



**KPMG**

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December 4, 2017

Dear Investors

**Harlequin Property (SVG) Limited in Bankruptcy**

**RESPONSES TO QUERIES RAISED BY INVESTORS OF BUCCAMENT BAY**

I have received a number of queries from investors at the Buccament Bay Resort and understand that these questions are relevant to a large number of investors.

As such I have made this response available to all creditors to aid your understanding. Please see the questions and my responses contained within Appendix 1.

As always, my team can be contacted via the hotline, +44 (0) 207 311 3465, or via the email address [harlequin\\_trustee@kpmg.bb](mailto:harlequin_trustee@kpmg.bb) to answer any of your further questions.

Yours faithfully

A handwritten signature in black ink, appearing to read 'B Glasgow', with a horizontal line extending to the right.

Brian Glasgow  
Bankruptcy Trustee of the estate of  
Harlequin Property (SVG) Limited



## Appendix 1

### 1. Has the ambiguity of ownership of all land at Buccament Bay been sorted out?

There are a number of plots of land at Buccament Bay where the legal ownership is not registered to Harlequin Property (SVG) Limited ("HPSVG"). The Bankruptcy Trustee recognises that such ownership issues may need to be resolved in order to transfer good title.

However, the ownership issues are likely to be best resolved once a sale transaction is realisable as some of the issues can only be resolved through the payment of filing fees and attorney fees as well as requiring 3<sup>rd</sup> party co-operation.

### 2. Is KPMG fully satisfied that the land on which Block 2 is constructed is properly registered in the name of Harlequin and that apartments in the block may be legally sold?

This question will be addressed to interested creditors when responding to Section 70 claims.

### 3. Can KPMG provide any indication as to the likely value of individual properties at this present time?

The Bankruptcy Trustee has not undertaken a unit by unit valuation, he has instructed a valuation for the resort as a whole and this is currently being finalised. The Bankruptcy Trustee will not be making this valuation public as it is commercially sensitive and will be relied upon by the Bankruptcy Trustee when the resort is put up for sale.

### 4. When will people hear back in relation to their Section 70 claims?

On or around December 4, 2017 the Bankruptcy Trustee wrote to all investors with an update as to the claims received and also the direction provided from the High Court of Saint Vincent and the Grenadines.

This latest communication sets two important dates:

- **December 15, 2017** – Claims Bar Date, this is date when all remaining claims and information regarding any Section 70 claims must be submitted to the Bankruptcy Trustee.
- **January 5, 2018** – The Bankruptcy Trustee will on or before January 5, 2018 communicate to all claimants the final adjudication of their claim.



**5. What has happened to our applications for Alien Land Holding licenses?**

The Bankruptcy Trustee is not aware of the progress in relation to these applications. It is our understanding that applicants will have made an application directly to the Government of Saint Vincent and the Grenadines and enquiries in relation to this matter should be made to the agency with which you filed the application.

**6. If all outstanding monies have been paid to Harlequin, why has ownership not been confirmed yet?**

The Bankruptcy Trustee has not received any funds in relation to property transfers.

The Bankruptcy Trustee is aware of certain individuals who assert that they paid the full purchase price for their contracts. These people, along with all other investors, have been invited to submit a Section 70 claim for the reclamation of property from the Estate. Upon the final adjudication of these Section 70 claims, where the claim is not disputed, ownership of the property will be transferred to the investor.

**7. Does KPMG know if any of the reductions in local taxes on completion that Harlequin had apparently negotiated with the SVG government will still be honoured?**

Although the Bankruptcy Trustee has held talks with the Government of Saint Vincent and the Grenadines with respect to Buccament Bay we are not able to comment on what taxes are outstanding by individual investors on particular cabanas/or hotel rooms.

**8. A recent SVG TV report broadcasted a statement given in the SVG Parliament that Buccament Bay will re-open in early 2018 under new management. Does this statement remain correct?**

We are aware of certain statements made by politicians in St. Vincent regarding opening the resort in early 2018, however the Bankruptcy Trustee has decided not to make any public statement in response to these statements.

We are unable to make a statement until we have completed our assessment, and obtained all necessary approvals from the Inspectors and the Court, we are not in a position to confirm when it will be possible to sell or operate the resort, although we recognise the importance of opening the resort as soon as possible.

The Bankruptcy Trustee has had numerous enquiries and provided information and given access to the resort to more than 10 interested parties. We are in ongoing talks with a number of parties who are looking to open/operate the resort.



**9. Will the return on investments on these properties be similar to those predicted by Harlequin?**

It is not possible for the Bankruptcy Trustee to commit to the rental returns agreements as such returns will be negotiated with the new owner/operator.

**10. What role does the SVG Government have in appointing the new management company?**

Further to recent discussions with the Inspectors, the Bankruptcy Trustee is in dialogue with the Government in Saint Vincent and the Grenadines, as they are an important stakeholder, and will update investors/creditors in relation to progress as early as possible, and as noted in our recent correspondence, hold a further meeting with all creditors in March/April 2018.