

PUBLIC BANKRUPTCY REPORT
in the bankruptcy of

The limited liability company IIG Trade Opportunities Fund N.V.
("TOF")
(CUR201900079 and CUR2019H00104)

Report number: 2

Date: July 22nd, 2020.

Bankruptcy number	:	CUR201900079 and CUR2019H00104
Date of court order	:	3 September 2019
Trustee	:	Ms. V.P. Maria, LL.M
Supervisory judge	:	Ms. U.I.D. Luydens, LL.M
Activities of the organization	:	Investment institution. The bankrupt is an offshore company.
Turnover data	:	See first public report.
Average number of personnel	:	
Balance at end of report period	:	USD 696,430.00 ¹
Report period	:	December 18, 2019 – July 22, 2020
Hours spent in report period	:	Maria 298.18/Tromp 72.18
Total hours spent	:	Maria 453.36/ Tromp 72.18

¹ Balance on July 2, 2020. There were no transactions after this date.

1. Inventory

- | | | | |
|-----|--------------------|---|--|
| 1.1 | Management and | : | See first public report. |
| 1.2 | organization | : | |
| | Profit and Loss | | |
| 1.3 | Balance total | : | |
| 1.4 | Ongoing procedures | : | In addition to the information provided in the first public report, the trustee reports that the existing stay for the Arbitration Procedure Girobank v IIG TOF et al will continue until August 4 th , 2020.
There are multiples reasons for the continuation of the stay:
a). The position of IIG after that the Court, on March 30 th , 2020, entered a Final Judgment against IIG, by consent, in the amount of USD 35,230,779.42 in restitution. According to an article on Bloomberg.com of July 17 th , 2020 the SEC has reported that IIG paid an amount of USD 400.000,00. ²
b). The bankruptcy of TOF and the fact that Girobank doesn't know yet if it claims will be verified in a verification meeting.
c). IIG TOF B.V. (a subsidiary of TOF) ³ one of the counterparties in the arbitration has been declared bankrupt.
d). TOF Cayman SPV (a subsidiary of TOF) one of the counterparties in the arbitration was placed into official liquidation as of April 1, 2020.
e). Recognition of the foreign bankruptcy granted to IIG TOF under Chapter 15 of the U.S. Bankruptcy Code. One of the effects of this recognition is the imposition of an automatic stay in bankruptcy as to all TOF proceedings in the U.S. |

² <https://www.bloomberg.com/news/articles/2020-07-17/investment-adviser-david-hu-accused-of-100-million-fonzie-plot>

³ IIG TOF B.V. is bankrupt as of January 21, 2020. The trustee is Mr. J.E.P.A. van Hooff LL.M and A.E. de Vos LL.M is the supervisory judge.

- 1.5 Insurances :
- In the first public report the trustee mentioned that to her knowledge there were two insurance policies. In the meantime, the trustee has been made aware of a third insurance policy being one with the Continental Casualty Company (hereafter: “Continental”) which issued excess insurance policies to the insured persons, each which is excess to a primary policy issued by Travelers.
- The negotiations between the lawyers of the insured persons eventually led to a settlement arrangement between all parties. The trustee signed the settlement agreement on June 29th, 2020 on behalf of TOF. By entering into the agreement on behalf of TOF, a total amount of USD 759,190.20 will be paid for the costs of the law firms STvB New York, CMS (Nominees) LTd and Cooley LLP with regard to the services these firms provided to TOF in the Girobank procedures.
- This will leave a remaining claim of approximately USD 200,000.00 regarding the Girobank procedures, which the aforementioned law firms will file for verification in the bankruptcy of TOF.
- 1.6 Lease :
- 1.7 Cause of bankruptcy :
- In addition to the information already provided by the trustee in the first public report regarding the way IIG managed TOF, the trustee can inform that on July 17, 2020 charges have been filed by the Acting United States Attorney for the Southern District of New York against David Hu, co-founder, managing partner, chief investment officer and 50% co-owner of IIG, for adviser fraud, securities fraud, and wire fraud offenses (U.S. v David Hu).
- According to a statement of the Acting U.S. Attorney Audrey Strauss in a press release: “As alleged, David Hu directed a multimillion-dollar, years-long scheme to defraud investors. Putting profit ahead of his fiduciary duties, Hu allegedly mismarked millions of dollars of loan assets to cover up millions in losses. Hu also created fake entities and loans, and falsified paperwork to deceive auditors and avoid detection.

Now David Hu stands charged with federal crimes and faces time in federal prison.”⁴

According to an article of July 17, 2020 on Bloomberg.com: “Hu, 62, appeared in court on Friday and was released on a \$500,000 bond.”⁵

TOF is mentioned several times in the information⁶ of the Acting U.S. Attorney as the Fund IIG and David Hu used to engage in unlawful acts to conceal its losses so IIG could receive management and performance fees that IIG was not entitled to and also to make payments to redemption investors⁷ and other creditors.

“With respect to TOF specifically, in order to hide the losses resulting from the Defaulted Loans, including from auditors reviewing TOF’s financials, HU and CC-1 removed the Defaulted Loans from the TOF portfolio, replacing them with tens of millions of dollars in fictitious loans to purported borrowers in foreign countries (the “Fake Loans”). HU and CC-1 also created or directed the creation of documents to keep in IIG’s files as purported documentation of the Fake Loans. For many of the Fake Loans, IIG’s files contained promissory notes, but no additional loan documentation or due diligence files. To pass auditor scrutiny, HU and CC-1 also directed purported borrowers – sham foreign entities that were controlled by IIG’s business associates and that did not engage in actual business – to provide confirmations of the Fake Loans to auditors, including by arranging for TOF to pay a monthly fee to one purported borrower in exchange for providing false confirmations. In reality, these purported

⁴ <https://www.justice.gov/usao-sdny/pr/managing-partner-investment-advisory-firm-charged-over-100-million-ponzi-fraud-scheme>

⁵ <https://www.bloomberg.com/news/articles/2020-07-17/investment-adviser-david-hu-accused-of-100-million-fonzie-plot>

⁶ The information of the Acting U.S. Attorney is attached to this report as Appendix A.

⁷ The shareholders of TOF who, in conformity with article 9 of the articles of incorporation of TOF, submitted a request for redemption that would serve as the basis for TOF to pay the actual value of the offered shares, to the extent possible.

borrowers did not receive a loan from TOF, and were not expected to make any payments to TOF. As a result of actions taken by DAVID HU, the defendant, and CC-1 to overvalue assets and hide losses in the TOF portfolio, TOF's stated value was fraudulently inflated, and this inflated value enabled IIG, and, in turn, HU and CC-1, to receive management and performance fees to which they were not entitled."

The Acting U.S. Attorney seeks that David Hu forfeit to the United States any property, real or personal, that constitutes or is derived from proceeds traceable to the commission of the alleged offenses.

The SEC filed on the same day a separate civil action against David Hu. According to the press release⁸ of the SEC on July 17, 2020 the SEC charged David Hu with fraud for his role in a \$ 60 million Ponzi-like scheme. The complaint charges Hu with violating the antifraud provisions of the federal securities laws and seeks permanent injunctive relief, disgorgement, and civil penalties.

The complaint⁹ filed by SEC with the court, generally relates the same unlawful actions as mentioned in the information of the Acting U.S. Attorney. More information is provided in the SEC complaint about a collateralized loan obligation trust (the "CLO"). The following is stated by the SEC in its complaint: *"In or about November 2013, TOF continued to have liquidity problems due to investor redemption requests, as well as repayment obligations on loans the fund had taken from international development banks. In order to help meet these liquidity needs, and to continue to conceal TOF's losses, Executive-1 spearheaded an effort to securitize the TOF loan portfolio. Ultimately, as a result of Executive-1's efforts, IIG obtained bank financing of*

⁸ <https://www.sec.gov/news/press-release/2020-157>

⁹ The SEC's complaint is attached as Appendix B to this report.

approximately \$220 million to capitalize a collateralized loan obligation trust (the “CLO”). IIG, which served as the investment adviser to the CLO, then caused the CLO to use some of its capital to acquire existing trade finance loans from TOF. The CLO retained additional capital to make new trade finance loans. Once it had acquired these assets from TOF, the CLO issued bonds to investors, backed by the cash the CLO received from the trust’s assets. The proceeds to TOF from the sale of these loans to the CLO were not sufficient to meet TOF’s liquidity needs. Beginning in late 2014 and continuing through at least September 2016, in order to generate more liquidity, Hu diverted some of the remaining cash from the CLO to TOF. To disguise the transactions, Hu caused the CLO to make new loans to at least seven Panamanian shell companies (the “Panama Loans”) secretly owned by IIG, but instead of directing the money to the supposed borrowers, Hu directed that it be transferred to a TOF account and used to pay TOF’s liabilities. Hu, with the assistance of a senior IIG employee (“Employee-1”), acquired the shell companies that were the nominal borrowers on the Panama Loans and procured fraudulent promissory notes memorializing the Panama Loans. The Panama Loans were worthless. Nonetheless, IIG valued the fake assets in the tens of millions of dollars on the books of the CLO.”

2. Work force

- 2.1 Number of personnel at the time of bankruptcy :
- 2.2 Number of personnel in the year preceding bankruptcy :
- 2.3 Date of dismissal notice :
Activities :

3. Assets

IMMOVABLE PROPERTIES

- 3.1 Description : According to David Hu, TOF is the ultimate beneficiary owner of a property in the city of Mafra in Brazil. All the official documents mention IIG Capital as the legal owner of the property. The alleged ownership of TOF is in investigation. IIG Capital has not paid the Property Tax (IPTU) arising from this property and owes to the City of Mafra a total of approximately BRL 90,000.00 (approximately USD 16,000.00), which includes the tax related to the fiscal years of 2015, 2016, 2017, 2018, 2019 and 2020.
- 3.2 Sales proceeds :
- 3.3 Amount of mortgage :
- 3.4 Estate contribution :
Activities : Seeing the alleged charges and complaints of the Acting U.S. Attorney and the SEC against David Hu, any documentation that proves that TOF is the ultimate beneficial owner of the property would have to be scrutinized. The same applies to the origin of the transaction based on which the property has been acquired and legality thereof.

COMPANY ASSETS

- 3.5 Description :
- 3.6 Sales revenue :
- 3.7 Estate contribution :
- 3.8 Right of seizure tax authorities :
Activities :

STOCK/WORK IN PROGRESS

- 3.9 Description :

- 3.10 Sales revenue :
- 3.11 Estate contribution :
- Activities :

OTHER ASSETS

- 3.12 Description : The bankrupt apparently has various subsidiary companies. The trustee uses the word "apparently" here, especially now that as a consequence of the U.S. vs David Hu case and the civil procedure of the SEC against David Hu it should be verified whether certain assets that IIG claims are owned by TOF, are indeed its property.
- 3.13 Sales revenue :
- Activities :

4. Debtors

- 4.1 Number of debtors : Under investigation by the trustee.
- 4.2 Revenue :
- 4.3 Asset contribution :
- Activities :

5. Bank/Securities

- 5.1 Bank Claims : The trustee mentioned the custody agreement between TOF and BNY Mellon in New York in the first public report. The custody agreement between the bankrupt and BNY Mellon in New York has been terminated as of June 11, 2020. The trustee has received the documents that were in custody on July 10, 2020 and has to go through the documents yet.
- 5.2 Lease contracts :
- 5.3 Description of sureties :
- 5.4 Secured creditors :
- 5.5 Asset contributions :
- 5.6 Conditional ownership :
- 5.7 Right of recovery :
- 5.8 Liens :
- Activities :

6. Company reorganization/continuation

CONTINUATION

- 6.1 Exploitation/securities :
- 6.2 Financial reporting :
- Activities :

REORGANIZATION

- 6.3 Description :
- 6.4 Accountability :
- 6.5 Revenues :
- 6.6 Asset contribution :
- Activities :

7. Legitimacy

- 7.1 Accounting obligation : The trustee is of the opinion that the alleged charges of the Acting U.S. Attorney and the claims of the SEC against David Hu, although both cases have to be decided by the pertinent courts in the U.S., are enough indication that TOF, due to the unlawful acts of among others IIG and David Hu, didn't comply with the accounting obligation as stipulated by the laws of Curaçao. The trustee cannot base the liquidation of TOF on information provided in audited annual accounts or any other financial statement with the aim to inform the investors and other interested parties about the financial rights and obligations of TOF.
- 7.2 Annual accounts deposit :
- 7.3 Auditors' report :
- 7.4 Liability to pay-in capital shares :
- 7.5 Mismanagement : The bankruptcy trustee concludes that TOF has been mismanaged and that, pursuant to article 16, paragraphs 1, 2 and 9 of the Bankruptcy Code, the directors and actual directors of TOF are responsible for the shortfall, being the amount of the debts insofar as these are not settled by liquidation.
- 7.6 Fraudulent actions : The trustee refers to the information provided under point 1.7 of this report and the accompanying documents.
- Activities :

8. Creditors

- 8.1 Claims on the estate : Trustee’s salary and disbursements (P.M.).
BNY Mellon: USD 10,500,00.
Reed Smith¹⁰: USD 217,572.79.
Ogier¹¹: USD 95,717.01.
Trident Trust: (p.m.)
- 8.2 Preferential claim tax authorities : See first public report. The claim of the Internal Revenue service of NAF. 101,505.00 has to be checked.
- 8.3 Preferred claim SVB :
- 8.4 Other preferred creditors :
- 8.5 Number of ordinary creditors : The information contained in the first public report is hereby corrected. There are a total of 52 unsecured creditors, including 36 redemption investors.
- 8.6 Amount outstanding ordinary creditors : USD 151,031,768.17 plus p.m. The claims haven’t been verified by the trustee yet.¹² Furthermore the claims of the redemption investors, are questionable seeing the alleged charges and claims against David Hu. According to the information of the Acting U.S. Attorney: *“From at least in or about 2007 through in or about 2019, DAVID HU, the defendant, conspired to defraud investors in IIG managed funds by (i) overvaluing distressed loans in the IIG Funds, (ii) falsifying paperwork to create a series of fake loans that were classified, fraudulently, as positively performing loans, and to otherwise hide losses, (iii) selling overvalued and fake loans to a collateralized loan obligation trust and new private funds established and advised by IIG, and (iv) using the proceeds from those fraudulent sales to generate liquidity required to pay off earlier investors in a Ponzi-like manner.”*
- 8.7 Expected bankruptcy settlement method : See 10.2.
Activities :

9. Procedures

¹⁰ Reed Smith is the law firm who represented and assisted the trustee among others in the procedures described under 9.1 – 9.6 of this report.

¹¹ Ogier is the law firm who represented the trustee in the procedure described under 9.10 – 9.12 of this report.

¹² A creditors’ list is attached to this report as Appendix C.

- 9.1 Name counterparty(ies) : IIG Global Trade Finance Fund Ltd (GTFF) and IIG Structured Trade Finance Fund Ltd (STFF).
- 9.2 Type of procedure : Civil Case based on the law of New York, filed with the Supreme Court of The State of New York County of New York: Commercial Division on December 27, 2019. According to their “Memorandum of law in Support of Plaintiffs’ motion for summary judgment in lieu of Complaint Pursuant to CPLR 3213”, Plaintiffs requested the Court an order: “1) *granting summary judgment in favor of Plaintiffs against Defendant in the amount of USD 14,339,479.97, plus (i) default interest accruing at eleven percent per annum (11 p.a.) from the date of Guarantor’s failure to pay under the Nonpayment Notice, i.e., December 13, 2019, until the date such obligations are paid in full and (ii) together with all costs and expenses incurred in collecting such past due amounts, consistent with the terms of the Guarantee, the Note and the Security Agreement, including attorneys’ fees and costs, on the grounds that this action is based upon an instrument for the payment of money only and Defendant cannot raise any triable issue of fact, and (2) awarding Plaintiffs such other and further relief as this Court deems just and proper.*”¹³
- 9.3 Current stage in the procedure : This procedure has been preliminary stayed by a Court Order of March 5, 2020 in which the Court granted the Provisional Relief as requested by the trustee. The stay continued under the Order of the Court granting recognition and other relief in aid of a foreign main proceeding dated April 3, 2020 (for more info see 9.4 – 9.6).
- 9.4 Name counterparty(ies)
- 9.5 Type of procedure : Verified Petition Under Chapter 15 for Recognition of a Foreign Main Proceeding and Related Relief together with an Emergency Application of the Foreign Representative for Entry of Provisional Relief under sections 105 (a) and 1519 (a) of the Bankruptcy Code of the U.S., filed with the United States Bankruptcy

¹³ Worth mentioning is the fact that both GTFF and STFF are represented in the Provisional Creditors’ Committee of TOF as of December 4, 2019. GTFF and STFF filed their petition with the court in NY without previously informing the trustee. The provisional creditors’ committee of IIG TOF consists currently out of three members. Mr. Robert Rocco representing eight (8) “redemption investors”, Ms. Mayesi Hammoud representing Girobank N.V. and Mr. Thomas Aardenburg representing GTFF and STFF. The committee performs its duties according to the “Bylaws of the Provisional Creditors’ Committee of IIG Trade Opportunities Fund” executed by these representatives and the trustee on or about June 19, 2020.

Court Southern District of New York on March 2, 2020.

9.6 Current stage in the procedure

The trustee was forced to start the above-mentioned procedures to protect the estate and the interest of the joint creditors against the filing of GTFF and STFF against TOF (see 9.1 – 9.3), which filing violates the Bankruptcy Code of Curaçao. GTFF and STFF filed an objection against the emergency application for entry of provisional Relief Pursuant to Sections 1519 and 105 (a) of the Bankruptcy code. The Court ruled in favor of the trustee in its Order granting Provisional Relief dated March 5, 2020. By order of April 3, 2020 the Court granted the Verified Petition Under Chapter 15 for recognition of a Foreign Main Proceeding and Related Relief of the trustee. According to the order¹⁴:

“(…).

2. The Curaçao Liquidation is recognized as a “foreign main proceeding” pursuant to sections 1517(a) and 1517(b)(1) of the Bankruptcy Code.

3. The Foreign Representative is recognized as the “foreign representative” as defined in section 101(24) of the Bankruptcy Code in respect of the Curaçao Liquidation.

4. The relief and protection afforded under section 1520 of the Bankruptcy Code is hereby granted, including the application of the automatic stay under section 362 of the Bankruptcy

Code to IIG TOF and its property in the territorial jurisdiction of the United States; provided, that nothing herein modifies or limits the exceptions to the automatic stay that are set forth in section 362 or elsewhere in the Bankruptcy Code; and provided further, that the restriction set forth in this paragraph apply only with respect to proceedings or other actions against IIG TOF in the territorial jurisdiction of the United States or against property of IIG TOF that is located in the territorial jurisdiction of the United States.

Accordingly, to the extent permitted by section 362 or elsewhere in the Bankruptcy Code, all persons and entities other than the Foreign Representative are stayed from:

¹⁴ The order has been placed on the website of the law firm of the trustee. https://vpm-law.com/wp-content/uploads/2020/04/2020-04-03-Order-dckt-23_0-granting-recognition-and-other-relief-in-aid-of-a-foreign-main-proceeding-to-IIG-TOF.pdf

(a) commencing or continuing, including issuing or employing process, of any judicial, administrative or any other action or proceeding or against IIG TOF in the United States with respect to a claim against IIG TOF that arose before the commencement of this chapter 15 case;
(b) taking or continuing any action that seeks to exercise control over assets of IIG TOF in the United States;
(c) creating, perfecting, seizing, attaching, enforcing, or executing liens or judgments against IIG TOF's property in the United States or transferring, encumbering or otherwise disposing of or interfering with IIG TOF's assets in the United States;
(d) taking any act to collect, assess, or recover a claim against IIG TOF that arose before the commencement of this chapter 15 case;
(e) setting off any debt owing to IIG TOF that arose before the commencement of its chapter 15 case against any claim against IIG TOF; and
(f) transferring, relinquishing, or disposing of any property of IIG TOF located in the United States to any entity (as that term is defined in section 101(15) of the Bankruptcy Code) other than the Foreign Representative and her expressly authorized representatives and agents.

5. Notwithstanding anything to the contrary contained herein, this Order shall not be construed as

(a) enjoining the police or regulatory act of a governmental unit, including a criminal action or proceeding, to the extent not stayed under section 362 of the Bankruptcy Code, or
(b) staying the exercise of any rights that section 362(o) of the Bankruptcy Code does not allow to be stayed.

6. Pursuant to section 1520(a) (3) of the Bankruptcy Code, the Foreign Representative is entitled to operate IIG TOF's business and administer its assets, including without limitation, all bank and custodial accounts. All banks, escrow agents and other custodians at which IIG TOF maintains accounts are authorized to
(i) honor the Foreign Representative's instructions with respect to accessing any such accounts; and
ii) accept, hold, or permit withdrawal, transfer, or other disposition of funds in accordance with the Foreign Representative's instructions; provided, however, that except as provided in paragraph 10

of this Order the Foreign Representative shall file and serve notice at least 14 calendar days prior to a transfer of funds or property out of the United States (which notice shall describe the property being transferred) in order to provide an opportunity for parties in interest to object to such a transfer or to seek a stay of such a transfer if such parties in interest believe there are grounds for such relief. Such notice shall be served on all parties who are generally entitled to receive notices in these proceedings pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure and, in addition, on any person who has or has asserted an interest in such property.

7. The Foreign Representative is hereby authorized to issue subpoenas in accordance with applicable procedural rules for the examination of witnesses and/or the production of documents within the territorial jurisdiction of the United States concerning the assets, affairs, rights, obligations or liabilities of IIG TOF and its affiliates, including subpoenas to intermediary banks that process U.S. dollar denominated wire transfers and maintain records of such transfers; provided that any subpoenas served pursuant to this authority set forth in this paragraph shall be without prejudice to the recipients' rights to object in accordance with the applicable procedural rules.

8. The Foreign Representative is authorized to take possession and to seek turnover of any and all documents, records, filings or other information, however stored, that belong to IIG TOF and that are found within the territorial jurisdiction of the United States.

9. The administration or realization of all or part of the assets of IIG TOF within the territorial jurisdiction of the United States is hereby entrusted to the Foreign Representative and the Foreign Representative is hereby established as the exclusive representative of IIG TOF and the Curaçao Liquidation in the United States.

10. Notwithstanding the Stipulated Attachment, funds in the amount of up to \$375,000 held in that certain account at Bank Leumi USA ("Bank Leumi") titled in the name of IIG TOF and assigned account number xxxxxx7700 (the "Bank Leumi Account") are hereby entrusted to the Foreign Representative for distribution in the Curaçao Liquidation. Accordingly, Bank Leumi is

hereby authorized to release to the Foreign Representative from the Bank Leumi Account an amount not exceeding \$375,000 in the aggregate in accordance with written wire instructions to be provided by the Foreign Representative in a form and manner prescribed by Bank Leumi.

11. Except as otherwise provided herein, this Order shall not have any effect on that certain Stipulation and Order entered by the Supreme Court for the State of New York, New York County, Commercial Division, on May 7, 2019, in a special proceeding styled Girobank N.V., v. IIG Trade Opportunities Fund, N.V., et al, No. 652135/2019, with respect to which Girobank N.V. and the Foreign Representative reserve all of their rights.

12. No action taken by the Foreign Representative in preparing, disseminating, applying for, implementing, or otherwise acting in furtherance of this Recognition Order, this chapter 15 case, any further order for additional relief in this chapter 15 case, or any adversary proceedings in connection therewith, will be deemed to constitute a waiver of the immunity afforded the Foreign Representative in her capacity as such under section 1510 of the Bankruptcy Code.

13. Notwithstanding Bankruptcy Rule 7062, made applicable to this chapter 15 case by Bankruptcy Rule 1018, this Recognition Order shall be immediately effective and enforceable upon its entry, and upon its entry, shall be final and appealable.

14. This Court shall retain jurisdiction with respect to the enforcement, amendment, or modification of this Recognition Order, any requests for additional relief or any adversary proceeding brought in and through this

15. Case, and any request by an entity for relief from the provisions of this Recognition Order that is properly commenced and within the jurisdiction of this Court.”

9.7 Name counterparty(ies)

9.8 Type of procedure

9.9 Current stage in the procedure

Civil Procedure filed with the First Hall of the Civil Court in Malta on or about February 20, 2020 Seeing the action taken by GTFF and STFF to file a claim against TOF in the U.S. and by doing so violating the Bankruptcy Code of Curaçao, the trustee decided to file a request in Malta for the recognition of the bankruptcy of TOF. This will protect the interests of TOF in its subsidiary Malta Holdings Ltd. against all creditors that may want

- to take actions against TOF without taking the Bankruptcy Code of Curaçao into consideration. There was a huge delay in treating this petition by the Maltese Court. The case is called for hearing on November 5, 2020.
- 9.10 Name counterparty(ies) IIG Global Trade Finance Fund Ltd (GTFF).
- 9.11 Type of procedure Civil Procedure filed with the Grand Court of the Cayman Islands Financial Services Division on January 10, 2020 requesting the winding up of TOF Cayman SPV, a subsidiary of TOF.
- 9.12 Current stage in the procedure Above-mentioned case has been filed by the liquidators of GTFF requesting the Court that they themselves will be appointed as the liquidators of TOF Cayman SPV, without prior notice or discussion with the trustee. As mentioned in the first public report GTFF and STFF state they have a claim of USD 16 million against TOF, on account of loans they made to TOF Cayman SPV, for which TOF was the guarantor. The trustee is of the opinion that the liquidators have a conflict of interest and filed a petition with the Grand Court of the Cayman Islands Financial Services Division requesting the appointment of two other liquidators, Geoffrey Eugene Varga and Mark Richard Longbottom of Duff & Phelps (Cayman) Limited. The Court ruled in its order of April 1, 2020 to appoint the liquidators proposed by the trustee as “additional liquidators”.
- The sole function of the additional liquidators shall be to conduct the adjudication process in respect of any proof of debt submitted in liquidation of TOF Cayman SPV by either or both GTFF and STFF in relation (and deal with any claim by such parties to be a secured creditor with respect to sums advanced pursuant) to the loan documents and shall be empowered to take such steps as are necessary and proportionate (and may act in the name and on behalf of TOF Cayman SPV in order) to do so.

10. Various

- 10.1 Term for completion bankruptcy proceedings : Unknown
- 10.2 Plan of action : Based on the consent judgment of March 30, 2020 between IIG and SEC and the charges and claims filed against David Hu, it has become clear and/or confirmed that TOF has been mismanaged and

also that it has been misused to commit wrongful acts against third parties.

On the basis of these facts, the bankruptcy trustee will therefore have to carefully consider how the liquidation of TOF will have to be continued in order to avoid taking actions that are later unlawful or in bad faith based on the knowledge obtained. Furthermore, the question arises to what extent and to what depth certain investigations in the bankruptcy should be carried out, given that various documents in TOF's records are forged and therefore untrustworthy. Another question is to what extent it will be possible for the bankruptcy trustee to gain insight into what is real and what is fake, given the secrecy and attitude that IIG and its affiliates will take in order to avoid incriminating themselves. It should also be noted that the actions in the U.S. that currently seem to focus only on IIG and David Hu will also severely limit potential recourse options for TOF's estate. All these points will be discussed with the Provisional Creditors' Committee and the Supervisory Judge, before the trustee makes her decision about how the plan of action will be going forward.

10.3 Next bankruptcy report due in : October 2020
Activities :

Appendix A

Appendix B

Appendix C