

TCA Global Credit Fund, Ltd. (In Official Liquidation) (“the Ltd Fund”)

PRIVILEGED AND CONFIDENTIAL

Minutes of the second concurrent meetings of creditors and contributories of the Ltd Fund held at 10:00 a.m. (Cayman Islands time) on Wednesday, 12 May 2021 by teleconference (“Second Meetings”).

Joint Official Liquidators (“the JOLs”) and EY representatives:

In attendance:	Capacity:
Eleanor Fisher (“EF”)	Joint Official Liquidator and the Chairperson
Patrick Sakowski (“PS”)	EY Cayman Ltd. - Staff to the JOLs

Legal counsel for the JOLs

In attendance:	Capacity:
Katie Pearson (“KP”)	Harney Westwood & Riegels (“Harneys”) - Cayman Islands legal counsel for the JOLs
Mark Bloom (“MB”)	Baker & McKenzie LLP (“Bakers”) - US legal counsel for the JOLs

1. Welcome and statutory formalities

EF opened the meeting at 10:02 a.m. (Cayman Islands time) and advised that these were the second concurrent meetings of creditors and contributories of the Ltd Fund.

EF advised that matters discussed during the Second Meetings were strictly private and confidential and should not be disseminated to third parties.

EF advised that:

- ▶ the JOLs have determined the Ltd Fund to be of doubtful solvency and that, given both the Liquidation and the parallel Receivership process are still in progress, the JOLs consider that the doubtful solvency determination remains appropriate;
- ▶ accordingly, the Second Meetings have been convened in accordance with Order 8, Rule 2 of the Cayman Islands’ Companies Winding Up Rules (as revised) for the purpose of laying before the meeting the JOLs’ second report to creditors and contributories dated 7 May 2021 (the “**Second Report**”), which was sent by email to all known creditors and contributories of the Ltd Fund; and
- ▶ the Second Report serves to provide an update regarding the progress of the Liquidation.

EF declared that the Second Meetings have been properly convened and that due and valid notice has been provided in accordance with the provisions of the Cayman Islands Companies Act (2021 Revision). Notice of the Second Meetings was published in the Cayman Islands Gazette on 26 April 2021. The Second Meetings have been validly constituted for the purposes set out in the notice.

EF advised that:

- ▶ the JOLs received proxies from creditors and contributories and based on the proxies received, the Second Meetings were quorate; and
- ▶ the Second Meetings were quorate pursuant to Order 8, Rule 6 of the Cayman Islands Companies Winding Up Rules (as revised) as a minimum of three creditors were present and, based on proxies received, one or more contributories holding at least 10% of the aggregate value of the paid-up voting shares were present.

2. Update and discussion regarding the second report to creditors and contributories

EF advised that, during the preceding 12 months, the JOLs have focused on attempting to build a collaborative relationship with the US Receiver through:

- ▶ attempting to negotiate of a set of bilateral protocols to govern the administration of the respective Liquidation and Receivership estates; and
- ▶ failing the agreement of protocols, seeking to obtain foreign recognition of the Cayman Islands liquidation under Chapter 15 of the US Bankruptcy Code (the “**Chapter 15 Case**”).

MB outlined the actions undertaken by the JOLs and their US counsel with respect to the Chapter 15 Case in order to obtain foreign recognition of the Cayman Islands liquidation in the US. MB advised that orders granting foreign non-main recognition were likely to be made shortly¹, along with related relief that would enable the JOLs to intervene, appear and be heard in the Receivership on direct and material matters impacting the stakeholders of the Ltd Fund. MB also expressed that the anticipated outcome was heavily and intensely negotiated with counsel for the Receiver, and while less than perfect would enable the JOLs to achieve their primary objective of raising critical points of Cayman Islands law and other issues with the US court in the Chapter 15 Case and Receivership case.

EF advised that the JOLs obtained third party funding which enabled them to pursue the Chapter 15 Case however, in the absence of further funding, the JOLs are limited in terms of the additional work which they could undertake to advance the interests of the Ltd Fund’s stakeholders.

EF advised that, in the absence of further funding or the recovery of sufficient monies to enable a distribution to be made, the JOLs were not in a position to conduct a formal adjudication of claims and would therefore continue to rely on the classification of creditors and contributories per the Ltd Fund’s books and records.

3. Questions

Mr. Michael Jungers of Fide Capital enquired about the status of subscription monies advanced to the Ltd Fund by third parties who did not receive a corresponding issue of shares (i.e. failed subscribers).

¹ The US District Court subsequently made the Order granting foreign non-main recognition on 4 June 2021.

EF advised that:

- ▶ the JOLs have not conducted a formal adjudication of any claims, including the claims of failed subscribers, nor have the JOLs conducted a tracing exercise to determine how the failed subscriber monies were applied by the Ltd Fund; and
- ▶ the monies held in the Ltd Fund's pre-liquidation bank accounts totaled approximately \$4.2 million at the time of the appointment of the JOLs, which is significantly less than the total amount of failed subscriber monies advanced (approximately \$7.7 million).

EF noted that the Receiver had taken possession of the monies held in the Ltd Fund's pre-liquidation bank accounts. Mr. Jungers advised that he had made enquiries of the Receiver in relation to the current location of these monies, to which he had not received a response.

An unidentified attendee asked if the claims of failed subscribers would rank in priority over the claims of parties who received shares in the Ltd Fund.

EF reiterated that, at this stage, the JOLs have not conducted a formal adjudication of any claims nor have they conducted a tracing exercise.

Mr. Jonathan Scott of Prestige Capital Management sought clarification around the JOLs' determination of doubtful solvency and the fact pattern which resulted in that determination.

EF advised that:

- ▶ under Cayman Islands law, the JOLs were required to make a solvency determination in relatively short order following their appointment, based on the Ltd Fund's books and records available to them;
- ▶ the Ltd Fund's books and records indicate that the Ltd Fund holds a significant indirect financial interest in TCA Global Credit Master Fund, LP (the "**Master Fund**");
- ▶ based on the last net asset value ("**NAV**") struck by the Master Fund, the JOLs determined that sufficient monies may be recovered to discharge the claims of the Ltd Fund's creditors, therefore making the Ltd Fund solvent, with subsequent distributions of residual monies to the Ltd Fund's contributories; and
- ▶ the JOLs' determination of doubtful solvency is subject to change over time.

Mr. Scott asked if the JOLs are able to calculate an updated NAV in order that investors can determine whether the value of their investments should be written down.

EF advised that:

- ▶ the JOLs are not in a position to opine on the value of the Master Fund's assets given the JOLs are only appointed over the Ltd Fund; and

- ▶ the Receiver has issued quarterly reports which provide updates on the status of asset realizations, with the next quarterly report due to be released on 14 May 2021² following an extension of time granted to the Receiver by the US District Court.

Ms. Hsueh-Fang (Vivian) Tseng sought clarification around the timing and quantum of distributions to the Ltd Fund's creditors and contributories.

EF advised that:

- ▶ the timing and quantum of distributions is currently dependent on the outcome of the asset realization process being undertaken by the Receiver;
- ▶ the Receiver is due to file a plan of liquidation with the US District Court on 15 June 2021, which will likely provide detail around the estimated quantum of distributions and distribution methodology; and
- ▶ obtaining foreign recognition would enable the JOLs to appear and be heard and make any representations that the JOLs deem appropriate in relation to the Receiver's proposed plan of liquidation.

Ms. Tseng asked if general liquidation updates could be provided to the underlying beneficial owners of the investments made into the Ltd Fund.

EF advised that the Receiver's quarterly reports are in the public domain and can be shared with the underlying beneficial owners. EF noted that minutes of the Second Meetings would be shared with the investor of record, and that it is a matter for the investors of record to determine if it is appropriate to share the minutes.

Mr. Nicolas Salloum asked if redemption requests totaling approximately \$17 million submitted after the Ltd Fund purportedly suspended redemptions on 21 January 2021 would rank in priority over the claims of contributories.

EF advised that:

- ▶ the JOLs have not completed a formal adjudication of claims and therefore, the quantum of valid redemption requests has not yet been determined;
- ▶ the JOLs have not had any direct discussions with the Receiver regarding the standing of creditors and contributories; and
- ▶ as the Receiver has access to the Ltd Fund's books and records and has retained Cayman Islands counsel, it is likely that the Receiver has conducted his own enquiries into the treatment and standing of creditors and contributories.

Mr. Salloum noted the total quantum of redemption requests of approximately \$84 million (as disclosed in the Second Report) and enquired as to whether contributories would receive any distributions should total asset realizations amount to less than \$84 million.

² The US District Court subsequently granted the Receiver a further extension of time until 27 May 2021.

EF advised that the JOLs are not in a position to provide estimates of distributions to creditors and contributories, given that a formal adjudication of claims has not been conducted. EF noted that, under Cayman Islands law, parties that submitted valid redemption requests prior to the suspension of redemptions by the Ltd Fund *may* rank in priority over the claims of parties who did not submit valid redemption requests.

Mr. Salloum asked whether the JOLs are aware if the Receiver is conducting investigations into possible causes of action which could be pursued against third parties.

EF advised that:

- ▶ the JOLs are not in a position to speak to the investigations conducted by the Receiver;
- ▶ from the JOLs' perspective, there is an obligation to investigate the affairs of the Ltd Fund and to maximize returns to stakeholders; and
- ▶ in the absence of funding, the JOLs are not currently in a position to investigate possible causes of action that may be available to the Ltd Fund.

MB advised that:

- ▶ the Receiver's obligation to conduct investigations into possible causes of action is similar to that of the JOLs;
- ▶ there are certain claims which the JOLs or the Receiver may be best placed to pursue individually, and certain claims which may be best pursued in tandem between the JOLs and the Receiver; and
- ▶ preliminary discussions have been held with counsel for the Receiver in relation to possible collaboration between the JOLs and the Receiver in relation to certain claims that have been identified, along with others that have not.

Mr. Florent Chermat sought clarification around the timing of an updated NAV in order that investors can determine whether the value of their investments should be written down.

EF reiterated that the JOLs are not in a position to opine on the value of the Master Fund's assets and advised that the Receiver's quarterly reports provide detail regarding the asset realization process, which may enable parties to reach their own conclusion in relation to the estimated realizable value of the Master Fund's assets.

Mr. Chermat asked whether the JOLs require any further information from creditors and contributories of the Ltd Fund.

EF advised that no further information is required from creditors and contributories at this stage and that the JOLs would contact all relevant parties once sufficient monies are recovered to enable a distribution to be made.

Mr. Marcelo Benitez sought an update regarding the proposed distribution methodology and the extent of communications with the Receiver in this regard.

MB advised that discussions with the Receiver are ongoing.

Mr. Benitez sought clarification around the timing of the JOLs' determination of the standing of creditors and contributories.

EF advised that:

- ▶ the JOLs would not make a determination until such time as sufficient monies are recovered to enable a distribution to be made; and
- ▶ creditors and contributories would be afforded ample time to provide any additional information to support their position in accordance with the timelines and requirements under Cayman Islands law.

Mr. Benitez asked whether the JOLs are able to commence legal proceedings against third parties if meritorious claims are identified.

EF advised that limited third party funding has been provided to the JOLs for the purpose of pursuing the Chapter 15 Case and there is currently insufficient funding for the JOLs to conduct investigations into possible rights of action.

Mr. Benitez asked if the general body of creditors and contributories are required to vote on any resolutions proposed by the JOLs.

EF advised that:

- ▶ a Liquidation Committee ("LC") was formed at the first concurrent meetings of creditors and contributories;
- ▶ the LC votes on resolutions that are proposed by the JOLs from time to time;
- ▶ the constitution of the LC will remain unchanged unless there is a vacancy or the JOLs' solvency determination changes; and
- ▶ there were no resolutions being proposed by the JOLs at the Second Meetings.

Mr. Gerard Bagnoud sought clarification regarding the weighting of the Ltd Fund's investment in the Master Fund.

EF advised that, based on the Ltd Fund's books and records, the Ltd Fund holds an indirect financial interest in approximately 92% of the assets of the Master Fund. EF noted that the investment is "indirect" given the presence of a Nevada incorporated "tax blocker" company (TCA Global Lending Corp.) which is in place for tax purposes.

Mr. John Padding sought clarification regarding the nature and basis of the fees incurred by the JOLs and their legal counsel.

EF referred to the breakdown of activities detailed at Appendix A of the Second Report and provided detail regarding the key areas of focus of the JOLs' and their staff.

EF noted that the JOLs:

- ▶ considered it necessary to engage legal counsel in both the Cayman Islands and the US to advise on legal matters arising in both jurisdictions;
- ▶ are responsible for reviewing legal fees and determining the reasonableness of the fees charged; and
- ▶ have conducted a detailed review of legal fees and are comfortable that the fees charged are reasonable and have been properly incurred.

Mr. Chermat asked whether the JOLs have considered pursuing claims against the Ltd Fund's former management.

EF advised that there is currently no funding available for the JOLs to conduct investigations into possible rights of action against third parties.

Ms. Kate Brown sought clarification around the timing of the JOLs' determination of the standing of creditors and contributories.

EF reiterated that the JOLs would not make a determination until such time as sufficient monies are recovered to enable a distribution to be made, and that the determination would form part of the adjudication process.

Mr. Aviad Shmueli of Bank Leumi asked whether creditors and contributories would be required to vote on the distribution process and methodology.

EF advised that the JOLs will conduct a formal adjudication of claims in the event that sufficient monies are recovered to enable a distribution to be made, and that the JOLs will liaise with the Receiver in due course regarding the proposed distribution methodology.

Prof. David Han sought clarification regarding the weighting of the Ltd Fund's investment in the Master Fund.

EF advised that, based on the Ltd Fund's books and records, the Ltd Fund holds an indirect financial interest in approximately 92% of the assets of the Master Fund.

4. Any other business

EF asked if there were any further questions from attendees.

No further questions were forthcoming.

There being no further business, EF declared the meeting closed 11:18 a.m. (Cayman Islands time).



Eleanor Fisher
Chairperson