

# Criminal complaint filed against second LFP I Sicav sub-fund

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By [Tjibbe Hoekstra](#), 16 Oct 19

€35m damages sought connected to Equity Power Fund, which shares umbrella fund with collapsed Columnna sub-fund



A financial investigator seeking damages on behalf of investors has filed a criminal complaint at a Belgian court against groups connected to the Equity Power Fund, a Luxembourg-domiciled sub-fund, over the disappearance of about €35m in assets and cash from the fund.

The complaint, filed at a court in Antwerp in August, is directed at various holding companies owned by or involved with the fund; eight people have been accused of forgery of documents, fraud, abuse of trust, corruption and money laundering.

Launched in June 2013, the Equity Power Fund – which is a sub-fund of Luxembourg-domiciled umbrella fund LFP I – is focused on short-term loan agreements and equity holdings.

Investigator David Mapley runs a consultancy that specialises in uncovering fraud and recovering assets. He was appointed a director of LFP I by shareholders in December last year as part of wider efforts to recover lost assets. He is also seeking to recoup about \$55m on behalf of investors who lost money in the collapsed [Columnna Commodities fund](#), another sub-fund of umbrella fund LFP I.

## Sale of assets

The alleged fraud at the Equity Power Fund mainly revolves around the underhand sale of its assets, court documents claim.

Mapley claims the fund's ex advisor and fundraiser Hans Noomen conspired with Levi Dewaegenaere and Inge Caes, the directors of Belgian developer Urban Capital Group (UCG), to defraud investors.

UCG is 99,4% owned by the fund, and most of the Equity Power Fund's assets were invested in UCG projects.

As part of efforts to recover lost assets, Mapley assumed control of the Equity Power Fund in February, allowing him to investigate the fund's investments. He claims that the majority of the

fund's real estate projects have been sold or written off without the fund receiving any proceeds.

Of the 16 UCG real estate projects that have been among the Equity Power Fund's holdings over the last six years, it currently maintains ownership of only five.

Mapley claims that all the other real estate projects have been transferred out of the fund by Dewaegenaere and Noomen without passing the proceeds onto investors.

## Returns confusion

Noomen, who worked as an advisor to the fund until February, disputed Mapley's claims. He told *Expert Investor* that Mapley had "watched too many American detective series" without providing an alternative version of events.

Dewaegenaere declined to comment on the allegations when *EI* contacted his spokesperson.

Until this year, the fund published a basic performance factsheet every month showing consistent returns despite that fact that few of the assets it owned produced returns. It also charged a management fee of 2%, as well as a 25% performance fee. However, it did not include net asset value or an overview of the fund's underlying investments in the factsheet.

"These returns were manufactured and included interest on accruing loans that subsequently defaulted," Mapley said.

## Disputed valuations

Investors in the fund have allegedly been defrauded out of about €35m, according to Mapley. He claims this fraud included "artificially high" prices paid for some assets owned by the fund, including the Tour & Taxis redevelopment in Brussels and the Seascope project in Antwerp.

According to court documents, the fund paid €5.3m for the Tour & Taxis project, but the real price of the building was just over €3m and claims the outstanding money was divvied up among some of the accused. Noomen refused to comment on this allegation.

The Equity Power Fund, meanwhile, purchased the Antwerp Seascope building project in March 2019.

A false €18m loan agreement with forged signatures, between Seascope's holding company UCG Seascope and the US group Tungsten Partners, was put together by Dewaegenaere, according to court documents.

The fund paid €20m for Seascope, when the real value of the project was only €7m, according to court documents.

The existence of the false loan agreement including the forged signatures was confirmed by two other sources with knowledge of the matter. Dewaegenaere received a 10-month suspended sentence for forgery of two sales invoices in an unrelated case last year.

## LFP I Sicav

Mapley heads Intel Suisse, a Geneva-based asset recovery firm. Mapley and his co-directors took over LFP I Sicav in December [last year](#) after the move was approved by regulators. "The move gave us access to companies and records that hitherto were not there," he explained at the time.

Umbrella fund LFP I hosts various sub-funds in addition to the Equity Power fund. Another sub-fund, the Columna Commodities fund, suspended its operations at the end of 2016 after acknowledging it was unable to recover assets loaned to a related company leaving scores of investors millions of euros out of pocket. According to Mapley, more than four fifths of Columna's assets were invested in companies associated with a single group.

LFP I Sicav's former management company – Luxembourg Fund Partners (LFP) – went into liquidation in early 2017 and was subsequently acquired by fund platform and administrator Alter Domus in December that year.

In late 2017, LFP I Sicav's assets under management totalled about €400m, according to *Reuters*. In April this year, LFP I Sicav's assets under management totalled around €80m.