

What is the status of the liquidation?

The Liquidator has completed the processing of claims and has prepared a Schedule of Actions Proposed for the compulsory winding-up of Choice Bank (the Schedule). Preparations are being made for a first distribution (payment) to depositors and other creditors.

What is the Schedule and its purpose?

The Schedule is a document prepared by the Liquidator which is submitted to the Central Bank and also made available for inspection by depositors, other creditors and shareholders; it outlines steps involved in the liquidation process and states how the Liquidator plans to complete the liquidation of Choice Bank.

Any depositor, shareholder or other creditor or interested party may object to any action proposed by the Liquidator in the Schedule.

What information is contained in the schedule? How may we inspect the Schedule?

The Schedule is available for inspection at Choice Bank's Office in Belize City as required by law. However, a summary of the Schedule has been posted on this website; it contains highlights of the Schedule.

Why is the complete Schedule not on the website?

The complete Schedule contains information on each claim against Choice Bank with details of the names, accounts and amounts held by each depositor of Choice Bank. In order to protect the privacy and confidentiality of claimants, the document will not be published in its entirety on this website.

How can we object to a proposed action in the Schedule if we don't have the complete Schedule?

The summary presented on the website is consistent with the information contained in the complete document, except for detailed information on claims and account balances. Each claimant by now would have received a response to his/her claim and would therefore not need to view that information from the Schedule. In other words, each claimant would have sufficient information to file an objection to the result of his/her claim.

If an interested party seeks to object to any other proposed action in the Schedule, then the summary offers sufficient information to do so, if that person is unable to visit the Choice Bank office in Belize City.

Can someone inspect the Schedule on my behalf?

Yes.

What is the deadline for filing objections?

The deadline is March 20, 2019. This deadline applies to any objection of any nature in relation to the Schedule or claims.

How may an interested party file an objection?

Objections are to be filed with the Central Bank of Belize. The Objection Form is available for download from this website and must be completed and sent to the Central Bank at the physical address or by the email to the address provided on the form.

I was advised that my claim was allowed in full but that the amount I will receive will not necessarily be the amount allowed. What does that mean?

The amount of your claim allowed by the Liquidator is the value (amount) of your claim which has been proven as a valid claim against Choice Bank.

The amount you will receive will be based on the amount of money available for distribution to claimants and will also be based on the order of priority set out in the laws of Belize for this purpose.

Why was only a portion of my claim allowed?

Claims were evaluated as of June 29, 2018, the date of revocation of the banking license of Choice Bank and appointment of the Liquidator. Prepaid cardholders and depositors in some instances claimed on balances for different dates. The portion of any claim allowed reflects the extent to which the claim was proven.

If only a portion of my claim was allowed, can I appeal that decision?

Yes, that and all decisions on claims may be appealed to the Central Bank through the objection process since those results are incorporated in the Schedule. You will need to submit the completed Objection Form to the Central Bank. Note that the deadline is March 20, 2019.

If my claim was totally rejected, may I appeal that decision?

Yes, same answer as above.

I am a cardholder; why was my entire claim rejected?

Claims submitted by cardholders who held cards issued by former Card Partners of Choice Bank were rejected for duplication. In those cases, the Card Partners filed claims on behalf of their cardholders and those claims were allowed by the Liquidator.

Why was I advised that \$0 was allowed for my claim when in fact I am sure that Choice Bank has money for me?

In some instances Choice Bank's records were insufficient to determine the appropriate account balances. This situation occurred in the case of FirstChoice Pay (FCP) depositors.

Choice Bank depended on its FCP partner to supply details of account transactions in order that Choice Bank would be able to update account balances for these deposit account holders. While that particular process of reconciliation with the former partner is incomplete, the initial determination of claims had to be made by the Liquidator by January 29, 2019 and that is the reason for the \$0 amount allowed at this point.

What should FCP depositors do next?

The Liquidator is aware of the circumstances in relation to these account balances and will be taking steps to complete the reconciliation of those accounts with the former FCP partner. When this process is complete, the Liquidator will submit the results to the Central Bank for review through the objection process and will seek an order from the Central Bank for the previous results of those claims to be adjusted. **In the meantime, you are encouraged to file an objection with the Central Bank to that decision of the Liquidator.**

Will we be able to appeal that later decision?

Please note that at this point, any and all adjustments to claims will be by way of an order from the Central Bank as a consequence of the objection/appeal process.

Does that mean that FCP depositors will not be paid any time soon?

No, it means that the balances will first need to be established before the Liquidator can make a final determination on the claims made by FCP depositors. As you will note later in this document, the amount rejected by the Liquidator will be taken into consideration and set aside (the portion due on the rejected claims) from any interim or partial distribution to be made during the objection/appeal process.

My claim was submitted late. Will I still be paid?

Late claimants are given a lower priority of payment, by law, in comparison to all other creditors, regardless of the class of the claimant. For example, a depositor who files a late claim will not be paid in the same priority class other depositors, but after other creditors who, by law, rank lower than depositors.

When should we expect payment?

The Liquidator proposes to make an interim (partial) payment to depositors and other creditors in or about April, 2019, subject to the approval of the Central Bank.

What is the amount of the partial payment?

The total amount proposed for distribution is US \$40.2 million.

Who will be paid during this partial distribution?

Payments, whether by way of a partial, full or final distribution, are based on the priority of payment schedule outlined in the law.

This partial payment will mainly affect those who claimed on deposits (which includes prepaid cardholders); the amount will not be sufficient funds to pay all depositors in full. Therefore, no other class of claimants will be paid from this distribution.

What amounts should we expect?

Depositors and prepaid cardholders who held balances of \$2,500 (US or equivalent) at June 29, 2018 will be paid the full amount of their claims allowed by the Liquidator. Moneys will be set aside in an amount equivalent to the rejected portion of those claims (except for duplicate claims).

Depositors and prepaid cardholders, whose claims were allowed on balances which were above US \$2,500, will receive approximately 53% of the allowed amount of their claims during this first distribution. The Liquidator will set aside 53% of the amount of the rejected portion of their claims, pending the outcome of the objection/appeal process.

Will moneys also be set aside for FCP depositors?

Yes, 53% of the FCP depositors' claims will be set aside from the \$40.2m, pending the outcome of the reconciliation process.

What will happen to moneys set aside?

Moneys set aside will be held by the Liquidator until the final outcome of any appeal is decided by the Central Bank. Those moneys will not be available to pay any other class of claimants during that appeal process.

If the appeal is decided in favour of the claimant, then those funds will be paid to claimants as a part of this first distribution.

If the final outcome of the appeal is determined against a claimant, then those funds previously set aside will be returned to the pool to pay other claimants based on the order of priority set out in the law.

How will payment be made?

Payments will be made by wire transfers and/or any other method approved by the Central Bank of Belize.

Who will be able to receive payment?

Only those persons on record at Choice Bank will receive payment, unless the appropriate instructions are provided to Choice Bank designating another person or entity to receive those funds; such instructions will be in a form acceptable to the Liquidator.

After this first payment, when should we expect the next payment?

The Liquidator is unable to determine the timing of the next payment at this point. A payment may be made following the appeals process since those funds would have already been set aside. Such payment would constitute the balance of the first payment and would not be a new distribution.

A new distribution (perhaps the final payment) would be made based on the timing and availability of cash in the liquidation to be received from settlement of loans, conversion of investments, collections of account balances due, and settlements of lawsuits, as well as other factors.

How will the priority of payments be affected by another distribution?

Distributions to creditors will always be based on the priority of payments set out by law. A second distribution would start with the remaining balances due to depositors (since the first distribution was for 53%). All depositors must be paid the full amount of their claims allowed by the Liquidator, plus any amount allowed on appeal, before any other class of claimants is paid.

Where can I find additional information on payment priority and schedule?

The summarized Schedule on this website addresses set-offs, proportionate (pro rata) payments, late claims and other factors which will affect payments to depositors and other creditors. References are made in the summarized Schedule to the Domestic Banks and Financial Institutions Act, which is also posted on this website.

Cedric Flowers

Liquidator – Choice Bank Limited

March 8, 2019