meet deadlines set by the court as failure to do so can lead to costs sanctions or even a refusal to allow us to use your expert evidence.

**9. Right to ask for directions from court**

9.1. Experts are entitled to ask the court for directions to assist them in carrying out their functions if they feel that this is necessary. Please do let us know if you intend to make an application for directions. We may be able to help with the matter, either by resolving any difficulties you may be experiencing and avoiding the need to seek directions, or by helping you to formulate the request.

9.2. If you wish to seek directions in any event, unless the court has directed otherwise, you are required under the Civil Procedure Rules to:

> 9.2.1. Let us have a copy of your proposed request for directions at least seven days before filing it at court; and
>
> 9.2.2. Provide all other parties with a copy of your request at least four days before the request is filed.

**10. Questions on experts' reports**

10.1. Once your report has been served, the Claimants have the right to ask questions to seek clarification of the report. Such questions must be asked within 28 days and, provided that the questions are "proportionate", you have a duty to answer them, as directed by the court, and your answers will form part of your report.

10.2. A failure to answer the questions may result in the client being liable to sanctions including the debarring of your evidence from court.

10.3. If the other party sends any such questions directly to you instead of this firm, please let us know as soon as you receive them, so we can discuss the appropriate action. Please also let us see a copy of your answers before finalising them.

10.4. If you have any concerns regarding any of the questions raised, or you believe that the questions are not properly directed to clarifying the report, are disproportionate, or have been asked out of time, please discuss this with us.

10.5. We may also consult you on any questions which should be put in relation to the other party's report.

10.6. We look forward to discussing the relevant issues with you once you have reviewed the enclosed documents. In the meantime, if you have any questions in relation to your role as an expert in this matter, please do not hesitate to let us know.

Yours faithfully

**Kingsley Napley LLP**

## APPENDIX 3 - LIST OF DOCUMENTS RELIED UPON

# LIST OF DOCUMENTS PROVIDED TO ME WITH MY INSTRUCTIONS

| | | |
|---|---|---|
| 1. | Order of Mr Justice Miles dated 24 May 2022; | |
| 2. | Case Memorandum; | |
| 3. | List of Common Ground; | |
| 4. | Re-Re-Amended Particulars of Claim ("RRAPOC") dated 20 May 2022; | |
| 5. | Surge Defendants' Amended Defence dated 19 April 2022; | |
| 6. | Claimants' Amended Reply dated 4 May 2022; | |
| 7. | Inter-parties Correspondence concerning expert evidence; | |
| 8. | Appendix to Claimants' Skeleton Argument for hearing on 8 March 2023; | |
| 9. | Unsigned Contracts between Surge and LCF; | SUR00156114, SUR00156115, SUR00158201, SUR00158202 |
| 10. | List of services performed by Surge on behalf of LCF; | SUR00158273 |
| 11. | Customer Journey Documents prepared by Surge; | See document appended at end of the report for bates numbers |
| 12. | Surge Financial Statements to 30 September 2018; | SUR00158210 |
| 13. | LCF audited accounts from 30 April 2016 and 30 April 2017 | SUR00158214, SUR00158215 |
| 14. | Third Party Costs Analysis prepared by Surge | SUR00158216 |
| 15. | Contract between Surge and Blackmore Bond PLC(comparable) | SUR00153258 |
| 16. | Notes for experts on their duties and their evidence | |
| 17. | A copy of the reference materials which are referred to in the above Notes. | |

**OTHER DOCUMENTS**

| | | |
|---|---|---|
| a) | Enquiry to Surge Group from Hydrogard Legal Services - March 2019 | SUR00158203 |
| b) | Enquiry to Surge Group from client of Thistle Initiatives – 18 June 2018 | SUR00147596 |
| c) | Nutmeg spending report - FT Adviser (article by David Thorpe 14 October 2019) | SUR00158209 |

**OTHER DOCUMENTS (Continued)**

| | |
|---|---|
| (99+) CAC in P2P lending is eating up<br>AIM Nomads, Brokers, Auditors, La<br>AMYMA LTD people.pdf<br>AMYMA LTD persons with signifi<br>Amyma Ltd.pdf | SUR00158272, SUR00158259, SUR00158257, SUR00158226, SUR00158221 |
| Beaufort Sects_Corp Bond Gu<br>Beaufort Securities Ltd - News & custon<br>burford-bond-prospectus.pdf<br>Carried Interest in Venture Capital _ Arg<br>CCLA_Understandin our fund costs an | SUR00158270, SUR00158244, SUR00158242, SUR00158238, SUR00158252 |
| Corporate bonds_Beaufort Sec<br>Corporate Finance Faculty member org<br>Corporate Finance Services Directory _ I<br>Customer Acquisition Cost (CA<br>Everything is negotiable includin | SUR00158251, SUR00158247, SUR00158261, SUR00158243, SUR00158268 |
| Fundraising Consultants vs. Brok<br>G Jamieson DIrector appt_Amyma 2000.p<br>Home - Business Models & Case Stud<br>How Much Does It Cost to Sell a Busine<br>How much does it cost to sell a busine | SUR00158253, SUR00158232, SUR00158227, SUR00158258, SUR00158246 |
| How much does it cost to start an inve<br>How Much Will It Cost_ Fund Formati<br>Interview_ Wellesley Pitches to<br>Investment Grade _ Practical Law.pdf<br>IPOs & share offers_Beaufort Sect | SUR00158223, SUR00158245, SUR00158254, SUR00158229, SUR00158255 |
| Local authority bonds and private p<br>M&A Fees To Sell Your Business - The<br>Managing Customer Acquisitio<br>MetLife-Investment-Management-Privat<br>Microsoft Word - Creatis Reg BI Disclo | SUR00158233, SUR00158222, SUR00158265, SUR00158260, SUR00158241 |
| Mini-bonds – should you invest_ _<br>N.J. Associates Broad Street Wealth<br>Nominated Advisers_top 10.pdf<br>Northern Provident Investments Limited<br>Nutmeg spends £3 for every £1 of reven | SUR00158224, SUR00158235, SUR00158249, SUR00158228, SUR00158264 |
| Placement Agent Definition, Role, Co<br>Placement Agent Fees I Fundraising C<br>Placement Agent fees.pdf<br>Private Credit Market Solutions _ a<br>Private Equity Fund Expenses.pdf | SUR00158256, SUR00158230, SUR00158240, SUR00158263, SUR00158237 |
| Private Placement Fee Sample Clauses<br>Private Placements Explained_ Part 4 (Fe<br>Research_into_Non-Transferable_Debt<br>RG97-PE-Fee-and-Cost-Mapping-Table-P2P<br>Route to market_ customer acquis | SUR00158262, SUR00158225, SUR00158218, SUR00158239, SUR00158266 |
| ScalingFunds.pdf<br>Sentient Capital London Limited FC<br>The real costs of raising capital - Busi<br>Top corporate finance consulting f<br>Universal-Inside-English.pdf | SUR00158236, SUR00158248, SUR00158269, SUR00158271, SUR00158220 |
| Unlocking-SME-finance-through-mark<br>Venture Capital Fee Economics _ AngelLi<br>What Are the Advantages and Dis<br>What are the charges for investin<br>What fees do you charge_ How are the | SUR00158219, SUR00158267, SUR00158250, SUR00158231, SUR00158234 |

11. Customer Journey documents

| Document | Bates |
|---|---|
| 6.5% details | SUR00126121 |
| 6.5% ISA and bonds | SUR00126120 |
| About LC&F | SUR00126111 |
| Additional details | SUR00126122 |
| Appropriateness questions | SUR00126124 |
| Banner and advertising sign off | SUR00073582 |
| Brochure request | SUR00158204 |
| Calculate returns | SUR00126109 |
| Choose product | SUR00126119 |
| Company documents | SUR00126112 |
| Contact us | SUR00126115 |
| Customer bank details | SUR00126125 |
| FAQs | SUR00126107 |
| GCEN Bank transfer | SUR00156775 |
| GDPR | SUR00126118 |
| High Net Worth Investor statement | SUR00158208 |
| Homepage | SUR00126106 |
| IM warning | SUR00126126 |
| Information Memorandum | SUR00157215 |
| Investor Declaration | SUR00157216 |
| ISA FAQs | SUR00126108 |
| Login | SUR00126116 |
| Privacy Policy | SUR00126117 |
| RAF Terms & Conditions | SUR00157214 |
| Restricted Investor Statement | SUR00157735 |
| Review application | SUR00126124 |
| Security & Risk | SUR00126114 |
| Self-Certified Sophisticated Investor statement | SUR00158206 |
| SOF and Investor Classification | SUR00158205 |
| Sophisticated Investor Statement | SUR00158207 |
| Terms & Conditions | SUR00157213 |
| Why Choose LC&F | SUR00126110 |
| Telegraph 24x4 print | SUR00126128 |
| www.best-interest-rate.co.uk | SUR00126113 |