

## **Harlequin Property (SVG) Limited - November 8, 2017**

### **To all creditors**

We understand that the Bankruptcy Trustee has received an enquiry from a creditor in relation to the interaction between the Inspectors and the Bankruptcy Trustee since our appointment. We also understand that this enquiry purports to be made on behalf of a number of creditors.

While under no statutory obligation under the Bankruptcy and Insolvency Act to do so, as a group we thought it important on this occasion to address these issues and dispel any concerns or misunderstandings. Either as creditors ourselves or representative of them we understand where these questions come from and why they have arisen. As such, this is a short statement on the matter of Harlequin Property (SVG) Limited regarding the interaction between the Inspectors and the Bankruptcy Trustee since our formal appointment by the creditors on 11 April 2017.

To date we have attended eight meetings and/or telephone conferences with the Bankruptcy Trustee and his staff; and also provided our views by email when required. These meetings have frequently taken a number of hours and the Bankruptcy Trustee has, as required, made his legal representatives available to discuss with us all aspects of the insolvency. In addition, members of the Inspectors committee have been in regular contact with the Bankruptcy Trustee to discuss the ongoing management of the Estate and the insolvency process. The Bankruptcy Trustee remains committed to communicating with us as and when the need arises or in response to our queries. As result of those communications, the creditor group can take comfort that the members of the Inspectors Committee have sense checked and tested the Bankruptcy Trustee to ensure that he continues to manage the Estate in the most cost effective manner possible to the benefit of the entire creditor group. This has included, but is not limited to, being actively engaged in connection with the final resolution of the Wilkins Kennedy proceedings; steps to realise Buccament Bay and Merricks; the winding-up of Harlequin Resort St. Lucia Limited; the Bankruptcy Trustee's fees and disbursements and so on.

There is no doubt that this a complex matter. Much of this complexity is as a result of the Harlequin corporate structure of which Harlequin Property (SVG) Limited is a member, the manner in which the Harlequin scheme was promoted, managed, documented together with the volume of investors involved and, importantly, the lack of co-operation to date of Harlequin Property (SVG) Limited and its office holders in providing relevant material notwithstanding the legal requirement to do so. As a result this has taken (and continues to do so) considerable professional time to resolve, for example, the litigation matters that had commenced in London prior to the appointment of the Bankruptcy Trustee. However, this is an example where the Bankruptcy Trustee's action has resulted in a successful recovery of funds and further recoveries are possible. As a group we remain confident that the Bankruptcy Trustee is focused on recovering the resort assets and investigating whether other recoveries are possible. We expect to shortly receive details of proposals from the various groups interested in the Buccament Bay resort asset.

As we say, whilst it is not the responsibility of the Inspectors to report to the creditors, as fellow creditors or their representatives we wanted to confirm to you that we are fully engaged in this process. As Inspectors we take our responsibilities seriously and are actively assisting the work of the Bankruptcy Trustee to recover assets for the benefit of creditors.

Kind regards

The Inspectors of Harlequin Property (SVG) Limited in Bankruptcy  
James Darbyshire, Gareth Fatchett, John Cullen, Thomas Kelen, Stewart Haynes