

# **RE: BANK CROZIER LIMITED (IN LIQUIDATION)**

## **Introduction**

1. On 24<sup>th</sup> July 2003 I was appointed by the court to be the liquidator of Bank Crozier Limited (the bank).
2. Pursuant to paragraph 16 of the Liquidation Order, this is my fourth report.
3. The objectives of my appointment are to:
  - Determine the potentially realizable assets of the Bank;
  - Assess the number and value of legitimate creditors claims;
  - Assess the extent to which creditors legitimate claims can be met;
  - Assess the extent of progress made in accomplishing the tasks set out in the Liquidation Order; and
  - Form a view regarding the likely future direction of the liquidation.

## **Scope of Work**

### *Assets*

#### Cash at Bank

4. The cash at Bank in Grenada is the sum of USD\$ 5,000,000 in an account at RBTT Bank Ltd. in which the said amount has been frozen by the High Court pending the outcome of two court actions (namely the BCIL Suit and the Carla Bella Ltd. Suit). I am in the process of applying to the Court for the lifting of the Freeze Orders. Hopefully these hearings can be heard during July 2005. My application to the Court to have access to the interest accumulated on the frozen funds was successful. (See Appendix A)

## Stourbridge – Exchange Bank and Trust Ltd

5. The current receiver of Exchange Bank and Trust Inc. sent out a form of consent and waiver to all parties involved in the matter. This form of consent has been returned and a claim has been filed with the Supreme Court of British Columbia in the amount of USD \$12 million. (See Appendix B) Legal representation has been obtained in Canada to act on my behalf, in an attempt to recover Stourbridge assets within the jurisdiction of Canada.

The Court in Gibraltar has recognized the liquidation order. In addition Bank Crozier's ownership of Stourbridge has been authenticated. As a result, I will now proceed to take steps to gather-in and collect all of the assets of Stourbridge Ltd. I am in the process of ascertaining the full extent of those assets. (Appendix C)

## Bear Stearns

6. Legal Action has been instituted against Bear Stearns for the return of USD\$ 600,000.00 which was invested. This court matter is still pending. As time is of the essence, I have proposed the commencement of good faith settlement negotiations, in an attempt to recover depositors' funds which have been illegally invested.

## Blue Ocean Properties

7. The property at L'Ance Aux Epines sustained damages due to hurricane Ivan. Negotiations are currently being held for the sale of the property.

*Liabilities*

8. As at May 30<sup>th</sup>, 2005, forty-one (41) claims have been accepted with a value of USD\$ 3,492,313.64. Only the creditors who have submitted notarized claims or claims accompanied by an apostille are recognized as legitimate creditors of the Bank. (See Appendix D)

*Matters before the Court*

9. In Civil Appeal No. 27 of 2003 – Daryl Sands, Controller of Bank Crozier Ltd. v. Garvey Louison, Liquidator of Bank Crozier Ltd. and Civil Appeal No. 30 of 2003 – Daryl Sands, Controller of Bank Crozier Ltd. v. Garvey Louison, Liquidator of Bank Crozier Ltd, appeals have been fixed for Monday 27<sup>th</sup> June, 2005 in Grenada. (See Appendix E)

*Collections and Disbursements*

10. Table A below shows the classification of collections and disbursements for the period July 2003 to April 2005.

*Table A– Collections and Disbursements to date*

<b>Quarterly Summary of Bank Crozier's Receipts and Payments</b>		
<b>ended 31 March 2005</b>		
	<b>US\$</b>	<b>US\$</b>
<b>Receipts</b>		
	<b>TOTAL</b>	<b>836,436.76</b>
<b>Payments</b>		
Agent's Fees	93,333.41	

Liquidator's Fees	180,000.00	
Legal Fees	181,818.15	
Publication Expenses	15,604.95	
Expenses Claims	112,948.91	
Office Expenses	29,543.43	
Repairs and Maintenance	20,400.78	
Bank Charges	203.43	
Petty Cash	4,222.52	
Utilities	37,790.23	
Security	19,855.37	
Outstanding Payment	47,650.26	
Staff Salaries	32,325.93	
Other	32,807.99	
<b>TOTAL</b>		<b>808,505.35</b>
<b>BALANCE AS PER MARCH 31 2005</b>		<b>27,931.41</b>
<b>Balance as per Bank Statement as at 31-Mar-05</b>		<b>33,948.08</b>
* Difference - Unpresented Cheques		6016.67 *

## **Future direction of the Liquidation**

11. At present there are a number of outstanding court matters which are pivotal to the future direction and course of the liquidation and which will eventually determine the availability of funds in the event of a distribution. All efforts are being made to contact all creditors and keep them informed as to the proceedings and progress of the liquidation. I am in constant contact with all creditors. Most have filed completed claims however several others are in the process of finalizing their claim.

Creditors are constantly updated by way of letter and in addition, any new information arising from time to time on [www.louisonconsulting.com](http://www.louisonconsulting.com) in a timely manner.

12. At this point my work has not progressed sufficiently to allow me to:

- Determine the potentially realizable assets of the Bank;
- Assess the exact number and precise value of legitimate creditors claims;
- Assess the extent to which creditors legitimate claims can be met;
- Form a view regarding the likely future direction of the liquidation.