

**Exential Investments Inc (in Liquidation)**  
**(the “Company”)**

MINUTES OF THE FIRST MEETING OF CREDITORS OF THE COMPANY HELD AT THE OFFICES OF KPMG (BVI) LIMITED 3<sup>RD</sup> FLOOR OF BANCO POPULAR BUILDING, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS AND BY TELECONFERENCE AT 9AM ON 17 AUGUST 2020.

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**Present for the Joint Liquidators:**

Russell Crumpler, Liquidator  
David Standish, Liquidator  
Anthony Johnson, Liquidator’s Assistant  
Christina Rodriguez, Liquidator’s Assistant

Paul Griffiths, Carey Olsen  
Alex Jay, Gowling WLG (UK) LLP (Gowling)  
Bill Ferguson, Carlton Huxley (CH)

**Creditors (and observers) in attendance via telephone:**

424

**Creditors in attendance via proxy:**

428<sup>1</sup>

**1 Officers of the meeting**

1.1 Russell Crumpler acted as chairman of the meeting.

**2 Constitution of the meeting**

2.1 The meeting formally commenced at 9:05am New York time. The chairman welcomed the attendees and introduced himself. The chairman noted the presence of David Standish, the Liquidators’ assistants, Carey Olsen, Gowling and Carlton Huxley.

2.2 The chairman explained that the Liquidators will be treating anyone that has lodged sufficient details of a claim against one of the Exential Group companies as being a potential creditor of the Company. The chairman noted that such attendees were admitted for the purposes of voting at this meeting only with a nominal claim value of US\$1, despite their individual claims being potentially higher. There were 783 such creditors admitted for voting purposes.

2.3 It was further noted that 16 creditors with claims admitted for voting purposes which totalled US\$592,978.12 were also in attendance in person or by proxy.

2.4 The chairman noted that as there were up to 500 attendees (including where proxies had been submitted), a roll call of creditors would not be carried out.

2.5 The chairman stressed that any creditor admitted for the purposes of voting at the meeting for US\$1 will receive copies of reports to creditors, notices of further meetings and the same access to the Liquidators and their staff as any other potential creditor.

2.6 The chairman stated that the first meeting of the creditors of the Company, had been convened in accordance with section 179 of the BVI Insolvency Act, 2003 (the “IA”). The chairman confirmed that all requirements had been met for the holding of the meeting.

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<sup>1</sup> Please note that we are aware that a number of creditors who were admitted for voting purposes both attended the meeting and submitted proxies.

- 2.7 The chairman noted that R184 claim forms were received from 1,113 creditors before 12pm New York time on 14 August 2020 (the “**Voting Deadline**”), and a further 490 indications of claims had been received. The chairman further stated that 16 claims received before the Voting Deadline, totalling US\$592,978.12, had been admitted in full or in part for voting purposes.
- 2.8 The chairman stated that pursuant to the IA, two resolutions would be put before the creditors at the meeting.

### **3 Meeting Business**

- 3.1 The chairman declared, due to the number of proxies held in his favour, that the meeting to be quorate pursuant to rule 53(1) of the Insolvency Rules, 2005.
- 3.2 The chairman acknowledged that under Rule 173(2)(b) the creditors can also resolve on majority by vote to adjourn the meeting by up to 21 days. No creditors came forward with a desire to adjourn the meeting.
- 3.3 The chairman indicated that the admission of claims for voting purposes does not mean that they have been admitted for the purpose of any potential future distribution(s). Those claims admitted for voting purposes will likely only be fully adjudicated upon once sufficient assets have been recovered into the Estate.
- 3.4 The chairman further indicated that claims against other Exential Group companies would be treated as unliquidated and would be admitted for US\$1, however, such claims would not be accepted for voting purposes at this stage.

### **4 Resolutions**

- 4.1 The chairman set out the two resolutions pursuant to section 179(4) of the IA to be put to the creditors at the meeting (as set out in the proxy forms), namely;
- i. To consider whether to make an appointment of an alternative liquidator(s) (the “**First Resolution**”); and
  - ii. Whether to form a creditors’ committee (the “**Second Resolution**”)
- 4.2 The chairman further noted that due to the comparative value of the 16 claims admitted in full or in part for voting purposed (“the 16 claimaints”) and the claims admitted for \$1 he was able to proceed on the basis of votes cast by the 16 claimants only (unless the difference in voting value was less than \$783 in which case he would revert to the \$1 claimants).
- 4.3 With regards to the First Resolution, voting by those of the 16 claimants attending and voting, was as follows;
- i. 100% (\$572,487.12 in value) voted against the resolution;

On the basis of the votes received, the chairman declared that all creditors voting had voted against the appointment of an alternative liquidator and accordingly Mr Crumpler and Mr Standish remain as Joint Liquidators.

- 4.4 With regards to the Second Resolution, voting was as follows;
- i. 54% (\$307,919.03 in value) voted against the resolution;
  - ii. 46% (\$264,568.10 in value) voted for the resolution.

On the basis of the votes received, the chairman declared that all creditors voting had voted against the formation of a creditors' committee.

## **5 Liquidation update**

- 5.1 The chairman handed the meeting over to Mr Standish to provide a general update.
- 5.2 Mr Standish reiterated that although all creditors have been admitted for voting purposes to the meeting (whether at \$1 or another amount), this does not entitle them to a dividend and that further analysis of any creditors' claims will be necessary. He further noted that all potential creditors will be given updates and information at this time.
- 5.3 Mr Standish provided a background to the fraud, acknowledging that two years of investigative work has brought us to this point, but that the fraud is complex, lasted much longer, and will take considerable time to unravel.
- 5.4 Mr Standish clarified the following points:
  - i. The Liquidators estimate that the fraud was between \$250-500m, with as many as 7,000 people suffering a loss;
  - ii. The role and current focus of the Liquidators is to recover and realise the Company's assets;
  - iii. The recovery process will be complex, difficult and expensive. Further no guarantees with respect to likely recoveries can be made at this time;
  - iv. The creditors are not burdened with paying the fees of the Liquidators directly. The Liquidators are exploring the provision of funding by a third party and/or funding will come from the recoveries that the Liquidators make. Ultimately the costs will be borne on an equitable basis by all admitted creditors, but no one creditor will be asked to make any payments to the liquidators in order to facilitate recovery efforts.
  - v. The Liquidators' fees will be subject to approval from the BVI Court;
  - vi. When possible, i.e. following the lifting of restrictions related to the COVID-19 pandemic, the Liquidators will aim to hold physical meetings in the UAE to provide updates on investigations. Irrespectively, the liquidators will continue to run a transparent and open process;
  - vii. The Voting Deadline was for the purposes of voting at the first creditors' meeting only. Therefore, all creditors can continue to submit claims and enquiries via the Liquidators' email address and/or hotline; and
  - viii. We will continue to update creditors as the matter progresses.
- 5.5 Mr Standish handed the meeting back over to Mr Crumpler to close.

## **6 Termination of Meeting**

- 5.1 The chairman noted that the next report will be available on or before 25 September 2020 referring to this as the 60 day report to creditors that is required by BVI law.

- 5.3 The chairman noted that the website will be updated to provide further information.
- 5.4 The chairman asked for additional questions to be provided via email to [exentialbvi@kpmg.co.uk](mailto:exentialbvi@kpmg.co.uk) and there being no further business, the chairman thanked the attendees for their time, patience and attendance and declared the meeting closed at 9:29am New York time.



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Chairman