

3 July 2017

**TO ALL KNOWN DEPOSITORS**

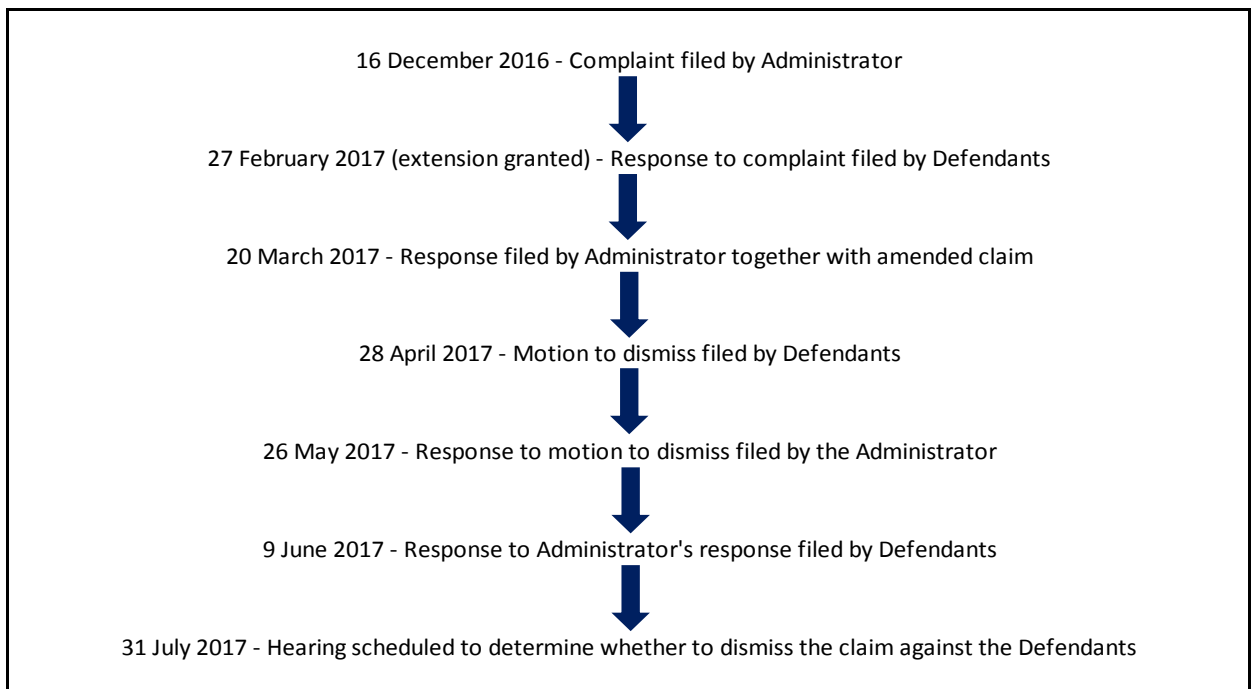
Dear Depositor

**National Bank of Anguilla (Private Banking & Trust) Ltd – Administrator Appointed (“PBT”)**

The purpose of this letter is to provide you with an update on the administration of PBT. It should be read in conjunction with my previous letters and specifically that dated 10 April 2017.

**Chapter 11 Bankruptcy**

In my previous correspondence, I provided an update on the progression of the complaint issued in the United States against the Eastern Caribbean Central Bank (“ECCB”), the National Commercial Bank of Anguilla Limited and the Receiver of the National Bank of Anguilla Limited (“NBA”) (collectively the “Defendants”). I set out the timeline of the complaint below for ease of reference:



If on 31 July the US Bankruptcy Court decides there is a case to be heard within the jurisdiction of the Court, then inevitably preparations will begin to move towards a trial. My lawyers in New York have

advised me that they consider the Judge may deliver his judgment on 31 July 2017, but may reserve it until a later date.

A link to the court docket from which you will be able to continue to follow progress in the matter is provided below.

<http://dm.epiq11.com/#/case/NBA>

### **Post-conservatorship balances (up to 24 March 2016)**

There is no further update from my previous report, the appeal in this matter will be heard in October 2017.

### **Judicial Review**

In my previous correspondence, I confirmed that I had filed an application for a judicial review on 10 March 2017 in the Anguillian Court, the respondents are the ECCB, the Government of Anguilla and the Receiver.

An application for a stay of the proceedings was filed on 5 May 2017, in order for the US proceedings as noted above to be determined by the US Court. On 14 June 2017, the Anguillian Court granted the stay to the earlier of:

- a) A final determination by the courts in the US Proceedings and Further US Proceedings (a similar complaint to that above has been filed in the US on behalf of the Caribbean Commercial Investment Bank Limited to which I am also the appointed Administrator); or
- b) The reaching of any final settlement between the parties to the US Proceedings as well as between the parties to the Further US Proceedings.

Similar legal proceedings in the United States and Anguilla are being pursued in parallel on behalf of the Caribbean Commercial Investment Bank Limited, to which I am also the appointed Administrator.

### **Asset Recoveries**

#### **1. Loans**

With respect to PBT's loan book:

- Collections continue to be received monthly from performing loans. Since 10 April 2017, US\$84,667 has been received from the loans.
- After extensive negotiations, a lump sum payment (US\$600,000) has been received from a borrower who was previously classified as non-performing. Further monthly repayments are now being received.

- Settlement negotiations are continuing with other parties with non-performing loans, including one of the largest borrowers within the loan book.
- I previously reported that a complaint had been filed in the United States against a borrower holding a non-performing loan. The current position is that a hearing is to be scheduled to determine whether there is a case to be heard, the borrower filed a motion to dismiss my complaint. As yet, no date has been provided for the hearing.
- I am in the process of bringing claims against two borrowers in St. Maarten who are in default. One of the claims requires rectification of the title on the property securing the loan. I am working with my St. Maarten lawyers to progress this issue.
- Total recoveries from loans since my appointment are US\$1.624m. You should be aware that in many cases, especially in respect of non-performing loans, the underlying realisable values of assets used to secure loans are less than the sums advanced.

## 2. Property

- I can confirm that the sale of the property in St. Maarten completed on 4 April 2017 resulting in a net realisation of US\$1.040m, after agent's fees and outstanding land taxes.
- I continue to work on the rectification of the title of a block of land in Anguilla, which has been incorrectly registered in the name of NBA rather than PBT. I have had to instruct my lawyers to assist in dealing with the matter because the Receiver has not signed the documentation, despite agreeing the need to rectify. The land will be offered for sale after the title has been rectified.

### Administrator's Account of Receipts and Payments

I attach at **Appendix 1**, my account of receipts and payments for the period from 22 February 2016 to 23 June 2017.

Some of the key items to note are:

- Funds held have increased by approximately US\$1.5m to US\$3.67m since 10 April 2017 because of loan recoveries and completion of the St. Maarten property sale.
- US\$1.5m plus accrued interest continues to be placed on a rolling three month term deposit, a further US\$1.6m will be placed on term deposit shortly.

### Informal Creditors' Committee – Contact with Depositors

Some members of the Informal Creditors' Committee have expressed an interest in being placed in direct contact with depositors. For several reasons, I have not, and will not, provide details of any

depositors to Mr Slivnik, a Committee Member and contact point. Mr. Slivnik has asked me to circulate the following introduction from him to depositors:

*“Dear Fellow Depositor,*

*A few of us volunteered to serve on an unofficial creditors’ committee. We have been able to share some information with each other that, at the very least, helped us gain a better understanding of the circumstances under which our money was confiscated and the prospects for some kind of acceptable resolution.*

*I would like to extend an offer to participate in this information sharing process. Participation would entail nothing more than agreeing to be on the email distribution list we use to send each other articles and other information related to Anguillian banking.*

*I have no idea whether our information sharing will contribute in any way to a resolution but it has helped me understand the situation. Simply email me back at [slivnik@tomaz.name](mailto:slivnik@tomaz.name) and make reference to “Anguillian Banking” in the subject line. I will make sure you are included in future communications.*

*Tomaž Slivnik”*

If you wish to communicate directly with the Informal Creditors’ Committee, you may wish to email Mr. Slivnik. Please note that Mr. Slivnik is not authorised to communicate to you confidential matters that may come to his attention through being a member of the Committee.

I intend to shortly hold a further meeting of the Informal Creditors’ Committee.

Should you have any queries with the contents of this letter, please do not hesitate to contact [PBT@fticonsulting.com](mailto:PBT@fticonsulting.com)

Yours faithfully

National Bank of Anguilla (Private Banking and Trust) Ltd – Administrator Appointed



William Tacon  
Administrator

Encl.

## APPENDIX 1

### National Bank of Anguilla (Private Banking & Trust) Ltd - Administrator Appointed Receipts and Payments Account From 22 February 2016 to 23 June 2017

	<u>US\$'000s</u>
<b>Receipts</b>	
Treasury Bills	2,851.4
Loan Receipts	1,624.2
Net Property Realisation	1,040.2
Sundry Refunds	0.5
Interest from Term Deposit	2.8
<b>Total Receipts</b>	<b>5,519.1</b>
<b>Payments</b>	
Legal Fees	(1,182.5)
Administrator's Fees	(599.3)
Property Insurance	(34.4)
Data Recovery Costs	(12.8)
Administrator's Expenses	(8.8)
Property Appraisal Fees	(5.7)
Bank Fees	(4.1)
Trading Expense	(0.3)
<b>Total Payments</b>	<b>(1,848.0)</b>
<b>Funds Held</b>	
Cash at Bank	2,073.6
Term Deposit	1,502.8
Retainer*	94.7
<b>Total</b>	<b>3,671.1</b>

\* An amount of \$94,714 is current held as a retainer by Reed Smith, one of my US lawyers.