

**Minutes of the First Meeting of Creditors and Clients
Pacifico Global Advisors Ltd. (in Official Liquidation) (the Company)
January 16, 2020
9:00 AM
British Colonial Hilton Hotel, Nassau Bahamas**

Present (in person):

[REDACTED] (ETA)
[REDACTED] (LLA)
[REDACTED] (GLC) (attorney representing [REDACTED])
[REDACTED] (AMA) (attorney representing [REDACTED])
[REDACTED] (SBR) (Graham Thompson representing [REDACTED])
[REDACTED] (PGA) representing [REDACTED]
[REDACTED] (ARA) (attorney representing [REDACTED])
[REDACTED] (AKI) of [REDACTED]
[REDACTED] (GWH) of [REDACTED]

Present (by proxy):

Various clients represented by [REDACTED] (70 clients)

Present (by telephone):

[REDACTED] (MCA) [REDACTED]
[REDACTED] (TGI) [REDACTED]
[REDACTED] (JMO) [REDACTED]
[REDACTED] (MAD) [REDACTED]
[REDACTED] (NBU) [REDACTED]
[REDACTED] (MMA) of [REDACTED]
[REDACTED] (VMA) of [REDACTED]
[REDACTED] (RGA) of [REDACTED]
[REDACTED] (SBR) of [REDACTED]

Official Liquidator Team (OL): Edmund Rahming (ERA) (OL)
Kelia Duncombe (KDU)

Attorneys for OL: Simone Morgan-Gomez (SMG)
Philisea Bethel (PBE)

The meeting time was announced by KDU at 9:14 am. It was also announced that no further entrants would be allowed in the room or on the conference call.

Welcome

ERA welcomed all in attendance and apologized for late start due to telephone difficulties. He called to order the First Meeting of the Creditors of PGA. ERA introduced himself, the Intelisys team and the Liquidator's attorneys, Simone Morgan Gomez and Philisea Bethel of Callendars & Co. ERA advised that he would Chair the meeting pursuant to O8, r6(1) of the Winding Up Rules. He outlined the purpose of the meeting and advised that approximately 90 creditors were in attendance by proxy and/or present (in person or via telephone).

Quorum

ERA advised that a quorum requires that only three (3) creditors be in attendance and given that approximately 90 creditors and clients were attending the meeting would commence.

Summary of Official Liquidation

ERA gave a brief synopsis of the OL role which is to recover, identify, secure and preserve the assets utilizing any asset recovery method(s) to return/pay out proceeds to the creditors and clients of the Company.

ERA advised that in this liquidation the majority of the assets are fiduciary assets (not assets of the Company) and therefore creditors and investors have greater influence in the liquidation process. The OL's approach is one of openness, transparency, accuracy. Should inaccuracies be identified in the OL's findings creditors and clients of the Company are encouraged to advise of same and provide the supporting details. Changes may be provided in the next OL report.

A background of the Company was provided by ERA. ERA then advised that as at the end of Oct. 2019 based on the Liquidator's review AUM totalled \$61M and there was a total of \$55M relating to sub-funds. The cause of the liquidation was due mainly to the mismanagement of the Company. ERA stated that the Company began to experience a cash shortage issue which resulted from excessive fees being paid out to business introducers and for consulting. The cash shortage was exacerbated by late and inaccurate reporting on the sub funds by the local Administrator which led to an inability to pay itself investment management fees, its main source of revenue. Further, the cash shortage issue become irreconcilable when the sub-funds were placed into receivership. The Company made the strategic not to take on new clients while it "regularized" its portfolio of clients. ERA stated that his team was told that the shareholder wanted to regularize the portfolio of clients and downsize the Company into a small family office but there were concerns related to whether regulatory approval would be forthcoming.

ERA discussed communication by the Company with the Securities Commission of the Bahamas (SCB) and what led to the SCB's instruction to appointment a voluntary liquidator. On September 19, 2019, the SCB wrote the Company requesting an on-site examination. On September 20, 2019, Mr. Klein wrote the SCB advising of his resignation and the COO's engagement through September 30, 2019. The SCB acknowledged receipt of this latter and advised they selected ERA to be the voluntary liquidator. As a result, ERA was initially appointed as Voluntary Liquidator by shareholders' resolution on October 2, 2019. On October 28, 2019 the voluntary liquidation was placed under supervision of the Supreme Court of the Bahamas.

ERA advised that the activities undertaken to-date included but were not limited to: termination of staff (held onto two employees causally to assist with liquidation), securing the premises, books and records, IT systems, scanned company files, and sold existing furniture following court approval. ERA also advised that he and his team were off the premises within a month to conserve costs and engaged in other liquidation activities including:

- Reviewing books and records on the financial position of company to determine solvency of the Company;
- Communication with all stakeholders including creditors, director, service providers, vendors, custodians and banks
- Regular communication with regulators updating them of progress
- Publication of notices
- Obtaining certificate of insolvency
- Creating website and email address for creditor and client queries being adequately addressed throughout the process
- Addressing preferential creditors who include are employees and taxes
- Creditor and client correspondence
- Various investigations and financial analyses

- Preparing broker reconciliation and updating Finamic
- Preparing a First Interim OL report
- Reviewing status of assets of the Company and of clients
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ERA advised that client funds are segregated and separate and apart from the Company's assets however, client assets are commingled with other client assets in omnibus accounts in the Company's name.

Anticipated activities subsequent to this meeting

- Conclude the summary investigations and asset recovery options
- Pursue asset recovery options at direction of creditors and clients
- Pursue Company debtors
- Address assets related to sub-funds (Legal opinion on the transfer of the assets and costs relates to the funds and solvency analysis)
- Application to pay costs from trust assets
- Adjudication process on PODs submitted. Some reconciliation work to be done to determine the position each investor is in
- Prepare Second interim report of OL
- Final report to be provided at the end of the winding up process subject to various factors which could extend the duration materially

Question & Answer session

1). Why must the return of the investor's assets be delayed? (GLC) The sub-funds assets are segregated why should they be used to cover liquidation costs? (PGA)

ERA responded that the Company was found to be insolvent. The Company could not pay its bills as they became due. The financial statements were at least nine months in arrears at the time of appointment. The Finamic system had been paused prior to the liquidation and a broker reconciliation had to now be completed. Other liquidation tasks had to be undertaken including identifying and securing client assets. The costs to take on this work had to be covered and as the Company had very limited assets, there would be an application to address costs in the liquidation being taken from trust assets.

2). In relation to the \$2.5M overdrawn balance can you give us more details to that? Is the Omnibus account one account? (GLC)

ERA responded that there were multiple omnibus accounts at three institutions and that his team had identified \$2.2M to \$2.5M in overdrawn balances.

3). The liquidation has now been going on for several months how long would the investigation into the accounting take to be completed? (GLC)

ERA advised that the liquidation had been in progress for approximately two months and had moved fairly swiftly. ERA advised that he did not know how long the liquidation would continue and that his second interim report would be distributed in due course.

4). Is the Company earning fees as the continuing custodian through the liquidation process? In other words, if the liquidation runs for a year are the usual custodian fees accruing to the Company as incoming revenue? (AMA)

Yes, there are custodian fees that will be passed on to creditors and clients. There may be other fees that clients will be charged but a determination has not been made.

5). Have you already reconciled client accounts with Omnibus? (MMA)

The client accounts have been reconciled as at September 30 and October 31, 2019 to the omnibus accounts using the services and system of Finamic. There are still outstanding reconciling items which will need to be addressed.

6). Who are the preferential creditors under Bahamian law? Has the liquidator tallied the claims of the preferential creditors? (SBR)

The preferential creditors are employees and the tax authorities. We have not tallied the claims of the preferential creditors.

7). There were multiple references made to the investigation of the Omnibus account and I am wondering if it will be concluded by the next report or the final one? (SBR)

We will provide our findings on this matter in the second interim report.

8). When you talk about adjudication can you give us an idea if that is a negotiated process or a court supervised one? What is involved in this process? (ETA)

The claims adjudication process involves the OL reviewing the records of the Company and the Proof of debt, reconciling the amounts and determine the value of the claim.

9). In the event that the creditor does not agree? (ETA)

ERA advised that a creditor disagreeing with a claim value can petition the Court on the matter as the liquidation is Court supervised.

10). What steps are you taking to go after known debtors? (ARA)

ERA advised that at this stage debtors were all identified, and demand letters would be sent out shortly. Further steps were likely and options that would entail taking on legal costs would be presented to creditors and clients prior to taking them on.

11). Will the consultation be outside of court? (ARA)

ERA advised that consultation may be by email circular, a meeting, website update, or otherwise.

12). Can the investment manager trade these assets? (LLA)

ERA responded that no transfers or trades are allowed at this time. At this stage investigations needed to first be completed to ensure all creditors and clients were treated fairly.

13). Why does it take so long to finish the activity of the investigation in order so each client can know the exact amount of their account? There have been no trades for over a year. (ETA)

ERA responded that a broker reconciliation had been completed through to September and October 31, 2019 and that there were reconciling amounts that still needed to be addressed with Finamic.

ERA and KDU made a final call to all attending for questions.

ERA formally ended the Q&A period and advised that if there were any additional questions, all creditors and investors of the Company can feel free to call and/or email the Intelisys team. All were thanked for their contributions to the meeting.

Formation of Liquidation Committee (LC)

The persons attending the meeting asked ERA for his views on the LC which he provided. They decided that they wanted an LC in place for the liquidation. A break was taken to refine the nomination and voting process. Shortly thereafter the nominating and voting process was held and the following persons were voted to form the LC:

Alexander Maillis, [REDACTED]

Paul Winder, [REDACTED]

Luca Lanciano, [REDACTED]

There being no further business the meeting was adjourned at 11:14am.