

Claimant

Kerry Grace Venn

Second Witness Statement

18 April 2024

Claim No. BL-2020-001343

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
BUSINESS LIST (ChD)

BETWEEN:

- (1) LONDON CAPITAL & FINANCE PLC (IN ADMINISTRATION)
- (2) MR FINBARR O'CONNELL, MR ADAM STEPHENS, MR HENRY SHINNERS, MR COLIN HARDMAN AND MR GEOFFREY ROWLEY (JOINT ADMINISTRATORS OF LONDON CAPITAL & FINANCE PLC (IN ADMINISTRATION))
- (3) LONDON OIL & GAS LIMITED (IN ADMINISTRATION)
- (4) MR FINBARR O'CONNELL, MR ADAM STEPHENS, MR COLIN HARDMAN AND MR LANE BEDNASH (JOINT ADMINISTRATORS OF LONDON OIL & GAS LIMITED (IN ADMINISTRATION))

Claimants

-and-

- (1) MICHAEL ANDREW THOMSON
- ~~(2) SIMON HUME-KENDALL~~
- ~~(3) ELTEN BARKER~~
- (4) SPENCER GOLDING
- (5) PAUL CARELESS
- (6) SURGE FINANCIAL LIMITED
- (7) JOHN RUSSELL-MURPHY
- (8) ROBERT SEDGWICK
- (9) GROSVENOR PARK INTELLIGENT INVESTMENT LIMITED
- ~~(10) HELEN HUME-KENDALL~~
- ~~(11) MICHAEL STARKIE~~
- ~~(12) STEPHEN RUSCOE~~
- ~~(13) ERIC BOSSHARD~~
- ~~(14) ROGER FILTNESS~~
- (as representative of the estate of Mr Robin Hudson (deceased))
- ~~(15) CHARLES HENDRY~~

Defendants

SECOND WITNESS STATEMENT
OF KERRY GRACE VENN

I, **KERRY GRACE VENN**, of [REDACTED], Eastbourne, East Sussex, [REDACTED] **WILL**
SAY as follows:

A. INTRODUCTION

- 1 I am Kerry Grace Venn (nee Graham) and I was a Director of the Sixth Defendant, Surge Financial Limited with Company Number 09395654 ("**Surge**"), from 19 January 2015 to 25 September 2019. I make this statement in support of the Fifth Defendant ("**Paul**") and Sixth Defendants' (the "**Surge Defendants**") Defence of these proceedings brought by the administrators of London Capital & Finance PLC ("**LCF**") and London Oil and Gas Limited ("**LOG**"), and specifically in response to the new allegations pertaining to the Surge Defendants knowledge of fraud (the "**New Allegations**") contained within the Claimants' Re-Re-Re-Amended Particulars of Claim (the "**RRRAPOC**").
- 2 Except where I indicate to the contrary, the facts and matters within this statement are within my knowledge and are true to the best of my knowledge and belief. Where the facts are not within my own knowledge, I identify my sources of information or belief.
- 3 Exhibited to this statement is a list of the documents I have been referred to for the purpose of providing the evidence set out in this statement. These are documents that the Claimants have referred to in their written opening submissions dated 15 December 2023. Where I refer to documents in this statement, they are to documents in that list and will be identified by the document numbers set out in that list, which I am informed by the Surge Defendants' solicitors, Kingsley Napley LLP, correspond to the bates numbers allocated to the relevant parties' disclosed documents.

B. NEW ALLEGATIONS

Alleged knowledge of LFC payments to connected parties

- 4 The Claimants are now alleging that Paul (and through him, Surge) had actual knowledge of substantial payments made by LCF to Mr Golding, and inferred knowledge of substantial payments being made by LCF to Mr Hume-Kendall, Mr Thomson and Mr Barker. I cannot comment on this allegation as it relates to Paul's knowledge. I confirm, however, that I had no knowledge of any payments being made by LCF to any of those individuals.

Alleged lack of trust in information provided by Mr Thomson and LCF

- 5 It is true that I sometimes found it frustrating that we (Surge) were unable to provide more detailed information to borrowers, despite our requests. This frustration can be seen from a number of emails that the Claimants have referred to in the course of their opening submissions in trial. I did not, however, find this suspicious.
- 6 There were a number of occasions, such as when I recommended the inclusion of case studies on the website, where I felt that Mr Thomson did not listen to me or take my advice. At the time, I thought that this was because he did not respect me personally. All of my recommendations were from a marketing perspective with a view to making our marketing more effective and as LCF's CEO it was his prerogative whether to take them.
- 7 It is true that I held strong suspicions that the LCF ISA had not been set up properly, which is why I sought to better understand LCF's position. There were times where I felt that I had not received a sufficiently clear or satisfactory explanation to my queries, which is why I continued to press the matter, as can be seen by the correspondence that the Claimants have referred to in their opening submissions.

- 8 I should point out that I was not expected to have any specialist knowledge of the IF ISA structures in my capacity. Surge provided outsourced business services which focused on marketing and on-boarding bond applicants. We did not advise on tax or law. However, because Blackmore were more transparent, they invited me to join them when they met with their lawyers and so having the benefit of being in the room at the time that IF ISAs were being explained to Blackmore, I learned a little. This knowledge did not make me an expert.
- 9 My role as I saw it, was to find out what clever loop hole LCF had exploited to have obtained a larger ISA (over EUR5m). I wanted to share this knowledge with Blackmore so that they too could benefit. I deduced that LCF could see that I wanted this golden nugget to confer advantage to Blackmore, who are their competitor, and this was why they were not forthcoming and their responses to me lacked detail and it felt like they were batting me away.
- 10 Part of me did suspect they had got it wrong but that was the less likely explanation given the quality of LCF's advisers. HMRC granted LCF ISA Manager status, they were a member of TISA. LCFs compliance officer and CEO continually reassured me that their expert representatives had confirmed their ISA was correct.
- 11 I was also aware that I was challenging our most important client on a subject that I knew little about and didn't feel entitled to push anymore. I knew they were finding me annoying and that it wasn't really my place and that I didn't want to cause offense. Ultimately, I have no legal or tax expertise and I chose to accept the superior knowledge of the experts and backed down.

Allegations re "LCF2"

- 12 It is true that Surge explored other business opportunities, and I have already covered this to a certain degree in my first witness statement in these proceedings.
- 13 Paul and I felt too heavily dependent on LCF. They were our biggest source of income and this meant we had a concentration risk. It had always been our plan to take on other clients to reduce this risk. However, when the ISAs came out, the business grew so rapidly we didn't have enough time to dedicate to sourcing new clients, we were run off our feet. We also had to balance the risk that if LCF thought they didn't have our complete focus they might start to shop around and we could lose them as a client. Paul was very keen to keep in their favour and to work with them on expansion plans. We explored ways to do this together at the same time as exploring external sources of new business.
- 14 The suggestion is that we knew LCF were doing something wrong and therefore could collapse is wrong. Any business can collapse at any time for any number of reasons. It was simply prudent to acknowledge this risk and mitigate by seeking other sources of income.
- 15 Paul and I explored a number of different options for diversification. Whilst we would ideally have found an unconnected third party / bond to work with, given LCF were our biggest client we felt obliged to explore opportunities with them at the same time. This included meetings with two litigation finance bonds, and a property bond called Lusso, as well as others.
- 16 As explained in my first statement, the oil and gas bond initially seemed promising and we explored it in some detail but did not complete the set up. It never went live.

17 A corporate finance bond ("LFC2") was also explored but this did not work out. Initially the corporate finance bond was pitched to us by Spencer and Simon as being nothing to do with LCF. However, over time Andy started to become involved and when we received the draft IM for the newco, which was a copy of LCF's existing IM, we lost interest in the project and did not explore it further. As explained above, Paul and I were looking to diversify our client base, not get involved with a new company that was basically a carbon copy of LCF.

STATEMENT OF TRUTH

I believe that the facts stated in this witness statement are true. 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.

Signed:



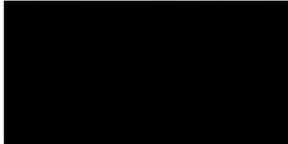
Name: KERRY GRACE VENN

Dated: 18 April 2024

Confirmation of Compliance (PD 57AC, para 4.1)

I understand that the purpose of this witness statement is to set out matters of fact of which I have personal knowledge. I understand that it is not my function to argue the case, either generally or on particular points, or to take the court through the documents in the case. This witness statement sets out only my personal knowledge and recollection, in my own words. On points that I understand to be important in the case, I have stated honestly (a) how well I recall matters and (b) whether my memory has been refreshed by considering documents, if so how and when. I have not been asked or encouraged by anyone to include in this statement anything that is not my own account, to the best of my ability and recollection, of events I witnessed or matters of which I have personal knowledge.

Signed:



Name: KERRY GRACE VENN

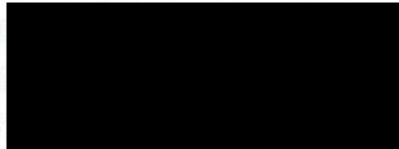
Dated: 18 April 2024

Certificate of Compliance (PD 57AC, para 4.3)

I hereby certify that: (Practice Direction 57AC, para 4.3)

1. I am the relevant legal representative within the meaning of Practice Direction 57AC.
2. I am satisfied that the purpose and proper content of trial witness statements, and proper practice in relation to their preparation, including the witness confirmation required by paragraph 4.1 of Practice Direction 57AC, have been discussed with and explained to Kerry Venn.
3. I believe this trial witness statement complies with Practice Direction 57AC and paragraphs 18.1 and 18.2 of Practice Direction 32, and that it has been prepared in accordance with the Statement of Best Practice contained in the Appendix to Practice Direction 57AC.

Signed:



Name: WILLIAM CHRISTOPHER

Position: Partner, Kingsley Napley LLP

Dated: 18 April 2023

Annex 1: List of Documents (PD 57AC, para 3.2)

Bates Document Reference
SUR00032895-0001
MDR00007263
MDR00058502
MDR00215810
MDR00051159
MDR00220286
MDR00088779
MDR00215810
MDR00055328
MDR00072440
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