

Keydata missing assets trail could lead to rainforest

16 February 2010 | By [Leah Milner](#), [Hannah Stodell](#)

Rainforest investments made by SLS founder David Elias may be the key to recovering Keydata's missing assets, according to an insurer which invested in SLS.

A sale of Keydata collapsed in July last year after administrator PricewaterhouseCoopers uncovered information that suggested £103m of assets invested by the firm with Luxembourg investment vehicle SLS had been "liquidated and may have been misappropriated."

It is thought around £138m was invested in SLS in total with Danske Bank International, Orion Life Insurance, Hansard International and IFA Marks Jacobson also understood to be affected.

In a recent note to advisers, seen by Money Marketing, Orion financial director Christopher Chong says lawyer Robert Rakison who represents Elias and his widow appointed BDO to handle the realisation of assets of BWT Holdings, the Malaysian-based firm which established SLS Capital, with the hope of recovering over £100m after paying off BWT creditors .

Bruno Geissmann, chief executive of Brunei-based insurer Orion Life, says he met up with Elias before his death in 2009, to discuss his company's direct investments into SLS Capital SA and Life Settlements Capital SA.

Geissmann called the meeting with Elias, on the Malaysian island of Labuan, to find out why interest payments from the vehicles had stopped in late 2008.

Elias told Geissmann that some assets had been sold to invest in the Brazilian rainforest.

Geissmann says that it is too early to speculate on what sums may be recoverable, but he says he has heard that some rainforest assets have been found of "quite substantial value" and so the insurer decided to inform its policyholders of the development.

Geissmann says: "I met with David Elias in March, two months before he died.

"At that stage we wanted to know details about the issuer SLS Capital SA and Life Settlements Capital SA. At that stage we wanted to know what the heck was going on because they didn't pay the coupons, the interest - so we wanted to see their financial figures and get an explanation.

"There were no suspicions at all at that stage."

Geissmann says it was quite a short meeting and little detail was provided.

But he says: "Elias said that some assets had been sold – but not how much or from which company – and that other investments like this rainforest land had been made, but no details. We insisted on details, but we did not receive them"

On the potential for recovery of the assets, Geissmann adds: "It is too early. Many legal steps have to be done. But we have heard that there was an investment made in the rainforest of quite substantial value and that some assets have been found. It made sense for us to inform our policyholders of that."

The Financial Services Compensation Scheme has begun compensating Keydata investors up to a maximum of £50,000 with IFAs [forced to pay a levy of £43m](#) to cover the compensation.