

Company sues former director and senior trust figures for £100m

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Royal Court sitting at Grand Jersey to hear six-week civil case

A COMPANY is suing a former director and senior figures at a major trust company because, it is alleged, it was defrauded of more than £100m when a business it had invested in was restructured and then sold.

Hunters Investments Ltd claims that defendants Geoffrey Crill, former managing director of Sanne Simon Young, Peter Machon, Sanne Holdings Ltd and Sanne Trust Company Ltd 'lied to and deceived HIL to dispose of valuable shares' in Sanne in 2011 'when HIL did not want to sell them'. They also deceived HIL in respect of the value of shares, it is claimed.

Yesterday, a six-week civil trial began, with the Royal Court sitting at the Grand Jersey Hotel due to the expected length of proceedings.

At the centre of the claim is the allegation that the defendants deceived HIL by not disclosing information as to its true value.

It is argued that HIL was denied money it was owed after it had bought shares in Sanne Holdings, which in turn held

the shares of Sanne Trust Company.

The allegation is denied by the defendants.

HIL and its director David Banks are represented by Advocate Olaf Blakeley, Mr Crill is represented by Advocate William Redgrave, and the remaining defendants are represented by Advocate Michael O'Connell.

Opening the plaintiffs' case, Advocate Blakeley told the court that HIL was a company initially owned by four, growing to eight lawyers, including Mr Crill and Mr Banks, who were all partners in the law firm Crill Canavan, which later became Collas Crill.

HIL became a shareholder of Sanne in 1999 when it bought shares off Sanne's two principal directors as an investment. HIL owned 40% of Sanne Holdings but held a majority of voting rights.

Advocate Olaf Blakeley said that Mr Banks left Crill Canavan after a disagreement within the partnership and launched legal proceedings

against the partners, which were settled in 2005.

However, he remained a director of HIL and Sanne Holdings, with a contractual agreement in place that he would continue to be briefed on its activities and that of Sanne.

Mr Crill was chosen as the conduit between Sanne and the HIL shareholders.

Mr Banks claims that although details on financial performance and other data were initially forthcoming, Sanne Holdings broke that agreement by stopping supplying information.

Advocate Blakeley told the court that, from late 2010, Mr Banks and HIL were 'stonewalled' when he asked for more information about a proposed restructuring of the Sanne shareholding, which the company said was to incentivise more directors to stop them potentially taking their knowledge and experience elsewhere.

Mr Banks was also concerned, it was argued, that a reallocation of shares would disproportionately benefit the

management of Sanne, which included Mr Young and Mr Machon, which owned nearly 40% of the business.

Advocate Blakeley said: 'The plaintiff alleges that the individual defendants lied and deceived HIL to dispose of valuable shares at a time when HIL did not want to sell them. They also deceived HIL in respect of the value of those shares.'

In 2011, HIL sold its interest in Sanne Holdings. HIL argues that the price did not reflect the company's true value.

The following year, Inflexion Private Equity invested in Sanne and, in 2015, the business listed on the London Stock Exchange, giving it a market capitalisation of £232m.

Last August, Sanne Group plc was acquired by Apex Group Ltd for £1.5 billion.

The defendants' arguments are likely to begin to be presented later this week.

The case is being heard by Commissioner Terence Mowschenson KC, who is sitting with Guernsey Jurats Steven Morris and Joanne Wyatt.