

Frequently Asked Questions - Loyal Bank Limited ("In Liquidation")

Ikins D. Clarke & Joan "Betty" Brathwaite
Joint Liquidators

Question	Answer
Liquidation Process	
<p>1. What is happening with Loyal Bank Limited?</p>	<p>Loyal Bank Limited is in liquidation. Pursuant to an order of the High Court of Justice of Saint Vincent and the Grenadines ("the Court"), dated 24 August 2018 ("the Liquidation Date"), it was ordered that Loyal Bank Limited ("the Bank" or "Loyal Bank") be wound up under the provisions of the International Business Companies Act Chapter 149 of the Revised Laws of Saint Vincent and the Grenadines 2009 (hereinafter referred to as "the Order"). Mr. Ikins Clarke and Ms. Joan "Betty" Brathwaite, partners at Deloitte & Touche were appointed as the Bank's Joint Liquidators ("the Liquidators"). Deloitte & Touche is located at The Goddard Building, Haggatt Hall, St Michael, Barbados.</p>
<p>2. What is the process of Liquidation?</p>	<p>The liquidation process involves various steps which culminate with the dissolution of a company at which time the company ceases to exist in law. During the liquidation process the liquidators will subject to statutory duties, realise a company's assets and distribute the proceeds to the company's creditors (including depositors) after deduction of the costs and expenses of winding up. The residual surplus, if any, is thereafter distributed to the entity's owner/shareholder.</p> <p>In the case of Loyal Bank, the Order provides that the Liquidators shall take possession of, gather in and realise all of the assets and property of the Bank. Proceeds collected from asset and property realisations are to be held for the benefit of and distributed to the depositors, creditors, and investors of Loyal Bank in accordance with the laws of Saint Vincent and the Grenadines, subject to the payment of the fees and expenses/costs of the liquidation.</p>
<p>3. What documents are needed for me to register my claim?</p>	<p>Creditors other than depositors should lodge a claim with the Bank, by completing and submitting a proof of debt form, along with supporting documentation to email address loyalbankliquidation@deloitte.com.</p> <p>As the Bank was a regulated entity of the Financial Services Authority ("FSA"), depositors of Loyal Bank are not required to register a claim against the Bank at this time. The Liquidators will be notifying depositors of their Liquidation Date balances and depositors will be provided with an opportunity to accept the balances or dispute the balances should they not be in agreement.</p>

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4. What is the order of payout in the liquidation?	Payments will be made in accordance with the Order and the Laws of Saint Vincent and the Grenadines. Further details regarding this matter, will be provided within due course upon completion of an assessment of the Bank's financial position.
5. Can I meet privately with the Liquidators or the Agents	At the Liquidation Date, the Bank's records reflected thousands of depositors. Due to the number of requests and queries, the Liquidators may not be able to facilitate private meetings with all depositors. Stakeholder queries should be directed to email address loyalbankliquidation@deloitte.com and a representative of the Liquidators will respond.
6. What is the expected timeline for completion of the Liquidation process?	At this time, the Liquidators cannot provide a definitive timeline. Investigations are ongoing and the Liquidators will provide periodic updates to stakeholders, as the liquidation progresses.
7. How will I generally be updated on developments related to Loyal Bank?	The Liquidators will post periodic updates on the Loyal Bank's website at www.LoyalBank.com .
8. Has the initial court report been filed?	<p>An initial Liquidators' report has been filed with the Court. The initial report outlines the Liquidators' preliminary findings. Due to the complexity of operations of the Bank, the Liquidators are continuing their investigations and will provide updated reports to the Court in due course.</p> <p>An initial Liquidators' report has been filed with the Court. The initial report outlines the Liquidators' preliminary findings, however due to the sensitive nature of the findings, the report has been sealed by the High Court of Saint Vincent and the Grenadines. Due to the complexity of operations of the Bank, the Liquidators are continuing their investigations and will provide updated reports to the Court in due course.</p>
9. Now that the 30 day court report has been filed, why is it taking so long to get my money back.	Due to the complexity of the Bank's operations, the Liquidators' are in the early stages of their investigations into the assessment of the financial position of the Bank.

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Depositors & Creditors Recoveries	
<p>10. How will depositors funds be returned?</p>	<p>Depositors' funds will be distributed in accordance with a distribution plan, in compliance with the Order and the Laws of Saint Vincent and the Grenadines. Details of a distribution plan are premature at this stage, as we are in the early stages of the liquidation process.</p> <p>Given the complexity of the liquidation, including the cross border nature of the Bank's assets and our active pursuits to identify and secure Loyal Bank's assets, a timeline for distributions is unknown at this time. Notwithstanding this, depositors will be duly notified of the distribution process at the appointed time.</p>
<p>11. Will my deposit be subject to a haircut?</p>	<p>As a financial institution, the Bank invested depositors' funds in various assets, which included investments, loans, and other assets. The Bank's investments included equities, funds, and other investments of varying redemption periods.</p> <p>The Liquidators are currently performing their assessment of the Bank's financial position and are unable at this time to make a meaningful estimate of the likely recoverability of Loyal Bank's recorded assets.</p> <p>Notwithstanding this, Loyal Bank has been deemed insolvent and therefore unsecured creditors and depositors will likely receive less than 100% of their admitted claims against the Bank.</p>
<p>12. I want my deposit back now, how can I get it and when can I expect to receive it?</p>	<p>The Bank is in liquidation and the Liquidators are currently assessing the Company's financial position. Consequently, depositors do not have access to their deposits and no distributions will be made prior to the completion of a full assessment of the Bank's assets and liabilities.</p> <p>In this regard, upon completion of a full assessment of the Bank's assets and liabilities, depositors will be contacted regarding their respective balances as at the Liquidation Date.</p> <p>Following this notification, depositors will be provided with an opportunity to confirm or dispute the Liquidation Date balances. Please note that the onus is on a depositor to prove his Liquidation Date balance, if he disputes the Liquidation Date balance recorded in the Bank's records. Once agreed, the Liquidation Date balances or the accept balance will form the depositors' basis for liquidation distributions.</p> <p>On completion of the Liquidators' investigation and full assessment of the financial position of the Bank, the Liquidators will be in a position to advise on the anticipated level of recoveries.</p>

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<p>13. Is my deposit covered by deposit insurance in St. Vincent</p>	<p>There is no legislated deposit insurance in St. Vincent and the Grenadines.</p>
<p>14. May I continue to make deposits and withdrawals?</p>	<p>The Financial Services Authority issued a cease and desist order on the Bank and subsequently revoked its banking license on 7 August 2018. As such, depositors and other clients are unable to execute any transactions on their accounts.</p>
<p>15. Who will the repayment of deposit be made to? Does it have to be prepaid to the name on the current deposit, or can I give instructions to have the payment made to another corporate account?</p>	<p>Distributions to depositors, as Creditors of the Bank, will be issued in the name of the current deposit holder, as per the Bank's records.</p>
<p>16. How will repayment of funds be facilitated?</p>	<p>Once the Liquidators are in a position to commence paying distributions to Creditors, depositors will be requested to provide banking details.</p>
<p>17. When will depositors receive confirmation about account balances?</p>	<p>Due to the Bank's complex operations and our findings thus far, additional procedures have to be completed prior to us being able to notify depositors of their account balance(s) as at 24 August 2018.</p>
<p>18. How do I obtain a bank statement?</p>	<p>The Bank is no longer a going concern, therefore bank statements will not be issued. However, depositors will be notified of their account balance(s) as at the Liquidation Date.</p>
<p>19. How will depositors determine whether their funds were transferred to them or accounts closed prior to the Liquidation Date, if they received confirmation that the funds had been transferred or accounts closed, notwithstanding they never received the funds.</p>	<ol style="list-style-type: none"> i. All deposit balances as at the Liquidation Date are creditors of the Company. ii. Depositors of record, as at the Liquidation Date, will receive a proof of debt form stating their balance(s) as of the Liquidation Date requesting them to accept or reject the balance(s). If Depositors reject the balance(s) listed on the proof of debt form, the onus is on the Depositors to prove their counter claim in the Company's liquidation by providing documentation to support their counter claim.

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<p>20. What is required by the estate of a deceased account holder (“Deceased”) to obtain assets held with Loyal bank on behalf of the Deceased?</p>	<ol style="list-style-type: none"><li data-bbox="496 394 1362 658">i. For international depositors and creditors, the Grant issued to either the executor or administrator of the deceased should be re-sealed in St. Vincent and the Grenadines. Therefore, you should engage local counsel to facilitate this process. In addition to the resealed Grant an original death certificate and Grant of Letters Testamentary or Grant of Letters of Administration should be provided .<li data-bbox="496 678 1362 807">ii. For local creditors, the Original Grant of Letters Testamentary or Grant of Letters of Administration should be provided together with an original death certificate<li data-bbox="496 826 1362 890">iii. Distributions will only be made to the duly appointed Personal Representative of the Estate of the Deceased.

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<p>21. What documents are required, if a Company goes out of business before the Bank's liquidation is completed?</p>	<p>The general position is that where a company has been dissolved and there is any remaining property of the company, such property is deemed bona vacantia and vests in the Crown. Notwithstanding this, if after a company has been dissolved there remains any outstanding property, which would include deposits at LBL, such property shall become vested in the Official Receiver for all the estate and interest therein legal or equitable of the company or its liquidator at the Liquidation Date.</p> <p>Therefore if a company that holds an account with LBL is dissolved, prior to LBL issuing a dividend distribution, the payment would be made to the Official Receiver (if the creditor is in St. Vincent and the Grenadines or the Crown or designated statutory authority as prescribed by the laws of the relevant jurisdiction.</p> <p>Where a company that holds an account with LBL is in liquidation, the dividend distribution would be made to the Liquidator(s) appointed. If a liquidator has not yet been appointed, a dividend distribution would be issued after the appointment of the liquidator. In this regard, prior payment of a dividend distribution, the liquidator would have to provide LBL with a notarized and apostilled copy of the instrument of his appointment (resolution, court order, etc.) to facilitate distribution.</p>

Frequently Asked Questions

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General	
22. Who are the Liquidators?	<p>Mr. Ikins Clarke and Ms. Joan "Betty" Brathwaite, both Partners of Deloitte & Touche, located in The Goddard Building, Haggatt Hall, St Michael, Barbados, were appointed as Joint Liquidators of the Loyal Bank Limited by court order, by the High Court of Justice of Saint Vincent and the Grenadines on 24th August 2018.</p> <p>Additionally, in accordance with the terms of the Order, Mr. Raymond Haynes, Mr. Darren Reeds and Ms. Tiphaney Russel, have been duly appointed as agents of the Joint Liquidators with full authority to act on behalf of the Joint Liquidators. As agents, they are also empowered to take full action and control of Loyal Bank Limited and its assets and properties, including its known subsidiaries.</p>
23. Who is Deloitte / What is the Deloitte Global Network?	<p>Deloitte is a leading global network composed of independent firms throughout the world that provide audit and assurance, consulting, financial advisory, risk advisory, tax and related services to clients. These firms are members of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). Each member firm provides services in particular geographic areas and is subject to the laws and professional regulations of the particular jurisdiction or jurisdiction in which it operates. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Deloitte & Touche is an affiliate of DCB Holding Ltd., a member firm of Deloitte Touche Tohmatsu Limited.</p> <p>Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 286,000 people make an impact that matters at www.deloitte.com.</p>



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