



# REVISED SCHEDULE OF ACTIONS IN THE LIQUIDATION OF CHOICE BANK LIMITED

12TH JUNE, 2020

**NEW SCHEDULE OF ACTIONS PROPOSED FOR THE LIQUIDATION OF  
CHOICE BANK LIMITED**

**A. INTRODUCTION**

**1. Requirement for the Schedule**

Section 112(1)(c) of the Domestic Banks and Financial Institutions Act (DBFIA) of the laws of Belize makes provision for the Liquidator to prepare a Schedule of Actions proposed to be taken for the purpose of the compulsory winding-up of Choice Bank Limited.

**2. Purpose**

This revised Schedule, prepared by the Liquidator and filed with the Central Bank of Belize, is intended to effect the compulsory liquidation of Choice Bank Limited in accordance with Section 112 and other applicable provisions of the DBFIA.

An initial/first Schedule of Actions was filed in February, 2019 by a preceding Liquidator. This revised Schedule should be read in conjunction with that initial Schedule.

**3. Date of Schedule**

The revised Schedule is dated 12<sup>th</sup> June, 2020.

**4. Inspection and Objection**

This updated schedule was filed with the Central Bank of Belize (CBB) to capture material changes to the liquid asset position and for the inclusion of sizable claims that had been referred back to the Liquidator by the CBB for re-evaluation. The full schedule is available for inspection by depositors, creditors, and other interested parties, at the Liquidation Office of Choice Bank Limited in liquidation in Belize City at the address below:

Ibis Building, Ground Floor  
828 Coney Drive  
Belize City, Belize  
Tel: 501 223-0681/223-5306

An abbreviated schedule will be posted on the liquidation website and emailed to all known claimants.

A depositor or other creditor or shareholder of Choice Bank Limited, or other interested person, may file with the Central Bank of Belize any objection that person has to any action proposed in the Schedule, however, it is highly unlikely that a previously upheld determination would be revisited if the same objection is resubmitted to the Central Bank of Belize.

The deadline for filing objections is 1<sup>st</sup> July, 2020.

## 5. Filing of Objections

An objection to any action proposed in the Schedule must be in writing accompanied by the appropriate form, and addressed to:

Attention:  
Senior Manager, Corporate Services  
Central Bank of Belize  
P.O. Box 852  
Gabourel Lane  
Belize City, Belize

Completed objection forms may also be sent to the Central Bank by email to:

**[ChoiceBank.Liquidation@centralbank.org.bz](mailto:ChoiceBank.Liquidation@centralbank.org.bz)**

The Objection Form is available for download from the liquidation website:

<https://www.choicebanklimitedinliquidation.com/en/>

## 6. Currency

All amounts in this schedule are reflected in the currency of the United States of America, unless otherwise stated. Amounts in Belize dollars were converted at a rate of BZD\$2 to USD\$1.

## 7. Background information

Choice Bank Limited's (CBL) Class "A" International Banking License was revoked on 29th June, 2018 by the Minister of Finance of Belize. Mr. Julian Murillo is the last Liquidator for Choice Bank Ltd appointed by the Central Bank of Belize earlier this year with a view to bringing the Liquidation through its final stages and to conclusion.

The appointment of the Liquidator was made in accordance with the provisions of the International Banking Act (IBA) and the DBFIA, both of the laws of Belize.

The responsibility of the Liquidator is to efficiently wind-up the operations of Choice Bank Limited in accordance with the DBFIA, which applies to the winding-up and dissolution of an international bank by virtue of Section 38 of the IBA and Section 10 of the Interpretation Act, CAP. 1.

The principal duties and functions of the Liquidator are provided for in Part XI of the DBFIA, which also provides for various powers and authority which the Liquidator may exercise in the performance of his duties and functions.

Subject to the provisions of the DBFIA, the Liquidator shall complete the following actions, from the date the liquidation commenced:

- I. Determine claims against Choice Bank Limited;
- II. Liquidate the assets of Choice Bank Limited;
- III. Make distributions in settlement of obligations of Choice Bank Limited.

## **B. GENERAL UPDATE ON THE LIQUIDATION**

To date, quantifiable progress has been achieved in the following areas: effective custody of all CBL's assets, cost-savings in the relocation of offices, transparent disposal of fixed & loan assets through public auctions.

The Liquidator shares the following major recent advancements:

- i. Relocation of CBL's liquidation office to less-costly office space.
- ii. Procurement of appropriate US banking and paying agent arrangements to effect long delayed distributions.
- iii. Disposal of a distressed assets pool through a transparent process which yielded US\$9.5 Million Dollars.
- iv. Resolution of a complex issue relating to a large claim which had impeded the liquidation process.

## **C. CATEGORIZATION OF CLAIMS**

All claims were determined to be unsecured.

The Liquidator identified and classified each unsecured claim in one of the categories outlined below:

1. Claims on Deposits;
2. Claims on prepaid card balances;
3. Claims on Salaries and Wages;
4. Claims of Other Creditors.

Except as noted below, the Liquidator determined that all categories of claimants were entitled to claim against Choice Bank.

**Exception: Claims on card balances by holders of prepaid cards issued by Card Partners fell into a category of claimants who were not eligible to claim against Choice Bank Limited.**

## **D. RE-DETERMINATION OF CLAIMS**

Certain claims that have been re-determined are those that had been previously filed within the prescribed time frame as defined by the DBFIA, determined by the then Liquidator, and had been objected to by claimants to Central Bank of Belize. Some of those objections had met the Central Bank of Belize criteria for re-evaluation by the Liquidator and were subsequently allowed. One of these objections was related to a claim that was material in size and complexity, and therefore required resolution of multiple outstanding matters which have now been resolved.

As such, this and other claims have been admitted for payment and are included in this revised Schedule of Actions as per the governing statute law in Belize.

There are 94 claims totaling \$19,478,066, which were re-determined and allowed, reflected in the sums as now allowed. These claims were either previously rejected or partially allowed as per the publication of the first Schedule of Actions on February 18, 2019.

Updated Position after re-determination of eligible claims

Claim Type	Previously Allowed	Re-determined & Allowed	Total Now Allowed
Claims on Deposits by Depositors	\$ 43,750,190.00	\$ 18,986,903.00	\$ 62,737,093.00
Claims on Deposits by Prepaid Cardholders	\$ 16,223,333.00	\$ 491,163.00	\$ 16,714,498.00
Claims on Deposits by Card Partners	\$ 124,975.00	-	\$ 124,975.00
Claims on Salaries & Wages	\$ 145,722.00	-	\$ 145,722.00
Claims of Other Creditors	\$ 456,672.00	-	\$ 456,672.00
	<b>\$ 60,700,892.00</b>	<b>\$ 19,478,066.00</b>	<b>\$ 80,178,960.00</b>

**E. CLAIMS VALIDATION & EVALUATION PROCESS**

These remain unchanged.

**F. PAYMENT OF CLAIMS**

Now that 98% of the loan and investment assets of Choice Bank Limited in liquidation have been liquidated, the payment of claims will be made by way of a single and final distribution. Eighty-nine (89) distributions had been made when the challenges with making payments surfaced last year. Forty (40) payments were completed in the test run of January, 2020, while 15% of the dispatched wires were returned. Those one hundred twenty-nine (129) successful payments which total US\$12,590,096 were made for 52.07 % of the respective claims allowed.

A Distribution Notice will shortly be issued outlining the timing and process for distributions pending the statutory objection period for this updated Schedule of Actions.

Any difference in the value of the new distribution to be paid in this upcoming final payment for claimants will consequently be adjusted for persons who have previously received a payment. Those claimants who would have already received a first payment will be contacted to confirm the value of the remaining pay-out which they will now receive.

A detailed Schedule of Claims and the Liquidator’s determination of Actions for each claim is provided as Appendix I of this Schedule of Actions. Please note for confidentiality reasons that Appendix I is available only in hard copy at the liquidation office.

**Exceptions**

As per Section 116(3) of the DBFIA, any claims received after claims have been determined would be paid after all other claims have been paid.

**G. STATEMENT OF ASSETS & LIABILITIES**

The following is an unaudited summary of Assets & Liabilities in United States Dollars as at 9th June, 2020.

<b>ASSETS</b>	<b>USD</b>
Cash held in bank	\$59,638,786
<b>LIABILITIES</b>	<b>USD</b>
Total Claims Allowed	\$80,178,960
Less payouts already effected	(\$12,590,096)
<b>Total Outstanding/Unpaid Claims</b>	<b>\$67,588,864</b>

**H. NEXT STEPS AND DISTRIBUTION OF FUNDS**

On 1<sup>st</sup> July, 2020, if there are no objections, the Liquidator will proceed to pay or make reasonable provisions to pay all claims allowed for depositors, creditors, and other claimants of Choice Bank Limited in accordance with the provisions of Section 116 of the DBFIA, which prescribes the payment priority of claims. The Distribution Notice, which will shortly be issued, will provide further details of the pay-out process.

The Liquidator and his team continue to make their best efforts to safeguard the interest of all claimants. The Liquidator appreciates that this process has been protracted and assures claimants that adequate steps have been taken to ensure the expeditious conclusion of the liquidation.

**Julian Murillo**  
**Liquidator, Choice Bank Ltd**

June 12, 2020

**APPENDIX I**

(For confidentiality reasons, Appendix I will not be available electronically and will only be available in hard copy at the liquidation office.)