

IN THE MATTER OF LIQUIDATION OF :

FOCUS MANAGEMENT INC.

MINUTES OF THE FIFTH CREDITORS' MEETING

Held by conference call on October 9<sup>th</sup>, 2013 at: 11:00 AM.

Present	
Nicolas Boily	Joint Official Liquidator
Emmanuel Phaneuf	From the office of the Joint Official Liquidator
John Harris	JOLs' attorney

Also present

Creditors registered for the meeting.

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Mr Nicolas Boily acted as Chairman of the meeting in accordance with the Cayman Islands Companies Winding Up Rules.

There being a quorum, it was resolved to proceed with the agenda.

**ADOPTED**

**AGENDA**

**ITEM 1. Status of the claim filed against Horizon Bank International**

Mr Boily reminded the assembly about the claims with Horizon's liquidator for a total amount of US\$904,000 and CA\$354,000. So far, the Joint Official Liquidators (JOLs) have received an interim dividend of US\$229,000.

As already mentioned, any future dividend depends on the outcome of a US\$3 million proprietary claim under dispute; a potential US\$100,000 is expected, subject to the settlement of the said claim.

In conclusion, there has been no development since 2012 and the JOLs are awaiting the settlement of the claim.

**ITEM 2. Update on the claim against P.N.B. Management Inc.**

Mr Boily reminded the assembly that, in 2010, the JOLs filed a CA\$20 million claim against PNB. PNB has filed a "liquidation" proposal and as stated previously, PNB's Trustee (acting under PNB's proposal) has authorised Focus' claim as proven.

On December 23, 2011 Focus received an amount of CA\$839,017 as an interim dividend and a final dividend of CA\$130,313.52 is expected within the next weeks, which will bring this matter to a close.

**ITEM 3. Law enforcement update**

The JOLs reminded the assembly that they have assisted the Cayman Islands and Canadian authorities with their investigations, and have made repeated inquiries as to the prospects for criminal prosecution.

The Financial Crime Unit of the RCIPS have submitted a report to the Director of Public Prosecutions (DPP). The DPP's view is that, at this stage, no action should be taken against the resident director and that actions against the Canadian parties involved are a matter for the RCMP.

On their side, the RCMP are still investigating.

Mr Boily informed the assembly that the authorities have been invited to the creditors' meeting, but have declined the invite.

**ITEM 4 Status on BNP Paribas (Bahamas) Limited**

Mr Boily informed the assembly about the agreement reached in 2013 whereby BNP would produce relevant banking information and supply guarantee from its parent company to meet any subsequent damages award. On the other side, the JOLs agreed to either initiate legal action against BNP within a limited period of time or abandon any such claim. This agreement was approved by both the Cayman (December 2012) and the Bahamas (April 2013) Courts.

JOLs have reviewed the documentation received from BNP in July 2013 and action is now underway to secure the release of additional documentation.

Mr Boily and Mr Harris mentioned that there are possibilities for recovery or damages actions against BNP. The next steps for the JOLs comprise the review and analysis of documentations received or to be obtained, the examination of Pascal Dulau, BNP's Chief Operations Officer and the determination by the judge supervising the liquidation as to whether a writ should be issued against BNP.

Mr Harris insisted that the JOLs would need court approval before going forward should they believe that they have a case and they want to sue the bank. In addition, Mr Harris informed the assembly that it is unlikely that any procedure will produce result in less than a year.

**ITEM 5. Highlights of the investigation / Conclusion**

Mr Boily mentioned that the review of the documentation made available to the JOLs (including the documentation received recently from BNP) confirms that a large amount of monies received from investors in Ivest were transferred to Focus and then transferred out to Focus' investors.

Indeed, the JOLs have not found material investments made in Focus, instead they have seen monies channelling between investors. This suggest that Focus was mainly used as a channelling vehicle.

**Focus Management Inc. (In Official Liquidation)**Minutes of the 5<sup>th</sup> Creditors' Meeting, Held by Conference Call on October 9<sup>th</sup>, 2013

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Funds were channelling through Focus' accounts at BNP whilst the bank, did not appear to issue any suspicious report. In addition, the JOLs have not found any material transaction yet involving Mr Bright or Mr Papadopoulos or made to their sole benefits.

Therefore, Mr Boily informed the assembly that The JOLs are continuing their efforts to obtain better records from BNP to identify parties to whom illicit funds may have been paid. In brief, the JOLs are pursuing their effort in order to determine whether there are realistic possibilities for recovery against BNP. Of course, the JOLs' actions would be assessed on its commercial merit and the JOLs would have to consider the evidence available at the time before any action is taken.

Since the estate did not have sufficient funds for investigation until recently, Mr Boily reminded the assembly that most of the funds were provided by third parties, namely the AMF, Triglobal and Ivest. Absent any material recoveries from litigation, there is no prospect of recovery for the estimated US\$69 million of creditors. The JOLs are therefore concentrating on determining whether there are commercially viable causes of action that can be enforced for the benefit of creditors.



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Nicolas Boily, Joint Official Liquidator  
Chairman