

CHOICE BANK LIMITED (in liquidation)

NOTICE OF FINAL DISTRIBUTION PAYMENT

19th August, 2020

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**NOTICE OF FINAL DISTRIBUTION PAYMENT IN THE LIQUIDATION OF CHOICE
BANK LIMITED (CBL)**

A. GENERAL UPDATE ON THE LIQUIDATION

The Liquidator has continued to make best efforts to complete the liquidation of assets in a manner which will result in the most realistic liquidation values within a reasonable time.

The last update to claimants was made on 12th June, 2020 and published as a part of the revised Schedule of Actions.

The Liquidator is pleased to advise that all objections received have been resolved and a final distribution process will now commence.

B. FINAL VALUES AND PRIORITY CLASSIFICATION FOR CLAIMS AGAINST CBL

Based on claims allowed by the Liquidator, all claims fall into the following priorities as per the DBFIA.

- a. 4th Priority Claimants- the wages and salaries of the officers and employees of CBL (whether or not earned wholly or in any part by way of commission) including any amount payable by way of allowance or reimbursement under any contract of employment, that accrued during the three months immediately preceding the appointment of the Liquidator, provided that such amount does not exceed five thousand Belize dollars;
- b. 5th Priority Claimants- all deposits in amounts not exceeding five thousand Belize dollars (two thousand five hundred US dollars) per depositor, respectively.
- c. 9th Priority Claimants- all deposits in excess of five thousand Belize dollars (two thousand five hundred US dollars)
- d. 10th Priority Claimants- all creditor claims

The restated and final value of claims allowed by the Liquidator for each priority category is listed in the table below:

Statutory Priority	Type	Value Allowed (USD)
4th Priority Claimants	Wages and salaries of officers and employees	\$49,194
5 th Priority Claimants	Deposits not exceeding US\$2,500. This includes claims on deposits by depositors, pre-paid cardholders and card partners.	\$2,355,274
9 th Priority Claimants	All other deposits. This includes claims on deposits by depositors, pre-paid cardholders and card partners.	\$77,531,815
10 th Priority Claimants	Creditors	\$1,232,454
Revised Total Approved Claims		\$81,168,737

The portions of claims by officers and employees that were allowed that exceed BZ\$5,000.00, fall under the 10th Priority and are reflected in the above-stated figure for Creditors.

C. DISTRIBUTION OF FUNDS

Of the cash holdings reported in the revised Schedule of Actions of June 12, 2020, the Liquidator has now transferred the sum of US\$3,597,534.06 to the Central Bank of Belize as referenced in the initial Schedule of Actions of February, 2019, and as mandated by orders of the Supreme Court of Belize. This relates to a depositor account which was frozen in 2015.

The Liquidator has consequently received approval from the Central Bank of Belize to commence settlement of claims with a final distribution payment to claimants from the remaining available funds. The Liquidator has received approval to pay the equivalent of **US\$55,300,000** as the final distribution payment in both United States and Belize currencies, as per sections 21 and 22(3) of the Central Bank Act. Distribution of payments are scheduled to commence on **21st August, 2020**.

Prior to the issues with correspondent banking and as part of the trial run with the paying agent, some 173 payments for a total of US\$13,491,437.70 were successfully made. These payments were for the first distribution partial portion ratio of 52.07% of the respective claims allowed at that time.

Distributions to be paid in this final payment will therefore be adjusted for claimants who have previously received a payment. Those claimants who would have already received a first payment will be contacted to confirm the value of the remaining pay-out sum which they will now receive.

The overall and total distributions in the liquidation of CBL will therefore be US\$68,791,437.

Partial Payments made to date	US\$13,491,437
Final Distribution Payment	US\$55,300,000
Total Distributions Towards Claims	US\$68,791,437

Revised Total Approved Claims	US\$81,168,737
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1. Payment Sums

In this final distribution, the Liquidator will pay all claims allowed in accordance with the provisions of Section 116 of the Domestic Banks and Financial Institutions Act (DBFIA) which defines the priority of claims.

4th Priority Claims include staff wages and salaries up to BZ\$5,000 per person. Amounts allowed in excess of that fall in the 10th Priority.

5th Priority Claims, include claims of US\$2,500 or less, as well as the first US\$2,500 of all other claims in that category that are greater than US\$2,500. The remaining portion of depositor claims greater than US\$2,500 then falls in the 9th Priority.

This final distribution will be made for 4th, 5th and 9th Priority claims.

The total payment for depositor claims greater than US\$2,500.00 that fall in the 9th Priority will therefore represent approximately **84.7%** of each claim.

2. Currencies and Methods of Payments

The vast majority of payments will be made in United States dollars. For approved claims in other currencies, the prevailing exchange rate at the time of payment will be applied and the US dollar equivalent will be paid. The standard fixed exchange rate of two Belize dollars to one United States dollar will be applied to settlement payments made in Belize dollars where necessary.

Payments will be effected via international wire transfer in the order in which claims were received with priority placed on those claimants who did not receive a first payment. International wire transfers may be subject to delayed processing due to the daily volume restrictions of correspondent banks. The Liquidator has arranged a schedule of payments which should see all payments completed within the next five to six weeks.

3. Important Actions and Next Steps

Payments are scheduled to commence on 21st August, 2020. If you have not provided your wire instructions or if there has been any change that could result in funds being returned, you are asked to submit fresh instructions using the accompanying Payment Instructions Form. The Liquidation Team will be providing an update of the scheduling and likely value date for your payment to be processed, based on a collation of all payment instructions submitted.

The Liquidator and his team continue to make all efforts to secure the best outcome for claimants and thank you for your patience during the entire liquidation process.

Julian Murillo
Liquidator- Choice Bank Ltd.