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LFP I files against CSSF for gross negligence

LFP I SICAV SIF SA (“LFP1, the Fund”) has filed a civil claim against the CSSF, the Luxembourg regulator, over losses suffered by its investors in sub-funds Aventor Funds, Blackstar Commodities Fund, Columna Commodities Fund, and The Equity Power Fund – all alleged Ponzi schemes managed by former AIFM Luxembourg Fund Partners / Alter Domus Management Company SA (“ADMC”) until the AIFM was terminated, with cause, in February 2019 by the directors.

The claim is for gross negligence of the CSSF based on inter alia the following circumstances :

- Absence of verifications and sanctions against the Fund for progressive breach of the obligation of diversification of the investments by 7 compartments of the Fund under the 2007 SIF law, since 2014.
- Despite the voluntary suspension of the NAV of the compartments Aventor in October 2016 and Columna in November 2016, no verification of the reasons for these suspensions and no verification on the remaining compartments was made, and no sanctions against the AIFM of the Fund were taken.
- Despite a report of April 2017 sent to the CSSF pointing out the fraud in said compartments, no verification or suspension on the remaining compartments was made, no sanctions against the AIFM of the Fund were taken, letting new subscriptions take place, e.g. in the compartment EPF which finally suffered the same result as other compartments by suspension of the NAV in 2019.
- No suspension of the trading of the Fund's shares took place, no verification has been organised in situ by the CSSF, no special audit has been decided by the CSSF on any of the compartments at any time (PWC Luxembourg was the auditor throughout the fund's history up to March 2019).
- No verification or questioning of the depositary banks and other service providers of the Fund on the documentation of the so called investments made, no verification of the money flows based on bank statements was made.
- No verification of a possible Ponzi scheme in the various compartments was made, despite the clear conflict of Apex Fund Services (Malta) Ltd. being a shareholder in the AIFM and providing two directors to the AIFM from 2013 up to 2016.

The total amount claimed by the Fund against the CSSF is the total loss suffered by the 4 compartments and their investors, which amounts to € 99,202,120.38, subject to possible increase in due course, plus interest, etc.

For more information :- www.intel-suisse.com/press.php