



WE HARVEST—YOU PROFIT

AFRICAN LAND LTD'S LAND DEAL IN SIERRA LEONE

JUNE 2014

We harvest – you profit

We offer you direct access to low-cost, high potential agricultural land with a valuable high yield crop, annual income and strong capital growth prospects.

Rice seedlings ready for transplanting

Award winning product

"African Land (Agri Capital) should be commended for developing such an innovative product in such a fast-growing sector, offering generous potential returns to investors and strong benefits to the local community. Through its support of the local community, goodwill is being generated in Sierra Leone, adding to the 'feel-good' factor of this highly impressive investment scheme."

opp Awards for Excellence 2011

Winner of Best Alternative Investment Product 2011

sector that is attracting

Acknowledgements

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The Oakland Institute



A sign identifying Block B (African Land had three blocks).

Overview

From rising food prices to growing demand for biofuel, the current obsession for agricultural land borders on speculative mania as private companies, hedge funds, private equity funds, and sovereign wealth funds join the land rush looking for lucrative deals in the developing world. An estimated 500 million acres, an area about ten times the size of Britain, has been bought or leased in the developing world in the last decade. The social, economic, and environmental impacts of this trend have been extensively researched and made public by the Oakland Institute.¹

This brief offers insight into a new class of companies, such as African Land Limited, that use the idea of helping African communities, together with deception around yields and profits, to dupe investors—including retired individuals who've handed over their life savings—to make more while doing good.

With the tagline “We Harvest—You Profit,”² the UK-based African Land Limited offers an opportunity for land investment in poor countries that sounds too good to pass up. Unhappy investors, legal troubles, and a history of controversial directors reveal another story.

In July 2013, the UK's Financial Conduct Authority (FCA) initiated proceedings against African Land Limited and their promoters, Capital Alternatives, and several other companies and individuals for allegedly promoting and/or operating collective investment schemes (CISs) without its authorization, an offense in the UK. The companies also faced accusations of providing false information and making misleading statements to investors through promotional materials.

In February 2014, the court found African Land and Capital Alternatives to be operating as a collective investment schemes, thus bringing them under the jurisdiction of the FCA. The companies appealed the decision, contending that the schemes were direct purchases of property and therefore not collectives.

While the appeal is pending, the Oakland Institute uncovered a renewed effort by African Land Ltd. to secure investments from new investors—a blatant violation of court orders.

What is African Land Limited?

African Land (AL) is a limited liability company incorporated in the United Kingdom that has rebranded itself and gone through several name changes over the last few years, including Capital Advertising and Agri Capital.⁴

In 2009, African Land (then known as Agri Capital), secured a 50-year land lease on 3,000 acres known as Yoni Farms in the Bo district in the southwest region of Sierra Leone. The investment scheme was promoted by GreenWorld (BVI) as “a form of pooled investment” that allowed individual investors to access this asset class.⁵ The notarized lease contract shows the yearly rent of 1 (one) bushel of paddy (unmilled) rice per acre per year for the term of the lease.⁶

“As you know African Land proudly represents hundreds of individual investors, each of whom have acquired sub leases in respect of their own acres of land. These plots are subsequently individually farmed by your appointed representatives to produce rice. Profits from the sale of rice from the individual plots are then passed on to individual investors.”

—About African Land.³

AL’s investment schemes were subsequently promoted and sold by Capital Alternatives (CA) until March 2013.⁷ Its services ranged from cold calling potential investors, to marketing and order placement. In the court proceedings, the FCA/ defense counsel presented evidence showing that the brokerage fees paid to Capital Alternatives were about 25%. In another scheme, Capital Carbon Credits, which had some 919 investors, Capital Alternatives received 50% as introduction fee.⁸ Both schemes, each promoted by Capital Alternatives, raised an estimated £17 million (\$28.6 million) in total.⁹

With local workers producing rice crops at Yoni Farms, investors were offered an opportunity to purchase “prime rice farming land,”¹⁰ reap generous returns, and yield strong benefits for the local community.¹¹ Investment opportunities were initially offered at £1,500 (\$2,500) per acre (con-

sisting of £900 per field and a £600 cultivation fee).¹² The deal came with assurances of income of 15% per year from high yield rice harvests and a 50% increase in land value immediately after the land becomes productive¹³—7% annually thereafter¹⁴—on land made available at a 10% market discount.¹⁵ When Agri Capital changed its name to African Land in late 2011, no new sublease certificates were provided to investors.

In 2012, AL required a minimum 5-acre purchase.¹⁶ In 2013, CA was replaced by Regency Capital, who informed investors of the increase in value of the land and that the price per acre was to go up to £3,000 (\$5,000), with the intent to persuade them to purchase more land prior to the price increase at £2,250 (\$3,800) per acre.¹⁷

Who runs African Land Limited?

Those at the helm of AL have a disturbing track record of shady business dealings and high failure rates.

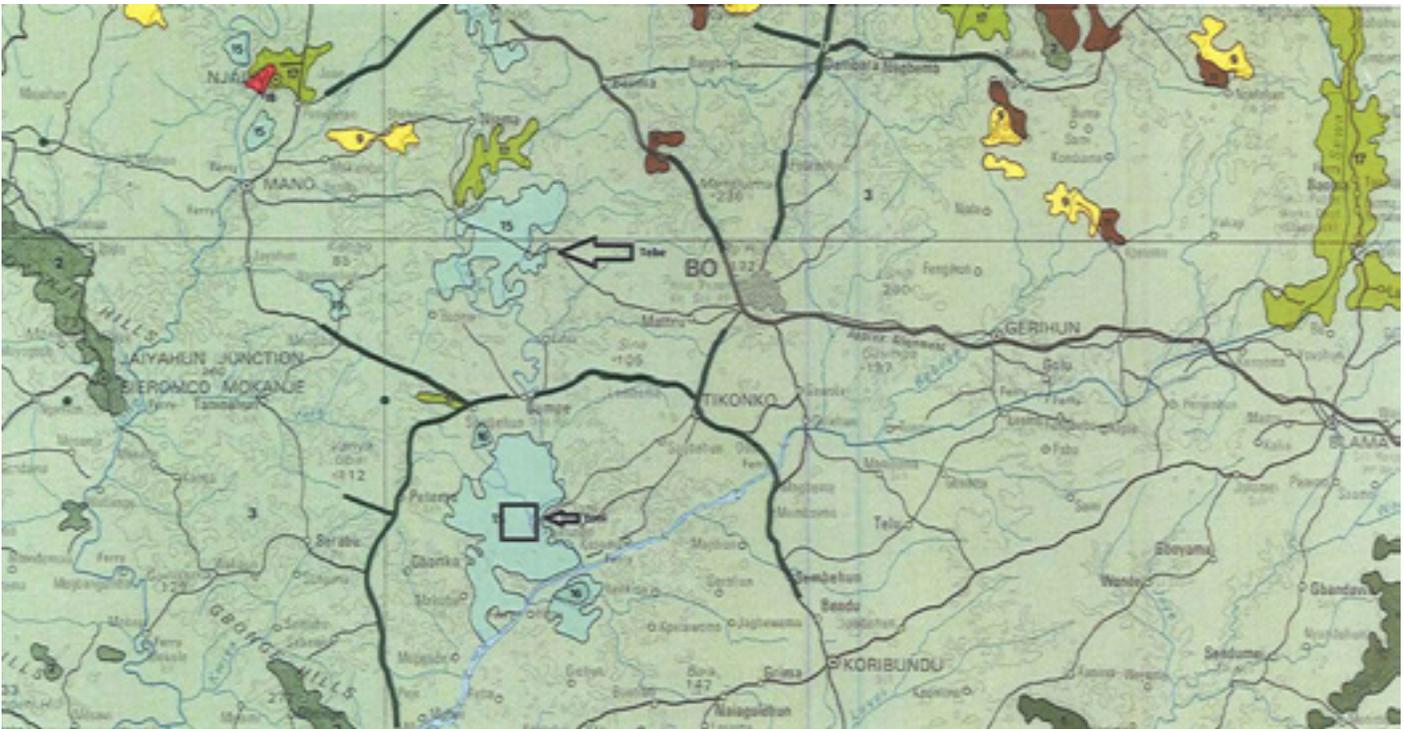
Robert McKendrick—Determined by the evidence presented in court to be the de facto owner of African Land, Robert McKendrick, Executive Chairman/Co-Director of African Land Limited, is well versed at heading companies and exiting at the opportune moment.¹⁸ He has directed no less than 20 companies in the last decade. In the case of Capital Mining Ltd., run by McKendrick and Alan Meadowcroft, a partner at AL, its dissolution was followed by the creation of Capital Mining No. 2 Ltd. just a few months later.¹⁹

Alan Meadowcroft—Co-Director at African Land, Limited with ten directorships in the last ten years, Meadowcroft has worked with Robert McKendrick on various ventures that extend from real estate to diamond mining—the vast majority of which have either been liquidated or completely dissolved.²⁰

Richard Henstock—Previously a Co-Director of Capital Alternatives Ltd., Room to Invest Ltd., Room to Invest *Hotels* Ltd. and Viatrade, Henstock has held more than 34 directorships or secretary appointments with various enterprises—well over a dozen have since failed or been dissolved.²¹ Henstock created Room to Invest *Hotels* Ltd. as Room to Invest Ltd. was in the throes of liquidation,²² and it later became African Land Ltd.

Renwick Haddow—Haddow was once director of Capital Alternatives Ltd. where he ran sales marketing for African Land Ltd. With seventy appointments as either a company director or secretary, Haddow has had an extremely high failure rate as an executive.²³ This includes a failed beauty treat-





Agricultural map of African Land Ltd. and surrounding area.

ment venture that cost investors £2 million (\$3.4 million), the now-defunct Capital Ideas plc., Capital Ideas Financial Planning, Charolais Investment Company, Capital Mint, Undervalued Assets, Capital Ideas Investment Management, Arc Property Nominees, and Arc Fund Management.

Haddow and Richard Henstock have worked together closely—one of their joint ventures, Room To Invest Ltd., was owned by Capital Ideas, and collapsed while owing more than £2million (\$3.4 million) in 2010.²⁴

Marcia Hargous—Hargous has worked with all the directors mentioned above through her various roles at Room to Invest Ltd., Capital Mining Ltd., Capital Alternatives, as well as African Land Ltd.²⁵ She was also the sole director of Capital Secretarial Ltd., which received all payments made by investors and disbursed those funds.

Mark Ayres (aka Mark Eyres, aka Mark Heaver)—The one time Director of Capital Carbon Credits (now Reforestation Projects Ltd), Mr. Ayres has a troubled history of failed businesses and prison time. Convicted of 13 years for conspiracy to murder, Ayres joined Capital Carbon Credits despite being legally banned from holding such positions. Capital Carbon Credits was also sold, like African Land Ltd., though Capital Alternatives Ltd.²⁶

Trouble at Home

In July 2013, the FCA brought civil proceedings against Capital Alternatives and several other parties³³ to the UK High Court, alleging that two investment schemes, African Land and Reforestation Projects (known as Capital Carbon Credits) were operating illegally as collective investment schemes (CIS) and that misleading statements had been made to promote these schemes. The FCA sought restitution for investors. The implicated companies, along with their respective directors, had their major assets frozen and were barred from promoting their schemes given the dubious financial arrangements and “apparent dishonesty” of risked money placed outside the reach of investors.³⁴

In violation of the court-mandated order, AL continued to promote its scheme on africanland.net³⁵ and on its Facebook account.³⁶

On February 14, 2014, the UK High Court ruled that all four projects are, and have always been, operating illegally as collective investment schemes (CIS). The implicated companies appealed the decision and await decision.

“2012 has been an exciting year for African Land. Our initial investors have now seen up to 3 returns averaging 8% pa.”⁴⁰

—Robert McKendrick,
Executive Chairman, African Land Limited

New Findings

The Oakland Institute’s independent investigation into African Land Ltd. reveals additional troubling findings.

Inflated Land Prices

According to Sierra Leone’s Investment Promotion Agency (SLIEPA), low land prices make Sierra Leone a great investment destination.³⁷ Lacking a Savills survey number for Si-

erra Leone, AL used prices of prime arable farms in Bulgaria £4,904 per acre (\$8,253 per acre), and South Wales Australia, £8,950 per acre (\$15,064 per acre), to explain its pricing, £1,500 (\$2,525) per acre for land in Sierra Leone.³⁸

A fairer comparison would have been the Savills 2012 survey price of agricultural land in Ghana, which at \$100 (£59) per hectare (£24 for an acre) is £1,476 less than AL’s price of £1,500 per acre in Sierra Leone.³⁹

False Promises

African Land’s history is plagued with misinformation. In an email to an investor, Robert McKendrick claimed that AL had “over 2,000 investors.”⁴¹ In 2014, an agent mentioned 1,222 clients in the African Land project, living mostly in England, with 63 living in Australia.⁴² The court case revealed that with only 3,000 acres in hand, AL and Capital Alternatives sold more land to investors than it had access to.⁴³

AL also promised jobs, increased food supplies, as well as educational support for local communities.⁴⁴ However, the lease has no documentation of agreement with local com-

BOX 1: SEAL OF APPROVAL FROM THE SIERRA LEONEAN GOVERNMENT

An endorsement from Edward M. Turay, Sierra Leone’s High Commissioner to the UK and Northern Ireland, was available on AL’s website and YouTube,²⁷ until it was removed in May 2013. Although the FCA barred AL from promoting its schemes in July 2013,²⁸ the text of the endorsement and a fully functioning website promoting the scheme were available one month after the court ordered injunction.²⁹ During the course of the FCA inquiry and court case, AL continued to claim support from the Sierra Leone Ministry of Agriculture.³⁰

The Oakland Institute contacted the Sierra Leonean Commission, Commissioner Turay, and Sierra Leone’s Investment Promotion Agency (SLIEPA) to verify their support for AL. Calls and emails to the UK Commission were not returned. Patrick Cauker, head of SLIEPA, wrote back assuring a response, but failed to do so despite several reminders.³¹

Mr. Turay endorsed two other companies as well—Capital Alternatives and Capital Carbon Credits—both defendants in the court case brought by the FCA. Like AL, they are allegedly riddled with the same class of investment schemes, annual name changes, and a long list of scandal-ridden directors at the helm.³²

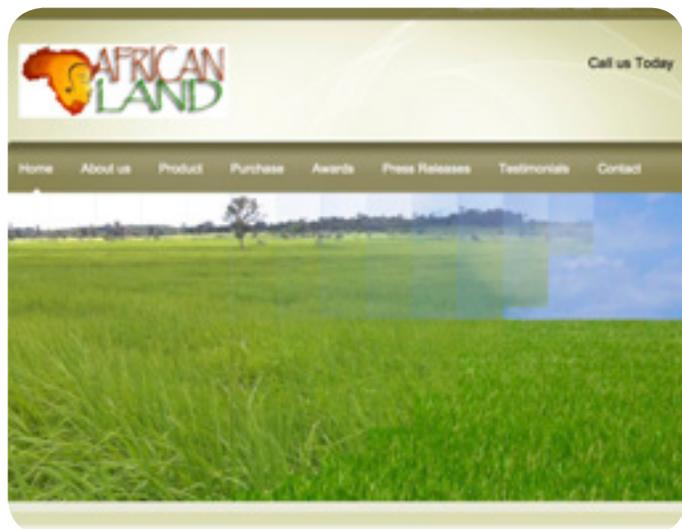


Commissioner Turay’s video endorsement on African Land’s website.



munities to substantiate these claims. In a conversation with OI, AL's agent, Jeoff Woodcock, stated, "Robert is like Jesus who has turned water into wine...made unproductive land productive." When asked about benefits for the community and rent paid, he stated, "Rent agreed is a bushel of rice (25 kilos) per acre per year."⁴⁵

OI's previous research has found that such claims are not legally binding and are either never fulfilled or half-heartedly implemented. Moreover, while promising jobs to the locals,



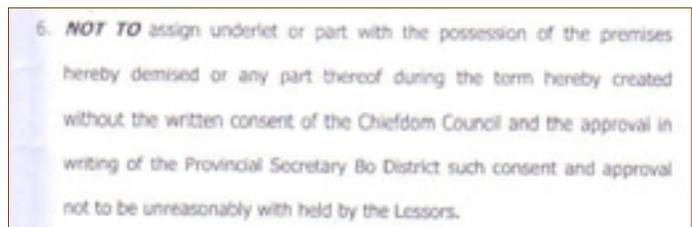
AL's fully functioning website despite the court ruling, September 2, 2013.

AL's promotion of mechanized agriculture offers limited job opportunities on its farm.⁴⁶ Despite SLIEPA's claims of skilled and trained agricultural technical staff available in the country,⁴⁷ AL outsourced land management to GMX Consulting, a UK firm using technicians from outside of Africa.⁴⁸

AL also reported approval of the project by the World Food Organisation.⁴⁹ However no such organization exists. AL provides no proof of partnership with the UN World Food Program, the UN Food and Agriculture Organization or any other humanitarian organization that had agreed to purchase "a set tonnage of rice" from AL.⁵⁰

A Valid Lease?

Despite claims of transparency and making documents available online, only five pages out of a twelve-page lease agreement were ever posted on AL's website.⁵¹ Worthy of note is that a critical page containing Clause 6 of the lease was not posted online or provided to investors. Clause 6 of the full lease agreement states that AL must have written



Clause 6 of the African Land lease agreement.⁵³

consent from the Paramount Chief and the Provisional Secretary prior to subleasing the land.⁵²

According to a signed statement from the Paramount Chief and the Provisional Secretary, they had not provided written consent for a sublease, making the contract with investors a violation of AL's lease agreement with local communities.⁵⁴

In February 2014, AL sent investors agreements that allowed AL to legally sublease the land going forward.⁵⁵ This new agreement included a yearly rent of £6.66 (\$11.2) per acre to be paid by the sub-lessee as well as all costs, charges, and expenses and Solicitor's fees incurred in the drafting, preparation and registration of the agreement. Through the agreement, the Lessee (AL) reserved the right to refuse entry into the land of any person or group of persons who posed a security threat or danger to machinery, workers, clients of the sub-lessee or "is generally a nuisance notwithstanding that such a person or group of persons is an invitee or customer of Sub-Lessee."⁵⁶



Certificate recognizing Agri Capital (African Land Limited) as a Community Based Organization.

Turning to New Pastures as African Land Reinvents Itself

“Looking for an authoritative voice on ethical land investment in Africa, to enhance community development and food security,”⁶⁰ is how Adam Greenwell of Forest Nation⁶¹ and Geoff Woodcock, founder and director of Velvet Assets in Australia and an agent representing Eclipse Management,⁶² approached the Oakland Institute in April 2014 and shared information on a farmland opportunity in Sierra Leone. Geoff Woodcock did not mention that he was previously the sales director for Capital Alternatives in Australia.⁶³ As they explained the proposed deal, commissions for any investments were mentioned as a one-off 3% to be paid to Eclipse Management with a contribution from any commissions (to be determined) to Adam Greenwell.⁶⁴

The farmland opportunity was none other than the Africa Land Ltd. deal with Woodcock claiming 3,000 acres in Sierra Leone, an additional 2,500 acres leased, and access to an additional 20,000 acres plus more acreage upon successful cultivation of that land.⁶⁵

“Court orders are preventing the schemes from being promoted or from taking in new investments until the court case is complete and we have frozen the assets of some of the defendants;...”

—FCA update to investors in “African Land Scheme” and/or the “Carbon Credits Scheme,” May 12, 2014.

BOX 2: CHEATED OUT OF MY RETIREMENT⁵⁷

I am a health care professional in England who has worked for the NHS over the last 37 years. I first learnt of the African Land Ltd. (AL) through its flyers and promotional materials in an investment publication, that provided analysis of stock market related companies, regulated by the FCA.

AL promoted its scheme as a humanitarian investment opportunity, assuring benefits to the local communities in Sierra Leone. It offered an agricultural land lease for sublease to investors with a full money-back guarantee, at a 25% discount of its value, if the land was not cultivated within a two-year period. Following an initial small investment, Capital Alternatives (CA), agents for African Land Ltd, who were paid scandalous commissions out of investor’s money (as I learnt later), convinced me to invest a larger sum.

Once invested, AL failed to update me regularly. Even its website address was changed on several occasions without informing the investors.

I have worked very hard all my life to be able to retire without hardship. The future prospects are looking different today. Having invested with the promise of around 15% annual returns, so far I have had one return of approximately 1% of my whole investment in a two-year period. With the ongoing court case, AL is not paying out any returns. Needless to say my investment would have done much better in an instant access bank account even with the current low interest rate. More importantly, I would have had access to it.

When I tried to exit the scheme, my land was placed on a trading platform on AL’s (then) website along with 18 other investors. I was informed later, that the sales team was encouraged to sell new plots of land rather than land from the trading platform. Once you buy into its schemes, there is no available exit, contrary to what AL states in its brochure and sales pitch.

I am glad that the FCA is looking into this, but whether this is a collective investment [CSI] or not, is a small part of the story. It is pertinent that the FCA and courts look at other issues, as well. AL had a lease for 3,000 acres, but I believe that 50% of the land I bought did not exist and of the 50% that may exist, AL was forbidden by the terms of its original lease to sublet any of that land. I, therefore, legally had no land at all, after investing the resources meant for my retirement.

—Based on email and phone correspondence with an investor in AL.



The follow-up information included lease agreements with African Lands for another 5,000 acres (dated January 17, 2011) and 16,000 acres (dated January 22, 2011) in Sierra Leone, as well as 5,000 acres (dated June 7, 2011) and another 15,000 acres (dated June 9, 2011) in Liberia.

Seeking a “Single Investor”

Follow-up communication with OI revealed that to beat FCA orders to wind-up the farm, AL is hoping to raise the needed investment to essentially buy out the current investors and replace them with a “wholesale investor/co-owner in an agro-ecological farming system that creates a sustainable, renewable investment that shows the investor enormous returns of £913,500 (\$1.5 million) per 1,000 acres of cultivated and harvested land, plus a dividend payment.”⁶⁶ Another document, showcasing support of the Sierra Leonean government for the project (see box 1), mentions the Minister of Agriculture

as stating, “Farmers in the country have not been engaging in subsistence farming, but rather, ‘they’ve been sub-existing even what they were producing was not enough to feed themselves, let alone to feed the nation. The current government’s view is that modern, mechanized, industrial agriculture is the more appropriate path towards food security and economic development.”⁶⁷ How the Minister’s vision of mechanized industrial agriculture matches up with AL’s agro-ecological farming system is not explained.

According to Geoff Woodcock, now of Eclipse Management, AL’s new agent working on commissions, “having a single large investor means the transaction would be a straightforward farm/property sale/investment and wouldn’t be subject to the regulations or a potential winding-up order imposed by the UK regulators,”⁶⁸ and thereby will “unshackle the farm from regulatory restrictions that UK regulators are trying to impose.”⁶⁹

BOX 3: AN INVESTMENT RIDDLED WITH QUESTIONS⁵⁸

Having worked for more than 30 years, my retirement funds provided me with a small pot of money for the first time in my life.

I was first made aware of Capital Alternatives when they contacted my mother, an Alzheimer’s patient and I stepped in to ask them to leave her alone. Soon their calls were directed at me. With promises of over 100% return within two years PLUS an opportunity to save the planet, I was convinced by Kristan Gander, a senior investment broker at Capital Alternatives, to invest in Carbon Credits in Brazil.⁵⁹ When approached with an opportunity to invest in AL, then called Agri Capital, I was impressed by the high returns, two-year money back guarantee, and that the investment would provide employment, schools, and other benefits for the local people. Consequently, I subleased some acres with promised returns of a minimum 15% a year, a two-year guarantee, and a high resale value. I have been awaiting returns since 2012, and have yet to receive a penny.

In April 2012, I visited the Yoni Farm, much of which was still scrubland, without much machinery. I met the locals and the local chief, but, given the language barrier, I was unable to speak directly to them or verify their consent for the project. I was shown a school and told the housing had improved. But there was no way of verifying the information since all information came from English-speaking employees of Capital Alternatives and African Land.

During my visit I was told I would have a harvest in 2012. A June 2012 letter stated I would get a harvest. To date I have yet to receive a penny. I have many unanswered questions, although the FCA court case answered some. For instance, African Land sold more land than it leased. Until very recently, it was not even allowed to sublease. I remain unclear on whether it made any investment in the farm or paid communities in Sierra Leone.

I have the money trail of one of my investments and not a penny hit the accounts of the company I thought I had invested in. One investment was in Capital Mining, where Meadowcroft and McKendrick were directors. After a year-long chase, I was informed by McKendrick (after the company had closed), that he never received the money or mined my plots. He offered me some compensation, which I have yet to receive.

FCA’s investigation to determine if deals such as AL are a collective investment scheme or not, is irrelevant. The bigger concern is if it might be a scam.

—Based on email and phone conversation with another investor.

“As you know, the farm has access to more land and the farm doesn’t need to stop at 10,000 acres, and could continue to grow and feed the countries food security needs. Continual expansion will help prevent civil unrest, which as I believe the civil war started due to rice riots that spilled into Sierra Leone....Using rough calculations, I estimated that a farm of 100,000 acres in size would be able to make up the total rice shortfall which Sierra Leone faces annually. Wouldn’t it be nice to do something that no one else has been able to do?”

—Geoff Woodcock, May 14, 2014.

A revised document obtained by the Oakland Institute a few weeks later provided the rationale behind the scheme: “Investment will be used to inject desperately needed funds into the farm including: pay farm staff, bring the farm back to full operating capacity, start cultivating an additional 1,000 acres a year and to implement a 5-year ‘rescue package’ for the current 1,222 retail investors.” The ‘rescue package’ would allow investors the option of being bought out immediately (should they wish exit and depending on investment size), to be bought out over 5 years or to stay in for the entirety of the lease (45 years remaining) to realize their investment.⁷⁰

Woodcock provided the following information on the total investment into the farm from individual investors: “there had been £9.4 million [\$15.8 million] raised by 1,222 retail investors. The returns were averaging 7.5% for the first 3

BOX 4: FIELD REPORT⁸¹

On August 1, 2013, after seeking permission from village elders, I visited the Yoni Farm and was met by two local Sierra Leonean employees of Agri Capital. One identified himself as the Head Man of Yoni Farm, and the other as his assistant. They informed me that a Vietnamese lady and 3 Vietnamese assistants, who manage the farm, were absent that day.

They stated that they had both worked at the farm since it began in 2010. Neither of them knew the exact number of acres that had been planted but according to the men it was not quite 1,000 acres and that the absence of investment funds had prevented the planting of more acres.

The equipment at the farm entrance—5 tractors, one small combine harvester and one bulldozer—was identified by the two as all the equipment that they had at the farm. Two of the tractors appeared fairly new, and one, appeared to be either being used as spares or awaiting repair. Given the rainy season, none of the equipment was in use.

One of the men mentioned a rice mill, owned by Agri Capital that he believed was not yet operational.

Excluding the Vietnamese employees, according to the men, the farm normally employed about 70 people as laborers, employed to hand-weed the rice, for 55,000 Leones (\$12.67) per week, but that number increased to between 200 – 250 people for a few weeks at harvest time.

Regarding the number of harvests, I was informed that there had been only one harvest per year to date and it was normally in September or October and that the annual yield was usually somewhere between 15 – 20 bushels of unmilled rice per acre but it varied and sometimes it was less on some parts of the land. The annual yield of unmilled rice amounted to 0.32 – 0.42 tons per acre—about one-tenth of the predicted harvest amount described in the African Land brochure. I knew that investors had been receiving letters from African Land falsifying annual yields and claiming two harvests per year.

We travelled to Kpetema Village to view the rice mill, a large storage building. The security guard at the door advised us that as an employee of Agri Capital, his job was to guard the equipment and the bags of rice that were stored inside. None of the rice had been removed.

The bags contained basic unmilled rice since the rice mill was not operational given the absence of electricity in the village. The security guard advised me that Agri Capital had not yet bought a generator.

—Based on field report provided by a representative of an investor.



harvests (African land was keeping 60% and re-investing). Now that we are introducing the hybrids we expect the profits to be approximately 50% therefore existing investors would have received 20%.”⁷¹

Benefit Assurances for the Prospective Investor

To the prospective investor, Eclipse Management offers a lucrative deal on behalf of AL—with 45 years remaining on the lease, they claim it is an opportunity that promises, “enormous projected returns,” anticipated return for each acre being 15% per harvest. AL even offers a 50:50 dividend payment of remaining profits.⁷² With two harvests per year, they project returns upwards of 30% a year.⁷³

The document meant for prospective investors goes on to promise, “current returns from approximately 1,000 acres of cultivated/irrigated land, are reported as being \$500,000 per harvest and with two harvests a year, a re-

turn of approximately \$1 million a year.”⁷⁴ A revised document sent two weeks later, projects second year returns on 1,000 acres of £913,500 (\$1.5 million).⁷⁵ This figure is calculated at: 1,000 acres x 2.1 tons each x £435 per ton = £913,500. The net figure is about £749,000 (\$1.3 million).⁷⁶

The proposal assures that, “the lease has been negotiated directly with the land owners, removing government risk.”⁷⁷ Woodcock also assured the Oakland Institute that the signed (undated) agreement, provided in its Due Diligence packet that allows sublease of the land was from 2009, claiming that the company was allowed to sublease starting in 2009, contradicting the findings reported earlier in this brief.⁷⁸ At the trial in October 2013, AL submitted a two page document that AL claimed granted them permission to sublet. This was signed in 2009 but was challenged as a forgery by a prosecution witness. AL withdrew the document from evidence stating, “a mistake had been made.”

BOX 5: INTERVIEW WITH PARAMOUNT CHIEF JOSEPH T KPOSOWA III, JUNE 12, 2014

According to African Land Ltd., Yoni Farm provides jobs to the locals, sets aside 25 kilograms of rice per acre to give to the local community and that the last harvest yielded 17 tons of rice to the local community without charge. As the Paramount Chief are you glad to have African Land Ltd. in your community?

Paramount Chief: “The local community is not getting any benefits from African Land Ltd. farm. Few people were employed and now even that number has been reduced. There is no manager. Local employees have not been paid and have difficulty in getting their wages. No free rice has been distributed to the local villagers. African Land dont do anything for the community.

You are the signatory on the lease signed with African Land Ltd. Why did you sign it?

Paramount Chief: I have custody of land on behalf of my people. Robert McKendrick and African Land offered construction of roads, water pumps, health facilities. The land owners agreed to a 50 year lease. But nothing was done. The landowners are not happy and are looking at the contract which says nothing.

African Land Ltd. claims that they have located further suitable land and have access to more land. Will you be willing to give more land to African Land?

Paramount Chief: We will not release any further land to Robert McKendrick or African Land. They will not get any land again. They promised for the community before--water pumps, schools, health center, construction of roads. So there has to be improvement in contracts.

I don't want African Land to expand in my chieftom till they mean well-being of our community.

The investor is then promised social returns: “...with the right investment sourced, the upside to this could include, but not limited to:

- Allowing the farm to continue to grow and become a reliable source of food for a growing region;
- Introduce irrigation to the remainder of the farm (only less than 1/3 has implemented irrigation), resulting in 2 harvests a year and doubling the output;
- Saving 100 – 200 local jobs and growing the work force to much larger numbers;
- Increase the amount of free rice given to the local community;
- Work with the UN’s World Food Program to distribute food throughout the countries schools (African Land have been engaging with the UN. I’m unaware of their current status);
- Increase the financial aid given for medical support;
- A forward step in helping Sierra Leone being able to support and sustain themselves with their own natural resources—a step away from the dependence of imported food supply”⁷⁹

In both phone and email conversations, the Eclipse agent pushes swift action citing interest from the Middle East to grow jasmine rice for exports and details that the signing of an agreement would require a minimum 10% non-refundable deposit within 7 days which would “take the farm off the market and prevent the other consultants from selling the farm from under our feet.”⁸⁰

Conclusion

This brief offers a cautionary tale of a double deception carried out by African Land Ltd. Investors were hoodwinked by the promise of high economic returns, coupled with the ideals of supporting the people of Sierra Leone. For those who invested, the FCA issued troubling news: “Even if the court grants an order for investors to be compensated, the defendants usually do not have enough assets or funds to pay the full amount ordered.”⁸⁴ When all is said and done, investors may be holding onto a lease that lacks legal standing in Sierra Leone. Yet, it is unclear if investors will receive any of their investment back, even if the company is forced to liquidate.

Given AL’s new attempts to secure investments with its rhetoric of supporting Sierra Leone’s economy, this brief

Required Investment

Through Eclipse offers an investment opportunity of \$3,500 per acre to buy out the existing investors. Projections include a cash injection of \$1.5 million to expedite the cultivation of the remaining 2,000 acres and to introduce irrigation.⁸² The revised investment opportunity, provided later, details as follows:⁸³

Initial investment value	£6,600,000 (\$11,109,000)
Projected second year returns (1,000 acres):	£913,500 (\$1,538,000)
Projected 3rd year returns (2,000 acres):	£1,827,000 (\$3,076,000)
Projected 4th year returns (3,000 acres):	£2,740,500 (\$4,613,000)
Projected 5th year returns (4,000 acres):	£3,654,000 (\$6,150,000)
Projected 6th year returns (5,000 acres):	£4,567,500 (\$7,688,000)

Role of Eclipse Management as Consultants

As an intermediary, Jeoff Woodcock of Eclipse explained to the Oakland Institute that African Land does not engage in negotiations, so they hire promoters and consultants. Once there is a deal, there would be an introduction to African Land to make acquaintances, sign agreements and to arrange settlement terms.

offers information that we hope will be useful to both communities in Sierra Leone and investors.

Finally, while one can debate the legitimacy of African Land Ltd. as a collective investment scheme, there are other issues that outweigh categorization or structure of a company. These include the benefits of foreign investments in improving food security, land rights, and livelihoods of the local populations. While the legitimacy of AL’s 3,000 acre lease in Sierra Leone and the losses incurred by investors in the UK, Australia and New Zealand is of great concern, much more is at stake with the kind of deceptive practices illustrated in this brief. Land rights of smallholders, and the future of good-willed investors face a trial as well.

Endnotes

- 1 For reports and briefs on land deals, see publications at www.oaklandinstitute.org.
- 2 *The world needs feeding*. African Land Limited, 2012. (accessed April 6, 2013).
- 3 About African Land. <http://www.africanland.org/page/about-african-land.html> (accessed May 13, 2014).
- 4 Company Check. *African Land Limited*. The first brochure listed Agri Capital as a division of Capital Alternatives, which was found to be untrue during the FCA court proceedings. <http://companycheck.co.uk/company/06643156/AFRICAN-LAND-LIMITED> (accessed April 5, 2013)
- 5 Email communication with Josh Thompson, GreenWorld BVI. July 6, 2011. Also see GreenWorld (BVI) “brings unique African farmland investment to the retail market.” June 6, 2011. <http://farmlandgrab.org/post/view/18746-green-world-bvi-brings-unique-african-farmland-investment-to-the-retail-market> (accessed May 13, 2014)
- 6 African Land Limited. Rice farm notarized contract. November 11, 2009.
- 7 Previously known as Bannerplate Limited and Monument Property Partners Limited, Capital Alternatives also promoted investments in palm oil plantations, wine, gold, and memorabilia. It also promoted Capital Carbon Credits (CCC), currently known as Reforestation Projects Ltd., which sells plots of land in the Gola rainforest reserve in Sierra Leone to be accredited for carbon emissions.
- 8 Notes of Hearing. Financial Conduct Authority Vs. Capital Alternatives & Others. July 16-17, 2013.
- 9 Best, Lisa. FCA Vs. Capital Alternatives. A Detailed Summary. Intelligent Partnership. February 2014.
- 10 *We harvest—you profit*. Agri Capital Brochure, 2010. (accessed April 4, 2013).
- 11 *Ibid*.
- 12 AgriCapital Brochure, 2010.
- 13 *Ibid*.
- 14 *We harvest- you profit*. Agri Capital, 2010. (accessed April 4, 2013).
- 15 *The world needs feeding*. Op. Cit.
- 16 *Ibid*.
- 17 Email communication from Rio Moseley, Portfolio Manager, Regency Capital. April 26, 2013.
- 18 Company Check. *Robert John Mckendrick*. <http://companycheck.co.uk/director/904383934/MR-ROBERT-JOHN-MCKENDRICK> (accessed August 30, 2013).
- 19 Penman, Andrew. “Danger: farmland investment from African Land.” *Daily Mirror*, March 28, 2013. <http://blogs.mirror.co.uk/investigations/2013/03/danger-farmland-investment-fro.html> (accessed August 30, 2013).
- 20 Company Check. *Robert John Mckendrick*. <http://companycheck.co.uk/director/904383934/MR-ROBERT-JOHN-MCKENDRICK> (accessed August 30, 2013).
- 21 Company Check. *Richard John Lyon Henstock*. <http://companycheck.co.uk/director/907457908/MR-RICHARD-JOHN-LYON-HENSTOCK> (accessed August 30, 2013).
- 22 Jones, Ceri. “Behind the ads: Slovene hotel fails to check out.” *Money Observer*, January 30, 2012. <http://www.moneyobserver.com/our-analysis/behind-ads-slovene-hotel-fails-to-check-out>. (accessed May 13, 2014).
- 23 Company Check. *Renwick Robert Haddow*. <http://companycheck.co.uk/director/911077994/MR-RENWICK-ROBERT-HADDOW-DIRECTOR> (accessed August 30, 2013).
- 24 “Behind the ads: Slovene hotel fails to check out. Op. Cit.
- 25 Company Check. *Marcia Dominique Hargous*. <http://companycheck.co.uk/director/912828268/MISS-MARCIA-DOMINIQUE-HARGOUS> (accessed August 30, 2013).
- 26 Penman, Andrew. “Danger: green investment from Capital Carbon Credits.” *Daily Mirror*, March 28, 2013.
- 27 African Land Limited. *Videos*, www.africanland.info/videos, (accessed April 8, 2013) Page now removed.
- 28 Financial Conduct Authority. *Capital Alternatives taken to court over investment schemes*. July 30, 2013. [http://web.archive.org/web/20130801212728/ http://www.fca.org.uk/news/capital-alternatives-court-investment-schemes](http://web.archive.org/web/20130801212728/http://www.fca.org.uk/news/capital-alternatives-court-investment-schemes) (accessed July 30, 2013).
- 29 African Land Limited. *Videos*, <http://www.africanland.net/videos/index.html> (accessed August 20, 2013). Page now removed.
- 30 African Land Limited. *Homepage*. <http://africanland.org/> (accessed August 6, 2013). Page now removed.
- 31 Personal correspondence. February 12, 2014.
- 32 Penman, Andrew. “Danger: farmland investment from African Land.” Op. Cit.
- 33 According to the Notes of Hearing. Financial Conduct Authority Vs. Capital Alternatives & Others, specific defendants in the case included Capital Alternatives Ltd, Capital Secretarial Ltd, Capital Organisation Ltd, Capital Administration Services Ltd, MH Trustees Ltd, Marcia Dominique Hargous, Renwick Robert Haddow, Richard Henstock, African Land Ltd, Robert John McKendrick, Alan Howard Meadowcraft, Regency Capital Ltd, Reforestation Projects Ltd, Mark Andrew Ayres, Mark David Gibbs, and the personal representatives/estate of David William Waygood (deceased).
- 34 *Ibid*.
- 35 One month after the court ordered injunction that barred them from further promotion of the schemes <http://africanland.net/index.html> was still fully functional, including promotion, with no written statement of the current legal case against them at <http://www.africanland.org>.
- 36 As of April 16, 2014 African Land Limited continues to promote its scheme through its Facebook page <https://www.facebook.com/AfricanLandFarming>.
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- 38 African Land Limited. “We harvest, you profit” Brochure P.8. (accessed May 1, 2013).
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- 41 Email communication from Robert McKendrick to Stuart Farnworth. June 24, 2013.
- 42 Geoff Woodcock. Eclipse Management. Email communication. April 29, 2014.
- 43 Notes of Hearing. Financial Conduct Authority Vs. Capital Alternatives & Others. Op. Cit.
- 44 *We harvest—you profit*. Agri Capital, 2010. (accessed April 4, 2013).
- 45 Skype conversation with Geoff Woodcock. May 7, 2014.
- 46 The Oakland Institute, *The Myth of Job Creation*. December 2011. http://www.oaklandinstitute.org/sites/oaklandinstitute.org/files/OI_brief_myth_job_creation_o.pdf (accessed August 31, 2013).
- 47 Sierra Leone Investment and Export Promotion Agency. *Sierra Leone Investment Outreach Campaign Presentation*. (August 2012).
- 48 Robert McKendrick, e-mail message to investors, April 15, 2013.
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- 50 Robert McKendrick’s email to investors April, 2013.
- 51 Flickr. African Land Limited. <http://www.flickr.com/photos/africanland/sets/72157634074104588/> (accessed May 30, 2013).
- 52 Lease agreements obtained by the Oakland Institute.
- 53 African Land lease agreement. November 11, 2009. African Land Due Diligence Pack. May 7, 2014.
- 54 Signed statement by J.T. Kposowa, Paramount Chief. June 24, 2013.
- 55 Sublease agreement sent to investors dated February 10, 2014.
- 56 *Ibid*.
- 57 Based on email and phone correspondence between the investor and the OI, April 2013 – April 2014.
- 58 Email and phone conversation with another investor. April 9, 2014. To read comments from other investors, see <http://www.redd-monitor.org/2014/03/05/financial-conduct-authority-wins-high-court-case-against-capital-alternatives/> (accessed May 20, 2014).

- 59 LinkedIn profile of Kristan Gander. <https://www.linkedin.com/pub/kristan-gander/25/b38/2b> (accessed May 13, 2014).
- 60 Email communication from Adam Greenwell to the Oakland Institute. April 16, 2014.
- 61 According to Geoff Woodcock, Adam Greenwell is not financially or administratively linked to African Land. Instead his interest is to find opportunities to film for his mother, Liz Greenwell's, whose upcoming film is *Watering the Fields of Humanity*. Adam's role as production assistant to Liz Greenwell involves networking, promotions, and fundraising.
- 62 Email communication from Geoff Woodcock to OI. April 21, 2014.
- 63 Hughes, D. "UK Company Defends Wheat Project Claims." *The Australian Dairy Farmer*. April 22, 2013. <http://adf.farmonline.com.au/news/national-rural/agribusiness/general-news/uk-company-defends-wheat-project-claims/2655127.aspx> (accessed May 14, 2014).
- 64 Email communication from Geoff Woodcock. May 14, 2014.
- 65 Email communication from Geoff Woodcock. April 23, 2014.
- 66 Sierra Leone Farmland Opportunity Revised. May 7, 2014. Another revised version was provided on May 14, 2014.
- 67 Sierra Leone Farmland Opportunity Revised. Email communication. May 7, 2014.
- 68 Email communication from Geoff Woodcock. April 29, 2014.
- 69 Sierra Leone Farmland Opportunity Revised. Email communication. May 7, 2014.
- 70 *Ibid.*
- 71 Email communication with Geoff Woodcock. May 12, 2014.
- 72 *Ibid.*
- 73 The same document later states "enormous projected returns of 15% per harvest which is expected to rise to 20% per harvest with up to 2 harvests a year after irrigation." Sierra Leone Farmland Opportunity. Email communication
- 74 *Ibid.*
- 75 Sierra Leone Farmland Opportunity Revised. Email communication. May 7, 2014.
- 76 Email communication from Geoff Woodcock. May 12, 2014.
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- 78 Phone conversation, May 7, 2014. Email communication with Geoff Woodcock. African Land Due Diligence Pack provided on May 7, 2014. An email from Geoff Woodcock confirmed (May 13, 2014) that date for the permission to sublease is November 11, 2009.
- 79 Email communication from Geoff Woodcock. April 23, 2014.
- 80 Email communication from Geoff Woodcock. April 29, 2014.
- 81 Field report from an investigator acting on behalf of one of the investors.
- 82 Sierra Leone Farmland Opportunity. Op. Cit.
- 83 Sierra Leone Farmland Opportunity Revised. May 7, 2014.
- 84 Financial Conduct Authority. *Capital Alternatives taken to court over investment schemes*. July 30, 2013. <http://web.archive.org/web/20130801212728/http://www.fca.org.uk/news/capital-alternatives-court-investment-schemes> (accessed July 30, 2013.)



