

Harlequin Property (SVG) Limited

IMPORTANT NOTICE: COURT PROCEEDINGS

Notice of Motion

On 25th October 2016, the Proposal Trustee was served with a Notice of Motion filed in the High Court of Justice of St. Vincent and the Grenadines on October 25, 2016. This application was filed on behalf of Gabriella Klein whom the Proposal Trustee understands to be an appointed representative of a group of Harlequin's creditors. In the said application, Gabriella Klein is seeking:

- a) *"An order declaring that the failure by Brian Glasgow of KPMG, in his capacity as Trustee under a Notice of Intention to Make a Proposal ("NOI") filed by Harlequin on October 3, 2016 (the "Trustee"), to file his report on the reasonableness of Harlequin's cash flow projections within the specified ten (10) day time limit to do so, amounted to a breach of Section 29(2) of the BIA, which by operation of Section 29(8) of the Bankruptcy and Insolvency Act (Cap. 136 of Laws of Saint Vincent and the Grenadines, Revised Edition 2009) ("BIA") constituted a deemed assignment, rendering Harlequin immediately bankrupt as of October 13, 2016, the date the applicable deadline passed; and*
- b) *An order that the Trustee forthwith file a report in the prescribed form with the Supervisor who shall issue a certificate of assignment in the prescribed form; and*
- c) *An order that the Trustee within 5 days of the certificate of assignment send a notice of meeting of creditors as set out in section 29(8)(c); or*
- d) *In the alternative, an Order declaring the premature end of the stay of proceedings affecting creditors of Harlequin, by operation of Section 29(10) of the BIA, and the deemed bankruptcy of Harlequin, on the basis that Harlequin:*
 - i. *Has not acted in good faith during the first three weeks of the applicable stay period;*
 - ii. *Will not likely be able to make a viable proposal before the expiry of the current stay period and appears to lack a meritorious position on an extension thereof; and*
 - iii. *Will not likely be in position to present a proposal which will be accepted by the required majorities of its creditors."*

The application is set for hearing on November 11, 2016.

Application of Extension to Submit of a Proposal

The current deadline by which Harlequin must file a proposal with the Supervisor of Insolvency is November 2, 2016 (i.e., 30 days from the filing of the NOI as prescribed by section 29(8) of the BIA).

Harlequin has indicated that it is currently not in a position to file a proposal by the November 2, 2016 deadline. As such Harlequin filed an application in the High Court of St. Vincent and the Grenadines on October 26, 2016 seeking an extension of the deadline for the filing of the proposal.

The Court has adjourned the application seeking an extension of the deadline for the filing of the proposal until a hearing on November 11, 2016.

At the hearing on November 11, 2016 both the Notice of Motion and the Application of Extension will be heard.

Brian Glasgow
Proposal Trustee

October 31, 2016