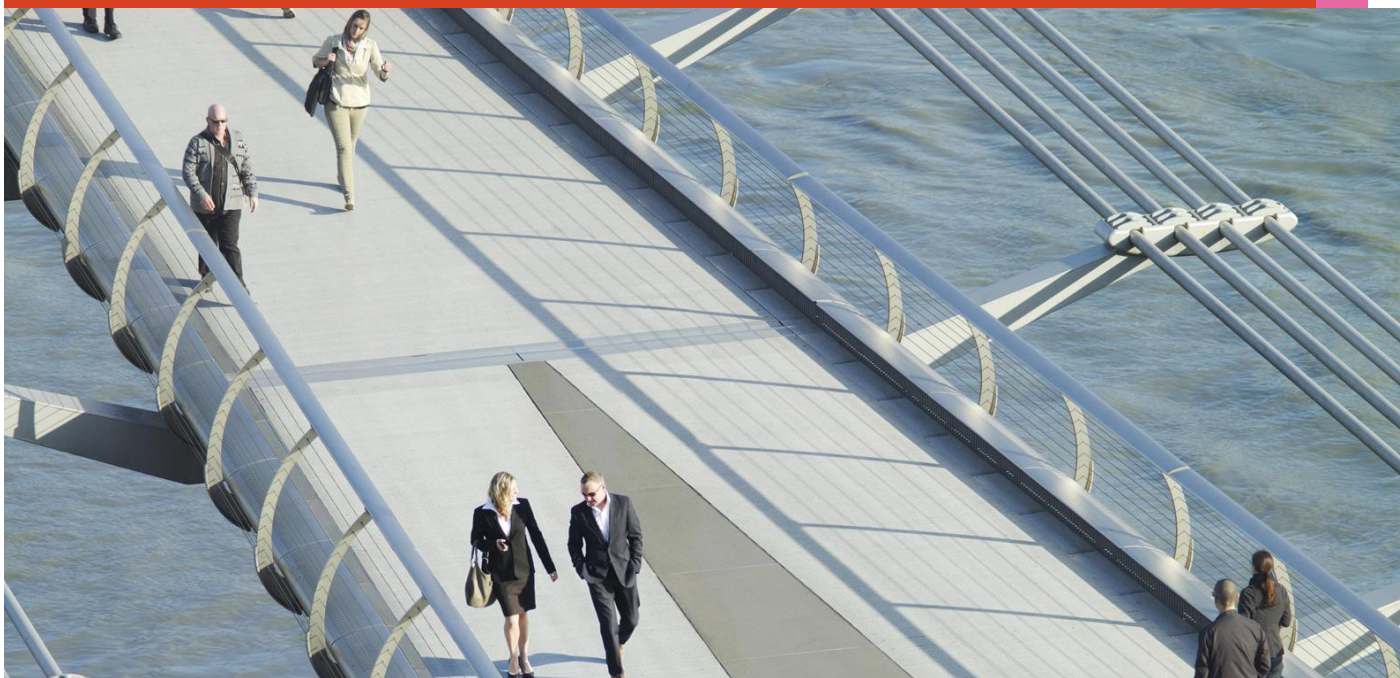


Advisory

# *Harlequin Boutique Hotel Limited – in Bankruptcy*

## Second report to creditors

24 September 2018



***To navigate this report on-screen (in PDF format)***

From any page – click on the section title in the header navigation bar (above)  
 From the Contents page – click on the title of the section or sub-section  
 From the contents listing on any section divider – click on the title of the sub-section

***Basis of Preparation***

This report has been prepared solely for the purpose of providing a report of the Trustee of the Estate of Harlequin Boutique Hotel Limited (“the Company”), a bankrupt to all known creditors of the Company in accordance with the Barbados Bankruptcy and Insolvency Act, 2001 (the “BIA”).

***Disclaimer***

This report is provided for the sole benefit of the Creditors of the Company. In the event that this report is obtained by a third party, or used for any purpose other than in accordance with its statutory purpose or as otherwise provided by law, any such party relying on the report does so entirely at their own risk and shall have no right of recourse against the Trustee, PwC, their partners, directors, employees, professional advisers or agents (“PwC Parties”). None of the PwC Parties accept any liability or assume any duty of care to any third party (whether it is an assignee or successor of another third party or otherwise) in respect of this report.

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<https://pwc.to/2sopxr1>

**PricewaterhouseCoopers EC Inc.**  
The Financial Services Centre  
Bishop's Court Hill, P.O. Box 111  
St. Michael, Barbados

## Harlequin Boutique Hotel Limited (in Bankruptcy) (“HBHL”)

24 September 2018

### To all known HBHL creditors

Dear Sir / Madam,

I am pleased to provide this second report to creditors in relation to the Estate of Harlequin Boutique Hotel Limited, which was adjudged to have entered bankruptcy on 12 January 2018 by the Supreme Court of Barbados and by way of Order of the Honourable Sir Marston Gibson C.J. which was entered and perfected on 23 January 2018.

This report should be read in conjunction with my first report dated 12 June 2018 (the “First Report”).

This report provides a summary of the current position of the Estate and the outstanding issues, along with the next steps required that my team will undertake over the coming months. This report also seeks creditor approval for my professional fees and expenses incurred to date.

Finally I request that the creditors approve a substitution of Trustee to Dr Grenville Phillips. The change is due to my retirement from PricewaterhouseCoopers EC Inc. as of 31 October 2018.

We will continue to provide information and updates to creditors through our dedicated website, and request that any queries in relation to HBHL are directed through our dedicated email address. Contact details are shown opposite.

Yours faithfully,

**Oliver G. Jordan**

The Trustee of the Estate of Harlequin Boutique Hotel Limited, a bankrupt.

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## Glossary

Our report includes a number of terms and short descriptions, which we define alongside

Term	Definition
<b>HBHL, the Company</b>	Harlequin Boutique Hotel Limited
<b>HPSVG</b>	Harlequin Property (SVG) Limited
<b>FSCS</b>	Financial Services Compensation Scheme
<b>Trustee or Bankruptcy Trustee</b>	Mr. Oliver Gregory Jordan of PricewaterhouseCoopers EC Inc.
<b>Date of Bankruptcy</b>	12 January 2018
<b>we, our</b>	PwC Eastern Caribbean Inc. and its employees, as agents of the Trustee
<b>Estate</b>	The Estate of Harlequin Boutique Hotel Limited
<b>Hotel, Property</b>	The site of the previous Allamanda Beach Hotel, which had been marketed under multiple names by Harlequin including 'H Hotel' and 'Quin Two'
<b>BIA</b>	Barbados Bankruptcy and Insolvency Act 2001
<b>RBC</b>	Royal Bank of Canada
<b>Preconco</b>	Preconco Limited
<b>EST</b>	Eastern Standard Time
<b>First Report</b>	The first report to creditors dated 12 June 2018

Term	Definition
<b>BWA</b>	Barbados Water Authority
<b>MoH</b>	Ministry of Health
<b>BBD\$</b>	Barbados Dollar
<b>GBP</b>	Great British Pound
<b>USD or US\$</b>	United States Dollar

# ***Executive Report***

	<b>Executive Report</b>	<b>6</b>
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***Background since  
the previous report  
of 12 June 2018***

Since the previous report dated 12 June 2018, as Trustee I have endeavoured to progress the action points set out in section 8 of that report.

During this subsequent period, in order to protect creditors interests I have found it necessary to respond to a legal action brought by the Trustees of the related entity Harlequin Property (SVG) Limited (“HPSVG”) under Section 57 of the BIA, which is an attempt to claim ownership over the land held at the former Allamanda beach hotel site, as outlined in the First Report.

In addition, following the formation of an Inspectors Committee during the first meeting of creditors, I have been liaising with that committee and responding as circumstances permit, to their requests.

In the intervening period I have been undertaking site maintenance, and reviewing the site security. Creditors who live locally will see activity on the site and enhanced security.

Lastly, as will be detailed in this report, there will be a need for a new Trustee to be appointed as I am retiring from PwC effective 31 October 2018.

Dr Grenville Phillips, a highly experienced Barbados licenced trustee and insolvency practitioner has agreed to take over the Trusteeship of this Estate, subject to the approval of creditors and of the Court.

**Statement of Affairs****Financial records received from the Company**

To date, the Trustee has not received a statement of affairs the Company, but has previously been in contact with and received information from:

- Mr. David Ames (Company Director and Shareholder) and his Solicitor
- The Harlequin Group Accounts Manager
- The Harlequin Group Accounts Supervisor

Whilst some limited financial information has been provided by Mr Ames, in my opinion it is still insufficient to allow a full understanding of the Company's state of affairs as at the date of its bankruptcy.

As previously noted in the First Report, the financial information received for HBHL to date is complex, unclear and appears to be mixed with other legal entities.

Since the First Report, the Supervisor of Insolvency has examined one of the previous HBHL Directors, with input from the Trustee and Inspectors Committee on the questions asked.

**Ability to prepare a Statement of Affairs**

As noted in the First Report of 12 June 2018, the position remains that as Trustee, I cannot place reliance on the financial data received to date without significant further examination and cost, and as a result cannot provide a Statement of Affairs as at the Date of Bankruptcy.

The Trustee therefore reports over the following pages, an update to creditors of the Assets of the Estate that we are currently aware of, and the list of claims received to date. These represent the current position based on our analysis and understanding to date, and are subject to change.



## **Assets of the Estate (1 of 4)**

Details the assets of HBHL and key information in relation to the assets

### **Identification of assets**

As previously reported, the Trustee has not been able to obtain a definitive listing of assets as at the Date of Bankruptcy.

We have pursued multiple lines of enquiry to identify potential assets of the Company, as follows:

#### **Property**

Based on the available information to date, the Estate continues to own just one single asset, being the site and partial construction of the Hotel, as shown in the table opposite and detailed on the following page.

#### **Bank accounts**

We previously reported that based on our understanding from management, along with enquiries of local banks, that the Company did not have any bank accounts in Barbados. We understood that all monies received from investors (and any other source) were pooled into a single account previously held by Harlequin Management Services (South East) Limited, a UK entity, and later by Harlequin Hotels and Resorts (Cayman) Ltd, a company registered in the Cayman Islands.

Investigations since the First Report have revealed that a Royal Bank of Canada (“RBC”) account was identified and as a result we have made further inquiries to RBC into the operation of this account.

### **Current listing of HBHL assets**

<b>Assets identified as at 24 September 2018</b>	<b>BBD\$</b>
Property (H Hotel development)	TBC
<b>Total assets of the Estate</b>	<b>TBC</b>

### **Intercompany assets**

As a result of the complex integrated operations of the Harlequin Group, there may be amounts due from other Harlequin entities, including cash balances relating to HBHL. The Trustee will continue to investigate this, however given the current financial position of other Harlequin entities, recovery of these assets may be limited.

At this stage, we understand that HBHL may have a creditor claim into the HPSVG estate, therefore the Trustee may reasonably lodge a proof of claim in that estate in due course.

## ***Assets of the Estate (2 of 4)***

### ***The Hotel Site and its Realisation***

As noted in the First Report of 12 June 2018, the single property asset of the Estate is the site of the previous Allamanda Beach Hotel situated in Hastings, Christ Church, Barbados which had been marketed under multiple names by Harlequin including 'H Hotel' and 'Quin Two'.

The Trustee has undertaken a number of steps to improve the appearance of the site and to safeguard its security.

Contracts have been entered into to see the site substantially cleared of vegetation. This will improve the appearance and safety of the site and largely mitigate insect and rodent issues that normally occur within a long term vacant site.

In addition, security on the site has been enhanced, with random patrols and new signage on the site. This is to discourage vagrancy.

### ***Valuation***

The site was originally intended to be constructed and operated as a hotel and would have attracted a certain valuation on that basis.

However, as the asset was not developed as planned the current value is limited to the existing development that consists of the land and partial construction work.

The Trustee has discussed the valuation of the site with Inspectors Committee, and has recently commissioned an independent valuation for the site.

Whilst the Estate remains unfunded, we consider that such a valuation is necessary to fully consider the commerciality of the option agreement as compared to offering the property for sale on the open market.

### ***Images of the Hotel Site (September 2018)***



## ***Assets of the Estate (3 of 4)***

### ***Key issues in relation to the Property***

The Trustee has taken steps to deal with the issues noted in the First Report concerning secured interests in the property, a claim for title to the asset by the joint trustees of HPSVG, an option to purchase the asset and the sewerage issues along the south coast of Barbados.

An update on each of these areas is presented over the following pages.

#### ***1. Secured interest in the property***

The Trustee has sought legal advice on the two secured claims from two third parties, purportedly registered against the land. These total BBD\$467,739.

The legal advice on the validity of the two charging orders has not yet been finalised.

Once the advice is finalised the Trustee, after conferring with the Inspectors Committee will decide what steps should be taken (if any).

#### ***2. Dispute in respect of the ownership of the Property brought by the joint trustees of HPSVG***

As previously reported, the joint trustees of the estate of HPSVG have attempted to enforce their assertion of a claim under Section 57 of the BIA and claim ownership of the sole known asset of HBHL.

The Trustee formally disputed this claim under Section 57 (2) of the BIA on 30 April 2018, and subsequently received a notice of appeal from HPSVG on 15 May 2018.

In order to protect the interests of all creditors of the HBHL Estate, The Trustee has filed affidavits contesting the claim.

The joint trustees of HPSVG contend that HBHL held the asset on trust for HPSVG. This is disputed by the Trustee and the appeal was scheduled to be heard before a judge of the High Court during September 2018. The Court has since issued a notice which indicated the matter has now been adjourned to the end of October 2018.

The Trustee's legal counsel have also established contact with the legal counsel for the joint trustees of HPSVG to determine whether there is any scope for the dispute to be resolved consensually, before additional expenditure is incurred defending the appeal.

#### ***3. Contractual option to acquire the Property***

Preconco Limited ("Preconco") has asserted possession of a contractual option to purchase the asset at fair market value.

On 5 June 2018 the Trustee received notice that Preconco was purporting to exercise this option based upon a valuation that had been obtained from quantity surveyors BCQS International.

The Trustee, via legal counsel, informed Preconco that we were not able to respond substantively to the purported option agreement until after the Section 57 claim was resolved.

The Trustee is currently consulting with legal counsel in relation to this option agreement.

To assist in these deliberations, an independent valuation has been commissioned to compare the option price to market value.

## ***Assets of the Estate (4 of 4)***

### ***Key issues in relation to the Property (cont.)***

#### ***4. Environmental Issues***

##### ***Background***

The First Report dated 12 June 2018 described the issues that affected the site from sewerage coming from the pipe systems maintained by the Barbados Water Authority (“BWA”).

In response to the trustees complaints, remedial actions were taken by the BWA to mitigate the issues.

As noted previously, it is not conclusive that the problem has been completely rectified, and the Trustee continues to liaise with the BWA to ensure that they are actively monitoring the position.

The issues with the site and its infrastructure, combined with the ongoing maintenance and security costs, make it desirable to see this property realised for the benefit of the creditors as soon as practicable, notwithstanding the need to first seek finality over the other issues regarding the Preconco option and Section 57 claim by HPSVG.

##### ***Legal complaint***

As previously reported, during April 2018, the Trustee received notice from the legal representatives of a local restaurant that shares a boundary with the site, detailing a nuisance complaint resulting from the ponding of sewage on the Hotel site.

A subsequent complaint was received concerning rodents and insects.

Subsequently, the Trustee put in place arrangements for pest control to occur on the site itself, which is being actively monitored and maintained. This, along with the vegetation being cut back and removed from the site, should further mitigate the reoccurrence of these issues.

The Trustee, through legal counsel, has responded to the complaints as is currently in dialogue with the complainant in order to resolve the issue as fully as possible, given the nature of a long term vacant construction site.

### **Summary of Claims Received (1 of 3)**

Sets out the current claims received against HBHL

### **Identification of Creditors**

As noted in the First Report of 12 June 2018, due to the absence of information received from the Company, the Trustee's listing of potential creditors is limited to Proof of Claims which have been lodged.

The list shown on the following page comprises those who have lodged properly executed Proof of Claim forms as at 24 September 2018.

This listing is for information purposes only.

Analysis of these claims is ongoing; in light of the Section 57 claim, the Trustee has not yet formally adjudicated on these claims for the purposes of being admitted as a creditor of the Estate and participating in any potential future distribution(s).

### **Current listing of HBHL claims**

<b>Claims received as at 24 September 2018</b>	<b>BBD\$</b>
Secured	467,739
Preferred	114,762
Unsecured	38,899,767
<b>Total claims</b>	<b>39,482,267</b>



## Summary of Claims Received (2 of 3)

**Harlequin Boutique Hotel Limited, in Bankruptcy**  
**Listing of properly executed Proof of Claim forms lodged with the Trustee**  
as at 24 September 2018

*If you have submitted a Proof of Claim and are not included in the list shown, there may be an issue with your Proof of Claim. Please check your emails for correspondence from us, or contact the Trustee at [TrusteeHBHL@bb.pwc.com](mailto:TrusteeHBHL@bb.pwc.com)*

**Note A:** Foreign Exchange rate used per OANDA as at the date of Bankruptcy and is for indicative purposes only. The Trustee will determine the official FX rate when adjudicating on claims for the purposes of future distributions.

Name of Claimant	Claim Currency	Claim Amount (Foreign)	FX Rate (Note A)	Claim Amount (BBD\$)	Class (Secured, Unsecured, Preferred)
Harlequin Property (SVG ) Limited	GBP	7,371,500.00	2.70235	19,920,373	Unsecured
Financial Services Compensation Scheme (FSCS)	GBP	4,000,267.28	2.70235	10,810,122	Unsecured
Do Lobo Management Limited	GBP	255,000.00	2.70235	689,099	Unsecured
Barbados Revenue Authority	BBD			652,968	Unsecured
Joseph Licata	GBP	231,000.00	2.70235	624,243	Unsecured
John Licata	GBP	180,000.00	2.70235	486,423	Unsecured
NF Holding Inc.	BBD			433,853	Unsecured
Rodney Davis	GBP	156,000.00	2.70235	421,567	Unsecured
Robert Sheldrick	GBP	153,000.00	2.70235	413,460	Unsecured
Versatile Construction Inc.	BBD			362,851	Unsecured
Versatile Construction Inc.	BBD			349,950	Secured
Preconco Limited	BBD			278,712	Unsecured
J. Jackson, C Bedford and N Sesum	GBP	98,460.00	2.70235	266,073	Unsecured
Carolyn Goodman	GBP	84,000.00	2.70235	226,997	Unsecured
Martin and Judith Ash	GBP	81,000.00	2.70235	218,890	Unsecured
Tim Sonnex	GBP	81,000.00	2.70235	218,890	Unsecured
Simon Williams	GBP	78,000.00	2.70235	210,783	Unsecured
William Rogers	GBP	78,000.00	2.70235	210,783	Unsecured
Peter and Helen Brabner	GBP	78,000.00	2.70235	210,783	Unsecured
Ketan Shah	GBP	78,000.00	2.70235	210,783	Unsecured
Steve Shergold	GBP	76,500.00	2.70235	206,730	Unsecured
Jacquiline Hollely	GBP	75,000.00	2.70235	202,676	Unsecured
Black Pearl Associates Ltd	GBP	75,000.00	2.70235	202,676	Unsecured
Carlton Family Pension Trust	GBP	75,000.00	2.70235	202,676	Unsecured
June Meadows & Alan Meadows	GBP	75,000.00	2.70235	202,676	Unsecured
Rita Omar	GBP	75,000.00	2.70235	202,676	Unsecured
Michael Coombs	GBP	71,000.00	2.70235	191,867	Unsecured
Winston Hanson	GBP	57,752.06	2.70235	156,066	Unsecured
Allan Simmons, Simmons Electrical	BBD			136,000	Unsecured
David Hollely and Jacqueline Hollely	GBP	45,000.00	2.70235	121,606	Unsecured
Preconco Limited	BBD			117,789	Secured
Barbados Revenue Authority	BBD			114,762	Preferred
Penny Hanson	GBP	41,247.94	2.70235	111,466	Unsecured
Adrian Inniss	BBD			36,923	Unsecured
Cheryl Branch	BBD			27,463	Unsecured
Keila Campbell	BBD			15,542	Unsecured
Ready Mix Limited	BBD			8,031	Unsecured
Keisha Cordieu	BBD			7,036	Unsecured
<b>Total</b>				<b>39,482,267</b>	

### ***Summary of Claims Received (3 of 3)***

#### ***Duplication of Claims for voting***

In the First Report of 12 June 2018, the Trustee noted multiple instances where there is a duplication of claim in respect of an individual investor contract.

Please refer to the First Report for further detail.

Given the dispute over the title to the sole known asset of the Estate, in order to save incurring unnecessary expense, the Trustee has not yet adjudicated on the admission of these claims in order to participate in any potential future distribution(s).

Therefore, as was also the case for the first creditors meeting, **for the purposes of voting at the second creditors meeting only**, the Trustee has proposed, in accordance with Section 85 of the BIA, to mark all duplicated claims as objected to which will allow each party to vote in full on their respective claim submitted.

This does not prejudice the position as a claimant.

Creditors who have already lodged General Proxy forms for the first creditors meeting, do not need to resubmit those for the forthcoming meeting.

## ***Receipts and Payments***

The Trustee is currently unable to provide a schedule of receipts and payments due to the Estate receiving no receipts from the Date of Bankruptcy to 24 September 2018 from which any payments would have been made.

As a result, the table below summarises the costs incurred to 15 September 2018 that have currently been borne by the Trustee.

These costs will rank in priority to unsecured creditors in accordance with Section 113 (1) (b) (ii) and (iii) of the BIA.

<b>Costs of the Estate as at 15 September 2018</b>	<b>BBD\$</b>
Legal Fees	80,483.39
Statutory Filings	910.00
Statutory Publications	3,088.56
Insurance	1,502.50
Remedial Works	3,021.86
Administrative Expenses	4,140.00
<b>Total costs of the Estate</b>	<b>93,146.30</b>



## **Trustee remuneration**

### ***Fees to 15 September 2018***

As the Estate does not have a bank account and there have been no asset realisations, the Trustee has not drawn any remuneration from the Estate.

The trustee seeks approval from creditors of fees incurred to date of the Estate.

***The specific resolution to be voted upon at the second meeting of creditors, to be held on 27 September 2018 at 10am (EST), is presented within Appendix 1.***

Following this, the Trustee will then seek approval of accrued fees in accordance with Section 208 of the BIA from the Court.

The fees accrued by the Trustee to 15 September 2018 are BBD\$496,543. A schedule of the fees incurred each month are enclosed within Appendix 2.

Fees of the Trustee would rank in priority to unsecured claims of the Estate under Section 113 (1) (b) (ii) of the BIA.

### ***Future Fees***

Should the proposed substitution of Trustee (as detailed on the following page) be resolved during the course of the second creditors meeting, we set out below the relevant charge-out rates per hour worked for the grades of staff that may be involved on this assignment.

Time is charged by reference to actual work carried out on the assignment in six minute units. The minimum time charged is three minutes (i.e. 0.5 units).

<b>Position</b>	<b>Hourly Rate (USD\$)</b>
<b>Partner</b>	540
<b>Director</b>	490
<b>Senior Manager</b>	398
<b>Manager</b>	303
<b>Senior Associate</b>	195
<b>Experienced Associate</b>	145
<b>Associate</b>	103

In common with all professional firms, scale rates increase from time to time over the period of the administration of each bankruptcy case.

## ***Substitution of Trustee***

As noted in the Trustee's letter to creditors within this report, the current Trustee, Mr Oliver Jordan, is retiring from PricewaterhouseCoopers EC Inc. effective from 31 October 2018.

Dr. Grenville Phillips is a licenced trustee in Barbados having many years experience. Dr. Philips has agreed to become the Trustee for HBHL, subject to approval from creditors.

A short outline of Dr. Phillips' experience is presented within Appendix 3.

Provided creditors approve his appointment, the appointment would be effective from the date of Court approval.

The costs relating to the change of Trustee are not being borne by the Estate of HBHL. They are and will continue to be borne by PricewaterhouseCoopersEC Inc.

***The specific resolution in relation to the substitution of the Trustee is provided within Appendix 1.***

Dr. Phillips will be in attendance at the second creditors meeting to personally introduce himself and provide any further information as required by the creditors.

## ***Anticipated realisation and projected distribution***

Based upon the Trustee's current view of the assets of, and claims against the Estate

### ***Anticipated realisation and projected distribution***

The Estate currently consists of one known asset – the Hotel – which is subject to the current legal action being brought by HPSVG.

Should HPSVG be successful in their assertion of ownership of the Hotel, it would be highly likely that the Estate would not have any assets to liquidate.

As a result, until either this legal matter is resolved or any additional assets are identified, the Trustee is unable to provide a summary of anticipated realisation and projected distributions.

## ***Other matters***

Other information the Trustee is required to provide or considers useful to inform to creditors

### ***The Appointment and Role of Inspectors***

In accordance with Section 93 of the BIA, “*at the first or subsequent meeting of creditors, the creditors shall appoint one or more, but not exceeding 5, inspectors of the estate of the bankrupt for the purpose of overseeing the administration of the estate of the trustee bankrupt.*”

The following persons were voted in at the first creditors meeting held on 12 June 2018:

- Mr David Collins (of KPMG)
- Mr David Hollely (an investor in the H Hotel)
- Mr James Derbyshire (of the FSCS)

The first meeting of Inspectors was held at 11am on 10 August 2018 via teleconference. A further brief update call was held on Thursday 20 September 2018.

We would advise that in order for the Trustee to be able to discuss matters in as full a manner as possible with the Inspectors, we have requested (as is standard practice) that all three Inspectors sign a confidentiality undertaking in respect of information they receive as Inspectors, which they have done.

**Next Steps**

Outlines the actions to be undertaken by the Trustee and their estimated timeline

<i>Area</i>	<i>Next Steps</i>	<i>Timeline</i>
<b>Ownership of the Hotel</b>	<ul style="list-style-type: none"> <li>• Prepare for and attend the hearing in respect of the ownership interest asserted by HPSVG</li> <li>• Explore options for possible settlement with HPSVG to avoid incurring any additional expense in relation to the hearing</li> </ul>	<ul style="list-style-type: none"> <li>• The appeal has been adjourned to the end of October 2018</li> <li>• Options for possible settlement are ongoing</li> </ul>
<b>Environmental Issues</b>	<ul style="list-style-type: none"> <li>• Continue to liaise with the BWA and MoH to manage the environmental issues on the site</li> <li>• Continue to engage with the local restaurant in order to achieve a mutually satisfactory result</li> <li>• The clearance of vegetation and enhancement of security</li> </ul>	<ul style="list-style-type: none"> <li>• Immediate / ongoing</li> </ul>
<b>Identification of Assets</b>	<ul style="list-style-type: none"> <li>• Continue to investigate the existence of an HBHL bank account with RBC, and seek other methods of obtaining information, via further Examinations of management or other Harlequin group entities.</li> </ul>	<ul style="list-style-type: none"> <li>• 1-2 months</li> </ul>
<b>Preconco option</b>	<ul style="list-style-type: none"> <li>• Complete analysis of the validity and powers under the option agreement and how this may interact with the contested ownership of the Hotel</li> <li>• Obtain an independent valuation of the site</li> </ul>	<ul style="list-style-type: none"> <li>• 1-2 months</li> </ul>
<b>Ongoing claims process and legal adjudication of claims</b> (including where claims are duplicated)	<ul style="list-style-type: none"> <li>• The Trustee will begin the process formally calling for claims and adjudicating on those claims once the ownership position of the Hotel has been clarified and that it is clear funds will be received by the Estate</li> </ul>	<ul style="list-style-type: none"> <li>• Dependent on the outcome of the Section 57 case, or ability to avoid it.</li> </ul>

# *Appendices*

**Appendix 1**

Resolutions to be voted upon at the second creditors meeting to be held on 27 September 2018

**Resolution 1****Ordinary resolution to approve Trustee Remuneration**

***Do you approve the trustees remuneration of BBD\$496,543 and expenses of BBD\$93,146.30 for the period since appointment to 15 September 2018?***

*Please note:*

*“Ordinary resolution” means a resolution carried by the majority of votes, and for that purpose the votes of a creditor shall be calculated by counting one vote for each dollar of every claim of the creditor that is not disallowed.*

**Resolution 2****Special Resolution to approve the substitution of Trustee**

***Do you approve substitution of Dr. Grenville Phillips as Trustee in the place of Mr. Oliver Jordan?***

*Please note:*

*“Special resolution” means a resolution decided by a majority in number and two-thirds in value of the creditors with proven claims present, personally or by proxy, at a meeting of creditors and voting on the resolution.*

*The hourly fees of the Trustee are shown below, broadly split by activity type, and are exclusive of VAT.*

## Appendix 2

### Breakdown of Trustee Fees by activity

Category	Trustee		Director		Senior Manager		Manager		Senior Associate		Associate		Total		
	Hrs	USD	Hrs	USD	Hrs	USD	Hrs	USD	Hrs	USD	Hrs	USD	Hrs	USD	BBD
Creditors	35.40	19,116	5.20	2,548	0.20	80	58.30	17,665	104.70	20,417	-	-	203.80	59,825	119,650
Assets	0.90	486	1.70	833	1.00	398	2.60	788	52.00	10,140	-	-	58.20	12,645	25,290
Statutory & Reporting	13.50	7,290	-	-	0.10	40	59.00	17,877	70.00	13,650	-	-	142.60	38,857	77,714
Legal	22.90	12,366	5.00	2,450	0.10	40	32.20	9,757	55.60	10,842	3.50	361	119.30	35,815	71,630
Strategy	37.80	20,412	2.60	1,274	4.80	1,910	41.70	12,635	69.60	13,572	-	-	156.50	49,804	99,607
Inspectors	4.50	2,430	-	-	-	-	20.40	6,181	8.30	1,619	-	-	33.20	10,230	20,459
Administration	8.50	4,590	0.20	98	6.00	2,388	59.70	18,089	81.70	15,932	-	-	156.10	41,097	82,193
<b>Grand Total</b>	<b>123.50</b>	<b>66,690</b>	<b>14.70</b>	<b>7,203</b>	<b>12.20</b>	<b>4,856</b>	<b>273.90</b>	<b>82,992</b>	<b>441.90</b>	<b>86,171</b>	<b>3.50</b>	<b>361</b>	<b>869.70</b>	<b>248,271</b>	<b>496,543</b>

**Appendix 3****Overview of Dr Grenville Phillips' Experience**

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**Dr. Grenville Phillips CBE., J.P****DBA, F.C.I.S., F.A.I.A., F.C.I.B.****Short Résumé**

After almost thirty years of professional public service, Dr. Phillips retired from full time public practice as a principal of the Barbados and Eastern Caribbean practices of the international firm of Coopers & Lybrand and Managing Director of Colybrand Company Services Limited on the merger of Coopers & Lybrand with Price Waterhouse.

He now conducts a restricted practice for a limited number of preferred clients through Grenville Phillips & Associates Inc (*a private firm of corporate and financial consultants*)

Prior to his retirement, Colybrand, a professional service company of Coopers & Lybrand which provided a wide range of advisory and consulting services to a variety of clients, had, under Dr. Phillips' management, become the leader in corporate insolvency practice in Barbados and the Eastern Caribbean, having pioneered the concept of corporate intensive care for poorly managed and financially distressed companies in Barbados.

Although perhaps more widely known in the insolvency field, Dr. Phillips has been a major player for four decades in the domestic capital market where through a series of bond and share issues he had assisted corporate clients to raise considerable sums for business expansion.

He enjoys an enviable reputation as a professional corporate practitioner and is one of the Caribbean's leading authorities on corporate insolvencies, board governance, amalgamations, public share offerings and mergers & acquisitions.

He has given extensively of his time in the area of public service and served as Chairman of the Barbados National Bank for approximately seven years during which period the restructuring of the Bank was completed and the institution transformed from a perennial loss making organization to post annual profits in excess \$20 million.

He also oversaw the migration of the Bank from a statutory corporation to a public limited liability company whose shares were listed and trade on the Barbados Stock Exchange.

Dr. Phillips, recently retired as chairman of the Barbados Stock Exchange, having served as a Director of the Exchange from its inception. Indeed he was a member of the committee which pioneered the establishment of the Stock Exchange in Barbados. He also participated extensively in the work of the committee responsible for drafting the Barbados and OECS Companies Acts.

Before joining the international firm of Coopers & Lybrand, Mr. Phillips spent several years in England where he worked, studied and lectured. He holds the following professional qualifications:

- Fellow of the Institute of Chartered Secretaries and Administrators
- Fellow of the Association of International Accountants
- Fellow of the Chartered Institute of Bankers



**Appendix 3**  
**Overview of Dr Grenville**  
**Phillips' Experience**  
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Over the years Dr. Phillips has participated in several workshops and seminars and has written discussion papers on such topics as aspects of corporate law and practice, insolvency, privatization and corporate governance.

Dr. Phillips earned his doctorate from Bradford University (UK) and is the author of two books "The Administration and Conduct of Corporate Meetings"; an extensive work intended for use by professionals and lay persons who wish to better understand the proper process and procedures through which corporate decisions are made.

His other work is a comprehensive volume titled "Venture Capital & SME Financing in Less Developed Countries and Small Island States".

Dr. Phillips, a Justice of the Peace, was appointed a Commander in the Most Excellent Order of The British Empire by Her Majesty in the Queen's New Year honours 2000.

He has been and continues to be active both in his church and the Rotary Club of Barbados which, he joined in 1976, and served in the capacities of Secretary, President and Assistant District Governor for Barbados.

Dr Phillips, whose guidance on corporate matters has been widely sought over the years, continues to serve as a director, consultant or corporate advisor to a number of boards – both private and public - in Barbados and the English speaking Caribbean.



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