

THE TURKS AND CAICOS ISLANDS

2024

IN THE SUPREME COURT

CAP 122

IN THE MATTER of
TCI BANK LIMITED
(In Liquidation by Order of the Supreme Court of the Turks & Caicos Islands)

AND

IN THE MATTER of
THE COMPANIES ORDINANCE (CAP 122)

TWENTY-SEVENTH REPORT OF THE OFFICIAL LIQUIDATOR
TO
THE SUPREME COURT OF THE TURKS & CAICOS ISLANDS

December 31, 2023

Respectfully Submitted by
Mr. Anthony S. Kikivarakis Sr.
As Official Liquidator for
TCI Bank Limited

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1 INTRODUCTION

1.1 Background

I, Anthony S. Kikivarakis Sr., Chartered Accountant and Chairman and CEO of Kikivarakis & Co., am the Official Liquidator for TCI Bank Limited (hereinafter referred to as the “Company”). I first took office as one of the Provisional Liquidators for the Company on 9 April, 2010, by order of the Honourable Justice Richard Williams of the Supreme Court of the Turks and Caicos Islands (the “Court”). On 29 October, 2010, I was appointed as one of the Joint Official Liquidators of the Company by the Court. This Joint Official Liquidator position remained in place until 23 October, 2012 when I became the sole Official Liquidator of the Company as appointed by the Court.

My powers, as Official Liquidator, are set out in section 107 of the Companies Ordinance (CAP 122), which is exercisable without the sanction or intervention of the Court, pursuant to the Order of Mr. Justice Richard Williams dated 29 October, 2010.

In my said position and as an officer of the Supreme Court, I hereby submit to the Court, The Turks and Caicos Islands Financial Services Commission (the “FSC”), shareholders, and creditors of the Company the twenty-seventh report on the liquidation. This report covers the period July 1, 2023, to December 31, 2023.

1.2 Sources of Information

1.2.1 Specific details of the sources of information used and relied upon are given where referred to in this report.

1.3 Limitation

1.3.1 During the reporting period I have relied on the integrity of the information and documents contained in the Company’s records, supplied by former employees and other interested parties. Although I have sought to cross check information from different sources, to confirm their accuracy, I have not independently verified all of the information

and documentation upon which I have relied during the reporting period; neither has the Company's financial records, as of December 31, 2023, been subject to an audit.

- 1.3.2 As the Company's Official Liquidator, my report is solely based on factual matters. While I believe all of the information in this report to be true and accurate, I reserve the right to amend this report should additional information come to my attention.

1.4 Currency

- 1.4.1 The Company's activities are conducted in United States Dollars (US\$) therefore, unless otherwise stated, all references to currency are in US\$.

2 OBJECTIVE OF THIS REPORT

The objective of this report is to provide parties interested in the Company's liquidation with the steps that have been taken since the twenty-sixth report as of June 30, 2023, and the progress made since that date. Topics included in this report are dealt with in the following sections:

- (a) Collections on outstanding loans
- (b) Proof of debt and dividend payments
- (c) Shareholder Banks Balances
- (d) Cash
- (e) Other Matters

2.1 Collections on Outstanding Loans

- 2.1.1. During the reporting period, July 1, 2023, to December 31, 2023, there were loans that were either renegotiated or refinanced and final settlements made.

2.1.2. During this period, USD\$587,000 was collected from customers as noted in Appendix I. This amount was obtained from, sales of private treaty properties, proceeds from payouts and/or refinancing's of customers' loan balances.

2.1.3. As of the date of this report, there are loans and overdrafts that continue to be the subject of foreclosure proceedings arising from non-payment of outstanding amounts.

To date I have initiated foreclosure proceeding against properties of one hundred and twenty-four (124) borrowers with significant overdue loans and overdrafts. These proceedings have resulted in applications being made to the court to conduct private treaty sales. Most sales arise from private treaty court orders giving me the power to list the properties with real estate brokers.

Foreclosure proceedings and auctions as of the date of this report are as follows:

1. 119 section 64 notices served
2. 97 private treaty orders obtained
3. 15 properties have completed the 1st and 2nd auction processes
4. 4 auctions in total carried out to date
5. 2 properties sold to date by auction
6. 99 loans settled after foreclosure proceedings started.

2.2 Proof of Debt and Payment of Dividends

2.2.1. As noted in Appendix I, during the reporting period a total sum USD\$3,235,434 was paid to unsecured depositors/creditors arising primarily from the fourth interim dividend distribution declared.

2.3 Shareholder Banks Balances

2.3.1. As stated in our previous report a small number of shareholder banks still have outstanding loan balances with the Company. Discussions are continuing with such banks to resolve these matters. The delayed discussions and resolutions of some outstanding matters are due to the

fact that a number of entities and related parties are themselves also either in receiverships or liquidations and the outcome in terms of distribution is uncertain.

2.4 Cash balances

For the period the net cash increase (after deducting expenses) was USD\$452,420. As of December 31, 2023, the Company's cash balance is USD\$6,038,026. Most of the cash balance consists of interest-bearing deposits. This total cash balance also includes USD\$3,367,391 which is made up of USD\$2,485,448 arising from disputed balances primarily with Shareholder Banks that are subject to resolution and USD\$881,943 arising from uncollected or not cashed dividends. A detailed analysis of cash inflows and outflows is contained in the Receipts and Disbursements Account analysis provided in Appendix I.

2.5 Other Matters

During the period I continued to manage the liquidation process and my activities and those of my agents included, but were not limited to the following:

- (a) Instructing my agents, which included meeting with them, on tasks and procedures to be performed;
- (b) Meeting with and assisting customers in refinancing and restructuring their loan obligations and following up with banks on their behalf;
- (c) Instructing and receiving advice from my attorneys on legal matters arising;
- (d) Preparing and filing affidavits and reports with the Court and attending Court proceedings in person or through my agent on litigation and taxation matters where necessary;
- (e) Meeting with real estate brokers and following up on sales of properties as allowed by the court through private treaty orders;
- (f) Making dividend distributions to depositors and unsecured creditors where necessary;

(g) Conducting regular 'status update' meetings via telephone, electronic messaging and in person with my agents, customers and shareholder representatives.

3 OTHER STEPS TO BE TAKEN BY THE OFFICIAL LIQUIDATOR

Steps to be taken by myself are listed in the appropriate sections beside the said tasks. Nevertheless, after analyzing the tasks to be performed and prioritizing the same, I still have 734 unsecured depositors that have not submitted claims because of persons not being located or the current beneficiaries not yet being determined. Of the 734 depositors 503 of them have balances below \$500. As of the date of this report the unclaimed balances not disputed amount to \$785,663 of which \$487,111 is held in cash and represents a sixty-two percent dividend distribution.

I am currently making efforts to contact these persons via emails, telephone calls and searching on the internet.

I will continue to advise the Court and interested parties of our progress in the Company's winding up proceedings, in subsequent reports.

4 DIVIDEND DISTRIBUTION

I advised the Supreme Court on May 2, 2023, of my intentions and have commenced the payment of a fourth interim dividend of seven cents (USD\$0.07) on the dollar (USD\$1.00).

As a result, four dividend distributions have been made to unsecured depositors/creditors in the amount of twenty cents in the dollar (0.20) for the first and second distributions, fifteen (0.15) for the third distribution and seven (0.07) for the fourth distribution, resulting in an overall payment of sixty-two cents (0.62) to unsecured depositors/creditors since commencement of the liquidation.

5 CONCLUSION

As noted in prior reports the Company's main asset continues to be outstanding loans and mortgage balances. It should be noted that secured depositors/creditors have been paid in full. As a result, most of my efforts will continue to be the collection and/or conversion of the assets in the portfolio to cash. This will involve continuing foreclosure proceedings and selling properties where refinancing by borrowers is not possible.

It is my intention to complete the liquidation within the next twelve months from the date of this report. It is anticipated that a further distribution will be paid during this time.

This report covers the period July 1, 2023, to December 31, 2023, and will be followed by half yearly reports, as of June 30, 2024, and as of December 31, 2024.

Respectfully submitted as of the 4th day of April 2024 this the twenty-seventh report.



Anthony S. Kikivarakis Sr.

Appendix I

TCI Bank Limited (In Liquidation)
Receipts & Disbursements Account
For the period July 1, 2023, to December 31, 2023
(Unaudited)
(Expressed in United States dollars)

OPENING BALANCE		8,821,040
RECEIPTS		
Loan Receipts - TCI Bank Customers	587,000	
Interest income - Interest bearing deposits	107,553	
TOTAL RECEIPTS		<u>694,553</u>
DISBURSEMENTS		
Liquidator and agents fees	134,108	
Rent and utilities - office	33,242	
Salaries and related expenses - former employees	24,942	
Rent and utilities - Liquidator and Agents	17,491	
Legal fees and commissions paid relating to foreclosure proceedings	15,437	
Communication expenses	5,522	
Cleaning services, equipment maintenance and supplies	4,731	
Vehicle costs	3,464	
Storage	2,880	
Bank charges	315	
TOTAL DISBURSEMENTS		<u>(242,133)</u>
NET RECEIPTS FOR THE PERIOD		452,420
DIVIDENDS		(3,235,434)
ENDING CASH BALANCE		<u><u>6,038,026</u></u>
Cash Consist of:		
Interest bearing deposits		3,928,865
Operating Account		2,053,470
General Account		54,629
Petty cash		1,062
TOTAL CASH HELD		<u><u>6,038,026</u></u>