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Revised  
**TRUSTEE'S REPORT**

**IN THE SUPREME COURT OF JUDICATURE OF JAMAICA  
IN THE COMMERCIAL DIVISION  
CLAIM NO. SU 2023 CD 00036**

**IN THE MATTER OF** the Financial Services  
Commission Act

**AND**

**IN THE MATTER OF** the Companies Act

**AND**

**IN THE MATTER OF** the Insolvency Act

<b>BETWEEN</b>	<b>FINANCIAL SERVICES COMMISSION</b>	<b>CLAIMANT</b>
<b>AND</b>	<b>STOCKS &amp; SECURITIES LIMITED</b> <i>(In Court Supervised Winding-Up &amp; Bankruptcy)</i>	<b>1<sup>ST</sup> DEFENDANT</b>
<b>AND</b>	<b>CAYDION CAMPBELL</b> <i>Trustee</i>	<b>2<sup>ND</sup> DEFENDANT</b>

.....

**Revised Report of Caydion Campbell**  
**Trustee - pursuant to Orders made on October 10, 2024**

.....

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**(In Court Supervised Winding-Up & In Bankruptcy)**  
***Caydion Campbell Appointed Trustee on 16 January 2023***

**Re: SU 2023 CD 000036**

**FINANCIAL SERVICES COMMISSION VERSUS  
STOCKS AND SECURITIES LIMITED & CAYDION CAMPBELL**

15 October 2024

The Registrar  
Supreme Court of Judicature of Jamaica  
King Street  
Kingston

Dear Madam Registrar:

**Re: SU 2023 CD 000036      FINANCIAL SERVICES COMMISSION VERSUS  
STOCKS AND SECURITIES LIMITED & CAYDION CAMPBELL**

## INTRODUCTION

This is the First Report<sup>1</sup> (revised) of Caydion Campbell, the Trustee of Stocks and Securities Limited (In Court-Supervised Winding-Up & In Bankruptcy) – (“SSL Trustee’s Revised 1<sup>st</sup> Report” or the “Revised Report”).

The First Report was filed pursuant to Order # 12 of the Formal Orders of the Supreme Court (“the Court”) in Claim No. SU 2023 CD 00036 – Financial Services Commission (Claimant) v Stocks & Securities Limited (In Members’ Voluntary Winding-Up) (1<sup>st</sup> Defendant) and Caydion Campbell (2<sup>nd</sup> Defendant) issued on 6 June 2024 following the Judgement of the Court on 31 May 2024.

Order 12 is cited below:

*“The Trustee shall submit a report to the Court within 90 days of this Order and the Court will convene on September 26, 2024 at 10:00 a.m. for 2 hours in Open Court to consider any applications.”*

The Revised Report is filed pursuant to Orders 2 and 3 of Formal Orders of the Court in the instant Claim made on 10 October 2024.

Orders 2 and 3 are cited below:

*“Interim Order made preventing dissemination or publication of Trustee’s First Report for period 1 June 2024 to 26 September 2024.*

*Matter adjourned part heard to allow Report to be redacted, edited and resubmitted on or before October 15, 2024.”*

This report is also intended to be disseminated to creditors pursuant to Regulation 39 of the Insolvency Act and as such, has been prepared in keeping with the provisions of both section 233 of the Companies Act and Regulation 39 of the Insolvency Act, as guided by the Court. **Staffing and Support**

The activities undertaken by the Trustee are and have been supported and assisted by Mr. Lancelot Thomas (Consultant) and Ms. Georgia Lewis (Associate) of PRAISE Trustee Limited and along with the Trustee, those persons form part of the PRAISE Team overseeing the winding-up of SSL.

The PRAISE Team is ably supported by 11 former employees of SSL who were involved in finance, operations and IT. These individuals are collectively referred to as the SSL Service Team. They had been contracted by the former Temporary Manager up to 31 May 2024. There were 8 persons with monthly contracts and 3 with hourly contracts. The SSL Service Team was re-engaged by the Trustee

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<sup>1</sup> **This report supersedes the Report, which was filed on 25 September 2024 and is filed pursuant to Court Order made on October 10, 2024.**

on 13 June 2024 and currently contracted up to Friday, 4 October 2024. Nine (9) persons are on fortnightly contracts and two (2) persons on a restricted hourly contract. Most team members work remotely, but generally there are two (2) to three (3) SSL Service Team members working from the Trustee's office daily.

### ***Next Steps***

The plans for the next quarter include:

1. Continuation of Claims Adjudication and payout of Unaffected Trust Claimants;
2. Continuation of review and reconciliation of financial records
3. Implementation of a comprehensive plan for the management and disposition of assets and realisation of receivables as far as practicable.
4. Continuation of engagement with creditors and stakeholders to address outstanding issues
5. Convening of Meeting of Creditors to appoint of Committee of Inspection and to get their input and decision key issues.

### ***File periodic reports with the Court***

We are committed to fulfilling the Trustee's duties of Trustee and ensuring the efficient winding-up of SSL, the Claims Adjudication and the distribution to Claimants and Creditors as applicable, management and disposition/realisation of the entity's assets. The Court will continue to be informed of progress and any significant developments. We anticipate that the next formal report will be issued on or around 31 January 2025.

Respectfully Submitted,



Caydion E. O. Campbell

Trustee

Stocks and Securities Limited (In Court Supervised Winding-Up & In Bankruptcy)

c/o PRAISE Trustee Limited

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## A. EXECUTIVE SUMMARY

1. By Court Order issued on 6 June 2024 and Certificate of Assignment issued on 27 June 2024, Caydion Campbell was confirmed as the Trustee of Stocks and Securities Limited (In Court Supervised Winding-Up & In Bankruptcy) having been appointed on 16 January 2023.
2. This Court Order was preceded by an interlocutory injunction granted on 25 January 2023 on application by the Financial Services Commission (FSC). The FSC assumed Temporary Management of SSL on 17 January 2023. That injunction was discharged, and the temporary management arrangement ended by said Court Order made on 31 May 2024.
3. The Statement of Affairs and Estimated Final Outcome based on Proforma Balance Sheet as at 31 May 2024 – Proprietary that was forwarded to the Trustee by the former Temporary Manager, Mr. Kenneth Tomlinson is as follows:

	31 May 2024 TM Proforma Balance Sheet	Estimated Realisable Value	Estimated Realisable Value as at	Estimated Realisable Value as at	Estimated Realisable Value as at
	\$	\$	\$	\$	\$
<b>TOTAL ASSETS / ESTIMATED GROSS REALISATION</b>	<b>770,449,340</b>	<b>106,928,214</b>	<b>180,978,416</b>	<b>254,256,969</b>	<b>728,954,968</b>
<b>Percentage of Profoma Balance</b>		<b>14%</b>	<b>23%</b>	<b>33%</b>	<b>95%</b>
<b>LESS LIABILITIES:</b>					
<b>Class 1 Creditors</b>					
Realisation, Transaction Costs & Winding Up Expenses		21,385,643	36,195,683	50,851,394	145,790,994
Trustee's Fees & Legal Expenses (Jan 2023 to May 2024)		73,000,000	73,000,000	73,000,000	73,000,000
Trustee's Fees & Expenses (Proprietary from 1 June 2024)		34,439,625	34,439,625	34,439,625	34,439,625
Temporary Management Expenses Paid by SSL					
Temporary Management Expenses - FSC		123,266,865	123,266,865	-	123,266,865
<b>Total Due to Class 1 Creditors</b>	<b>-</b>	<b>252,092,133</b>	<b>266,902,173</b>	<b>158,291,019</b>	<b>376,497,484</b>
<b>Surplus / (Deficit) as regards Class 2 Creditors (Preferred)</b>	<b>770,449,340</b>	<b>(145,163,919)</b>	<b>(85,923,757)</b>	<b>95,965,950</b>	<b>352,457,484</b>
<b>Class 2 Creditors:</b>					
Redundancy	-	-	-	-	-
Statutory Obligations (Adjusted to TAJ POC amount)	31,333,497	31,333,497	31,333,497	31,333,497	31,333,497
<b>Total Due to Class 2 Creditors</b>	<b>31,333,497</b>	<b>31,333,497</b>	<b>31,333,497</b>	<b>31,333,497</b>	<b>31,333,497</b>
<b>Surplus / (Deficit) as regards Class 4 Creditors (Unsecured)</b>	<b>739,115,843</b>	<b>(176,497,416)</b>	<b>(117,257,254)</b>	<b>64,632,453</b>	<b>321,123,987</b>
<b>Class 4 Creditors (Unsecured):</b>					
Clients Payable (Cash Shortfall)	74,756,569	74,756,569	74,756,569	74,756,569	74,756,569
SSL Promissory Note	750,925,342	750,925,342	750,925,342	750,925,342	750,925,342
Accounts Payable	38,542,733	38,542,733	38,542,733	38,542,733	38,542,733
Other Payable (+additional statutory liabilities)	14,788,255	39,788,255	39,788,255	39,788,255	39,788,255
Contingent Liability	153,901,600	153,901,600	153,901,600	-	153,901,600
<b>Total Due to Class 4 Creditors</b>	<b>1,032,914,499</b>	<b>1,057,914,499</b>	<b>1,057,914,499</b>	<b>904,012,899</b>	<b>1,057,914,499</b>
<b>Surplus / (Deficit) as regards Equity Claimant</b>	<b>(293,798,656)</b>	<b>(1,234,411,915)</b>	<b>(1,175,171,753)</b>	<b>(839,380,446)</b>	<b>(736,790,512)</b>
<b>Equity Claimant:</b>					
Equity Claim Spectrum Capital Partners	171,169,953	171,169,953	171,169,953	171,169,953	171,169,953
<b>Total Due to Equity Claimant</b>	<b>171,169,953</b>	<b>171,169,953</b>	<b>171,169,953</b>	<b>171,169,953</b>	<b>171,169,953</b>
<b>Surplus / Deficit as regards Members (Shareholders)</b>	<b>(464,968,609)</b>	<b>(1,405,581,868)</b>	<b>(1,346,341,706)</b>	<b>(1,010,550,399)</b>	<b>(907,960,465)</b>
<b>Distribution Schedule:</b>					
Class 1 Creditors (Super Priority)		42.42%	67.81%	100.00%	100.00%
Class 2 Creditors (Preferred)		0.00%	0.00%	100.00%	100.00%
Class 3 Creditors (Secured) none		N/A	N/A	N/A	N/A
Class 4 Creditors (Unsecured & Contingent Claims)		0.00%	0.00%	7.15%	30.35%
Equity Claimant (Spectrum Capital Partners Limited)		0.00%	0.00%	0.00%	0.00%



4. The book value of assets handed over by Temporary Manager on 31 May 2024 was **JMD770 million**, with their realisable value expected to range from **JMD107 million** to **JMD254 million**. The optimistic case results in a **100%** payout for **Category 1 Priority Creditors** and **Category 2 Preferred Creditors**, while there would be a **7.5%** distribution to **Category 4 Unsecured Creditors**. In the base case, only **68%** of the **Category 1 obligations** would be satisfied and as such no distribution would be made to **Category 2** and **Category 4** creditors.
5. There are three (3) distinct estates to be wound-up to facilitate the overall winding-up and eventual dissolution of SSL; they are as follows:
  - a. **Proprietary On-Balance Sheet Creditors**
  - b. **Unaffected Trust Claimants - Off-Balance Sheet Portfolio**
  - c. **Affected Trust Claimants - Off-Balance Sheet Clients with Contingent Claim**
6. The above estates accounted for **3.53%**, **87.49%** and **8.98%** respectively of the total liabilities (on and off-balance and contingent liabilities) of **JMD33.4 billion** as at 31 January 2023.
7. Since 31 May 2024, the Trustee has:
  - a) Taken possession of the entity's assets and records, which includes identifying and securing key items;
  - b) Conducted an initial assessment of the entity's financial condition; begun reviewing and reconciling financial records;
  - c) Engaged professionals to assist with the Winding-Up (e.g., legal, accounting, appraisal)
  - d) Commenced the adjudication of claims (approximately 800 up to 20 September 2024) and made payments to Unaffected Trust Claimants to date of **JMD2.98 billion**; and
  - e) Developed a preliminary plan for the management and disposition of assets.
8. The projected cost for administering SSL's estate over the twelve (12) month period from June 2024 to May 2025 is estimated to be approximately **JMD185 million**, inclusive of the Trustee's fees of **JMD95 million**. The cost for administering the SSL estate during the temporary management period from January 2023 to May 2024 was approximately **JMD500 million**, inclusive of Temporary Manager's fees of **JMD160 million**.
9. In the Trustee's opinion, there were some antecedent issues with respect to fraud, mismanagement and inadequate governance which would have played a part in SSL's failure and are estimated to have resulted in loss of value of approximately **JMD4 billion** representing **JMD3.2 billion** with respect to just over **200 Non-Proprietary clients** and **JMD0.8 billion** for just under **100 Proprietary clients**. These are matters for further inquiry and reporting.
10. Significant activities during the Temporary Management included:
  - a. Disposal of the Investments Securities and Investment Properties of the **SSL Proprietary Estate** which netted **JMD141.25 million**.
  - b. Return of clients' assets/investments of approximately **JMD16.8 billion**.

- c. Receipt of **USD1 million** from an insurance claim under Employee Dishonesty coverage that was put in place by SSL. These proceeds were utilised to cover Temporary Management expenses; no payment was made to the victims of the fraud, who are classified as ***Affected Trust Claimants - Off-Balance Sheet Clients with Contingent Claim.***
  - d. The Member-Dealer Agreement that SSL had with the Jamaica Stock Exchange was terminated on 23 February 2023.
  - e. No management fees, brokerage fees, or financial planning fees were charged during the Temporary Management period.
11. Some matters relating to the administration of SSL's estate during the Temporary Management period might necessitate both further enquiries and likely Applications for Directions from the Court. These include:
- a) The apportionment of the temporary management costs;
  - b) The recognition and treatment of the different types of claimants and the classification of certain liabilities now the SSL is in bankruptcy;
  - c) The allocation and utilisation of insurance proceeds received from claim under Employee Dishonesty coverage that SSL had in place.
12. Further reports and/or reports to creditors under the Insolvency Act and Regulations will include the following:
- a) A **7.5% quasi-management fee** charge on the administration of SSL's off-balance sheet portfolio which would enure to the benefit of all stakeholders of SSL, including its clients, claimants and creditors.
  - b) Creation of an **SSL Victims' Compensation Funds** with funds to be recovered via the 7.5% quasi-management fee charge.

The estimated amount that would be recovered based on the proposed **7.5%** quasi management fees is **JMD345 million** and it would be allocated as follows:

	\$M	% of Total	7.5% Split	Comments
Clients Payable AUM funding deficit	74.76	21.67%	1.63%	Facilitating availability of cash to meet all claims.
SSL Victims' Compensation Fund	153.50	44.49%	3.34%	Recovery of insurance proceeds used during Temporary Management
Proprietary Estate recovery.	116.74	33.84%	2.53%	Comparable to 2% brokerage fee on liquidation of international equities and 1% per annum custodian fee. NB. As no management fees were being charged, funding for the Temporary Management included the <b>\$141.25 million</b> that was realised by the TM from the sale of SSL's Investment Securities and Investment Properties.

Total	<u>345.00</u>	<u>100.00%</u>	<u>7.5%</u>	
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## B. BACKGROUND

13. On 16 January 2023, Caydion Campbell (insolvency practitioner and Licensed Trustee by the Supervisor of Insolvency) was appointed Trustee with respect to the then reorganisation and Members' Voluntary Winding-up of SSL .
14. On 17 January 2023, the FSC assumed Temporary Management of SSL and appointed fellow insolvency practitioner and Licensed Trustee, Mr. Kenneth Tomlinson of Business Recovery Services Limited as the Temporary Manager ("TM"). Mr. Tomlinson was previously appointed as Special Auditor.

### *Injunctive Orders*

15. On 25 January 2023, the FSC obtained an injunction against SSL, Caydion Campbell, Hugh Croskery, Laurence Adamson and Peter Knibb. The latter three (3) defendants were (former) directors of SSL who would subsequently be removed from the claim.
16. The final Orders ("***Injunctive Orders***") that were instituted by the Court in Claim No. SU 2023 CD 000036 in April 2023 were as follows:
  - a. ***"The Defendants be restrained whether by themselves, their servants and/or agents including but not limited to Mark Croskery, Caydion Campbell and Sarah Meany or howsoever otherwise from disposing of and/or dealing with its assets and liabilities, or with assets and liabilities in its name, or its clients name, wheresoever situate or from withdrawing or transferring or otherwise dissipating any funds from its accounts or its clients' account or from accounts in its name wheresoever held for the entire portfolio of the company.***
  - b. *"The Defendants be restrained whether by themselves, their servants and/or agents including but not limited to Mark Croskery, Caydion Campbell and Sarah Meany or howsoever otherwise from interfering with the acts of the servants and/or agents of the FSC – Temporary Manager of SSL in accordance with the FSC Act.*
  - c. ***"The Defendants be restrained whether by themselves, their servants and/or agents including but not limited to Mark Croskery, Caydion Campbell and Sarah Meany or howsoever otherwise from winding-up or dissolving the company and liquidating the 1<sup>st</sup> Defendant's assets and liabilities.***
  - d. *"The Defendants be restrained whether by themselves, their servants and/or agents including but not limited to Mark Croskery, Caydion Campbell and Sarah Meany or howsoever otherwise from removing its names from the records and/or engaging with the Companies Office of Jamaica in any manner without the intervention and/or consent of the Claimant.*
  - e. *"The Defendants be restrained whether by themselves, their servants and/or agents including but not limited to Mark Croskery, Caydion Campbell and Sarah Meany or howsoever otherwise from*

*reorganizing the company or its operations whether it be on any document form or organization of its members, or the assets and liabilities.*

- f. The Defendants be compelled whether by themselves, their servants and/or agents including but not limited to Mark Croskery, Caydion Campbell and Sarah Meany or howsoever otherwise to hand over control of the company to the Claimant.*
- g. The Defendants be compelled whether by themselves, their servants and/or agents including but not limited to Mark Croskery, Caydion Campbell and Sarah Meany or howsoever otherwise to grant full and unrestrained access to the Claimant to (including but not limited to) all documents, information books, records, assets and liabilities, computers, software and hardware and reserves in the possession and/or control of the 1<sup>st</sup> Defendant so the Claimant can carry out its function under the FSC Act.*
- h. The Defendants be compelled whether by themselves, their servants and/or agents including but not limited to Mark Croskery, Caydion Campbell and Sarah Meany or howsoever otherwise to comply or otherwise cooperate with the directions of the Claimant and the Temporary Manager and any servant and/or agent of the Temporary Manager.*
- i. The Defendants be compelled whether by themselves, their servants and/or agents including but not limited to Mark Croskery, Caydion Campbell and Sarah Meany or howsoever otherwise to comply with any cease-and-desist order of the Claimant issued pursuant to the FSC Act.*
- j. These Orders are to remain in place until the determination of the matter.***

17. Orders a, c and j will specifically be referred to later in this Report. The injunction remained in effect until 31 May 2024 when the Court discharged the interlocutory injunction and terminated the TM with immediate effect.

18. The Formal Orders were issued by Court on 6 June 2024, and these are shown at [Appendix 1](#).

### *Certificate of Assignment*

19. On 27 June 2024, the Supervisor of Insolvency issued a Certificate of Assignment, which formally declared SSL as a bankrupt entity. A copy of the certificate is shown below:



20. The company is now formally known as **Stocks and Securities Limited (In Court-Supervised Winding-Up and In Bankruptcy)**. In addition to the term “SSL”, it shall also be referred to as “the Entity” of “the Company.”

### *Reporting Period*

21. This Report covers activities for the period 16 January 2023 to 31 August 2024, with the 2 distinct segments as follows:
- a. Temporary Management – 17 January 2023 to 31 May 2024
  - b. Resumption of Winding-Up - 1 June 2024 to 31 August 2024
22. The Report also includes preliminary comments on *Activities Antecedent to the Winding-Up*, that is, prior to 16 January 2023.
23. As a result of issues which would have come up in **Claim SU 2023 CD00036**, discussions in the media and in the public, as well as questions asked or issues raised by claimants and creditors, it is prudent to briefly outline some details on these issues in this Report.

### *Beneficial Ownership of SSL*

24. The Trustee has no conflict of interest with respect to SSL, its beneficial owners or some of the key players associated with it. Details on the beneficial ownership of SSL are shown in *Appendix 2*.

## C. STATEMENT OF AFFAIRS AND ESTIMATED FINAL OUTCOME

25. I have shown below the Statement of Affairs (SOA) and Estimated Final Outcome (EFO) using the Proforma Balance as at 31 May 2024 which was provided by the TM.

**STOCKS & SECURITIES LIMITED (IN COURT SUPERVISED WINDING-UP & IN BANKRUPTCY)  
STATEMENT OF AFFAIRS & ESTIMATED FINAL OUTCOME AS AT ...**

	31 May 2024 TM Proforma Balance Sheet \$	Estimated Realisable Value \$	Estimated Realisable Value as at \$	Estimated Realisable Value as at \$	Estimated Realisable Value as at \$
		Worst Case	Base Case	Optimistic	Proforma BS
<b>ASSETS:</b>					
Cash & Cash Equivalent	17,630,612	17,630,612	17,630,612	17,630,612	17,630,612
Loans Receivables	19,451,780	4,862,945	9,725,890	15,561,424	19,451,780
Income Tax Recoverable	17,346,041	-	-	-	-
Other Receivables	17,442,389	15,698,150	17,442,389	17,442,389	17,442,389
Due From Related Parties	670,118,561	67,011,856	134,023,712	201,035,568	670,118,561
Property Plant and Equipment	4,311,626	1,724,650	2,155,813	2,586,976	4,311,626
Deferred Tax	24,148,331	-	-	-	-
<b>TOTAL ASSETS / ESTIMATED GROSS REALISATION</b>	<b>770,449,340</b>	<b>106,928,214</b>	<b>180,978,416</b>	<b>254,256,969</b>	<b>728,954,968</b>
<b>Percentage of Profoma Balance</b>		<b>14%</b>	<b>23%</b>	<b>33%</b>	<b>95%</b>
<b>LESS LIABILITIES:</b>					
<b>Class 1 Creditors</b>					
Realisation, Transaction Costs & Winding Up Expenses		21,385,643	36,195,683	50,851,394	145,790,994
Trustee's Fees & Legal Expenses (Jan 2023 to May 2024)		73,000,000	73,000,000	73,000,000	73,000,000
Trustee's Fees & Expenses (Proprietary from 1 June 2024)		34,439,625	34,439,625	34,439,625	34,439,625
Temporary Management Expenses Paid by SSL					
Temporary Management Expenses - FSC		123,266,865	123,266,865	-	123,266,865
<b>Total Due to Class 1 Creditors</b>	<b>-</b>	<b>252,092,133</b>	<b>266,902,173</b>	<b>158,291,019</b>	<b>376,497,484</b>
<b>Surplus / (Deficit) as regards Class 2 Creditors (Preferred)</b>	<b>770,449,340</b>	<b>(145,163,919)</b>	<b>(85,923,757)</b>	<b>95,965,950</b>	<b>352,457,484</b>
<b>Class 2 Creditors:</b>					
Redundancy	-	-	-	-	-
Statutory Obligations (Adjusted to TAJ POC amount)	31,333,497	31,333,497	31,333,497	31,333,497	31,333,497
<b>Total Due to Class 2 Creditors</b>	<b>31,333,497</b>	<b>31,333,497</b>	<b>31,333,497</b>	<b>31,333,497</b>	<b>31,333,497</b>
<b>Surplus / (Deficit) as regards Class 4 Creditors (Unsecured)</b>	<b>739,115,843</b>	<b>(176,497,416)</b>	<b>(117,257,254)</b>	<b>64,632,453</b>	<b>321,123,987</b>
<b>Class 4 Creditors (Unsecured):</b>					
Clients Payable (Cash Shortfall)	74,756,569	74,756,569	74,756,569	74,756,569	74,756,569
SSL Promissory Note	750,925,342	750,925,342	750,925,342	750,925,342	750,925,342
Accounts Payable	38,542,733	38,542,733	38,542,733	38,542,733	38,542,733
Other Payable (+additional statutory liabilities)	14,788,255	39,788,255	39,788,255	39,788,255	39,788,255
Contingent Liability	153,901,600	153,901,600	153,901,600	-	153,901,600
<b>Total Due to Class 4 Creditors</b>	<b>1,032,914,499</b>	<b>1,057,914,499</b>	<b>1,057,914,499</b>	<b>904,012,899</b>	<b>1,057,914,499</b>
<b>Surplus / (Deficit) as regards Equity Claimant</b>	<b>(293,798,656)</b>	<b>(1,234,411,915)</b>	<b>(1,175,171,753)</b>	<b>(839,380,446)</b>	<b>(736,790,512)</b>
<b>Equity Claimant:</b>					
Equity Claim Spectrum Capital Partners	171,169,953	171,169,953	171,169,953	171,169,953	171,169,953
<b>Total Due to Equity Claimant</b>	<b>171,169,953</b>	<b>171,169,953</b>	<b>171,169,953</b>	<b>171,169,953</b>	<b>171,169,953</b>
<b>Surplus / Deficit as regards Members (Shareholders)</b>	<b>(464,968,609)</b>	<b>(1,405,581,868)</b>	<b>(1,346,341,706)</b>	<b>(1,010,550,399)</b>	<b>(907,960,465)</b>
<b>Distribution Schedule:</b>					
Class 1 Creditors (Super Priority)		42.42%	67.81%	100.00%	100.00%
Class 2 Creditors (Preferred)		0.00%	0.00%	100.00%	100.00%
Class 3 Creditors (Secured) none		N/A	N/A	N/A	N/A
Class 4 Creditors (Unsecured & Contingent Claims)		0.00%	0.00%	7.15%	30.35%
Equity Claimant (Spectrum Capital Partners Limited)		0.00%	0.00%	0.00%	0.00%
Shareholders (NB. No Equity)		N/A	N/A	N/A	N/A



*Statement of Affairs*

26. Based on the statement of affairs, the estimated value of SSL's total assets handed over on 31 May 2024 was approximately **JMD770 million**, the realisation of which is expected to range from approximately **JMD107 million** to **JMD254 million**.
27. Total Liabilities were estimated at **JMD1.03 billion** at 31 May 2024. In the most optimistic projection, it is expected that this could be reduced to **JMD904 million**, assuming that the contingent liability is settled from the proposed *SSL Victims' Compensation Fund*.

*Estimated Final Outcome*

28. The EFO under the *Base Case* indicates that there would not be sufficient realisation (**23%** of the book value) to even cover the estimated Category 1 expenses in full; with only **68%** being covered. There would be no distribution to either Category 2 or Category 4 creditors.
29. The EFO under the *Worst Case* indicates that there would not be sufficient realisation (**14%** of book value) to cover the estimated Category 1 expenses in full; with only **42%** being covered. There would be no distribution to either Category 2 or Category 4 creditors.
30. The EFO for the *Optimistic Case* indicates that the Category 1 expenses would be covered in full and there would be a **7%** distribution to Category 2 creditors. There would be no distribution to Category 4 creditors.
31. If all the assets that could be monetised were realised for their book value, there would be potential for a **30%** distribution to the Category 4 creditors with Category 1 and Category 2 creditors being satisfied in full.
32. It should be noted that **JMD73 million** of the Category 1 expenses are recoverable from the FSC based on the award of costs in Claim SU 2023 CD 000036. These however have not yet been agreed or taxed.
33. In summary, based on the EFO, there is only a minimal prospect of distribution to the on-balance sheet creditors of SSL. The Contingent Creditors are also unlikely to see any distribution unless there is some recovery of the **USD1 million** insurance proceeds for the benefit of the victims of the fraud. There would not be any distribution to the Equity Claimant, Spectrum Capital Partners Limited.
34. We have shown at [Appendix 3](#) a Financial Overview for SSL using the management accounts for the following periods:
- i. 31 December 2022;
  - ii. 31 January 2023 (with adjustments and reclassification made by the TM in March 2023);
  - iii. 31 May 2024; and
  - iv. 31 August 2024



## D. RESUMPTION OF THE WINDING-UP OF SSL

### *Prioritization of Tasks*

35. The Trustee's primary tasks (upon resumption of the role) were to:
- confirm and understand the composition of the stakeholders in the SSL winding-up;
  - determine if there were any onerous assets that may need to be disclaimed;
  - understand the financial and human resource constraints; and
  - determine the requirement for the legacy information technology systems that are used by SSL; and
  - determine an appropriate approach to the required Claims Adjudication exercise.

### *Composition of Stakeholders*

36. A high-level assessment of SSL would indicate that the Entity has a ***Proprietary Estate*** ("***On-Balance Sheet Portfolio***") and a ***Non-Proprietary Estate*** ("***Off-Balance Sheet Portfolio***") with the ratio being approximately 5%:95%. That is, the ***Off-Balance Sheet Portfolio*** was nineteen times (**19X**) larger than the ***On-Balance Sheet Portfolio*** with over 95% of the approximately 6,000 clients' investments being held/managed off-balance sheet.
37. Whilst the PRAISE Team could execute the winding-up of the ***Proprietary Estate*** with minimal input from the former staff and systems, this would not have been practical for the ***Non-Proprietary Estate***. It would be imperative in doing the latter that the PRAISE Team have the support of the SSL Service Team as well as full access to the Prospero client management software, the information technology systems, and the clients' database.

### *Should The Trustee Disclaim the Non-Proprietary Estate?*

38. A question that arose upon the resumption of the SSL winding up was how to treat with the ***Off-Balance Sheet Portfolio*** which would also need to be wound-up. Such winding-up of the ***Off-Balance Sheet Portfolio***, which had commenced under TM has come at a cost. The determination has to be made who should be made to bear this cost.
39. A pragmatic decision that a Trustee must make is whether to disclaim property of a company to avoid being stuck dealing with onerous "assets" which are risky, are likely to require significant time, money or effort to sell/realise and are unlikely to provide a return for creditors/claimants of the estate.
40. If the ***Off-Balance Sheet Portfolio*** (which would include both "***Unaffected Trust Claimants***" and "***Affected Trust Claimants***") are not to bear any of the administrative costs associated with TM and the winding-up of ***Non-Proprietary Estate*** in conjunction with the winding-up of ***Proprietary Estate***, this would make it an onerous portfolio. A Trustee in such a situation would have to orphan that portfolio for some other means for it to be administered outside of the winding-up of the ***SSL Proprietary Estate***.

### *Imperative for winding-up the Non-Proprietary Estate*

41. In the Trustee's opinion, the following resources are imperative to the winding-up of SSL's Off-Balance Sheet Portfolio:

- a. The Prospero client management software which is licenced to SSL;
- b. The client database which is owned by SSL;
- c. The SSL Service Team which is now contracted to SSL; and
- d. The hardware (computers, laptops and printers) which are owned by SSL and contain some legacy information on their hard drives.

### *Requirements for winding-up the Proprietary Estate*

42. We extracted a list of the on-balance sheet SSL Promissory Noteholders and would not need the Prospero System and the SSL Service Team to wind-up the Proprietary Estate of SSL.
43. With the winding-up and now bankruptcy of SSL the liabilities ranked to be proved as at the commencement of the winding-up. Importantly, no further interest would accrue on these unsecured liabilities in accordance with provisions of the Insolvency Act. The information with respect to other creditors and the assets of SSL could be extracted and the system switched off.

### *Decision to administer the winding-up of the Non-Proprietary Estate*

44. A significant number of clients had already received reimbursement of their investments and/or transfer of their assets, to be seen in the **Consolidated Update on SSL** shown at [Appendix 4](#). Based on that, it was decided that the priority had to be claims adjudication. This was to facilitate in particular, the repayment to the remaining clients with unaffected claims for cash being held to the credit of their account and those with equities listed on the Jamaica Stock Exchange.
45. The winding-up resumed with approximately **JMD17.6 million** in proprietary cash and negligible immediately realisable assets. This is per the **Net Cash Balance** as of 31 May 2024 indicated in the **Cash Flow Movement for the period 17 January 2023 to 31 May 2024** which is shown at [Appendix 5](#) and on the **Proforma Balance Sheet as at 31 May 2024 – Proprietary** which is shown at [Appendix 6](#). These documents were provided by the former Temporary Manager, Kenneth Tomlinson. The preliminary indication was that this cash could barely cover 3-months expenses (excluding Trustee's fees) to pay for the required staff and licencing fees for the client management system.
46. It was determined that it would be in the best interest of the clients of SSL if the SSL Services Team were re-engaged and system remains operational to facilitate the Claim Adjudication exercise and to facilitate as many claimants as practical getting the repayment and/or transfer of their funds/assets.
47. This would also facilitate access to critical information that would be needed to convene the first meeting of the claimants/creditors ("MOC") of SSL.

### *Deferral of First Meeting of the Creditors and Claimants ("MOC") of SSL*

48. On 18 June 2024, the Trustee communicated to clients, claimants and creditors that a tentative date for the MOC was Friday, 18 October 2024. Also, by then, the Supervisor of Insolvency

was informed that the 1<sup>st</sup> MOC would have to be deferred to a date after submission of the First Report and before the end of the calendar year. The Certificate of Assignment (COA) was issued after I clients had been notified of the proposed date of the MOC.

49. The 1<sup>st</sup> MOC should be held at the Office of the Supervisor of Insolvency but given the potential number of claimants it would not be practical to have it there; particularly as the meeting is to be facilitated physically.
50. In SSL's case, cost and logistics for hosting what would be meeting with many attendees are very significant. The preliminary cost estimate to host the meeting physically could cost in the region of \$5 million. There is also issue of whether it should be 1, 2 or 3 meetings given the segregated estates that have been identified.
51. It is understood that a significant number of the Non-Proprietary Claimants may not need to attend the MOC if they were paid-out before the meeting is held. This is a further benefit to the exercise of urgency in conducting the claims adjudication exercise.
52. The key information that clients would want to hear is when will they get back their funds and have their assets transferred and the likely recovery for creditors. There are also some important issues which are highlighted in this Report that I believe it would be more appropriate to first bring to the attention of the Court before they are shared and discussed with the claimants and creditors at a MOC.
53. It would not be practical to convene multiple MOCs for SSL and it will be important that the key issues are understood to guide the composition of the Committee of Inspection ("COI"). Therefore, it is intended, with the permission of the Court, to share this Report with the claimants and creditors when the invitation to the meeting is being sent out.
54. An application with respect to modality of the meeting and this will be made and will be addressed later in the Report.

#### *Office Accommodations and Storage of SSL Files and Assets*

55. SSL rented the premises of BRSI from March 2024 at a rate of **\$862,500** (inclusive of GCT) per month. At the point of the resumption of the winding-up of SSL, the Company was not able to afford this rental rate for accommodation and long-term storage of its files. In any event it had to be considered whether to find less costly accommodation as the BRSI space was needed by them.
56. We have removed and relocated to premises rented by PRAISE Trustee Limited files, equipment and other assets of SSL. The proposed rental is **\$75,000** per month and will be discussed with the COI once it is established. The cost of the relocation was **\$30,000**.
57. There is a safe which is still located at the BRSI offices for which a buyer has not yet been found. Given the layout and size of the offices of PRAISE Trustee Limited, it would not be

practical to relocate the safe there. It would also cost approximately **\$200,000** to remove and relocate the safe.

58. To facilitate receiving clients and conducting other administrative functions, PRAISE Trustee Limited has allocated part of its office space to SSL. The proposed rental is **\$75,000** inclusive of maintenance and utilities. This will be brought to the COI for ratification.

### Receipts and Payments: 1 June 2024 to 31 August 2024

Description	Amount (JMD)	Comment
<b>Opening Balance</b>	<b>17,630,512</b>	
Reversal of prior period transaction	9,322,870	Software fee payment done in May 2024 and reversed by bank in June, 2024
Software Fee – Portfolio Management	(14,175,331)	Fees paid to Finartis Group SA, provider of the Prospero portfolio management system.
Personnel Costs – SSL Legacy Staff	(7,393,175)	Contract payments for eight (8) persons
Bank Charges & Adjustments	(211,982)	
<b>Closing Balance</b>	<b>5,172,894</b>	

- E. The main expenses borne for the period have been software fees for the use of the client portfolio management system and the payment of contracted SSL legacy personnel. There has not yet been any billing for Trustee fees.

### F. IDENTIFICATION OF SEGREGATED PORTFOLIOS AND ALLOCATION OF COSTS

59. Broadly speaking there are three (3) distinct estates to be wound-up to facilitate the overall winding-up and eventual dissolution of SSL; they are as follows:

- *Proprietary On-Balance Sheet Creditors*
- *Unaffected Trust Claimants - Off-Balance Sheet Portfolio*
- *Affected Trust Claimants - Off-Balance Sheet Clients with Contingent Claim*

60. The 3 estates are deemed to be **“Segregated Portfolios”**. A segregated portfolio may be wound-up independently of, or in tandem with the winding-up of the parent/management company. An off-balance sheet segregated portfolio may suffer its own winding-up cost without recourse to the management company’s assets and vice versa.

#### *Allocation of Costs*

61. As indicated earlier, the questions for further consideration include how TM and Winding-Up costs should be allocated across the 3 segregated portfolios. The creditors would need to consider:

- (a) whether it would be possible to separately identify each cost that is directly attributable to a particular portfolio?

whether there is the need to apportion the costs using an appropriate basis, for example number and percentage of accounts and/or clients or value of the portfolio?

The latter approach is more practical, and shown in the schedule below is the relative percentage that would be attributable to each portfolio:

	Proprietary		Non-Proprietary Unaffected		Non-Proprietary Affected	
Total Accounts - 20,000	100	0.50%	19,700	98.50%	200	1.00%
Total Clients - 6,000	100	1.67%	5,700	95.00%	200	3.33%
Total Liabilities - JMD33.4B (USD218.3M)	JMD1.18B (USD7.7M)	3.53%	JMD29.15B (USD191M)	87.49%	JMD3.00B (USD19.6M)	8.98%
Average		1.90%		93.66%		4.44%

62. The foregoing would suggest that at least **87.49% (JMD437.5 million)** of the costs should be borne by the *Unaffected Trust Claimants*. As at 31 May 2024, that group had not borne any of the costs. Instead, the costs were only borne by the *On-Balance Sheet Creditors* and the *Affected Trust Claimants*.

63. This is an issue for the further consideration of the creditors.

#### *Quasi Management Fee to be levied on client accounts*

64. SSL's clients have been advised of a proposed management fee of between **5%** and **10%** which is to be levied on client accounts with unaffected cash balances. The proposal when applied to clients whose portfolios have been liquidated is estimated to yield between **JMD230 million** (at the 5% level) and **JMD460 million** (at the 10% level). Of this amount, up to **JMD153.50 million**, which is the Jamaican Dollar equivalent of the **USD1 million** insurance proceeds received in relation to a claim arising out of the fraud, would be allocated to an *SSL Victims' Compensation Fund* for proven *Affected Trust Claimants* with a Contingent Claim who were victims of the fraud allegedly committed by Ms. Jean-Ann Panton. The remaining **JMD76.5 million to JMD306.5 million** to be recovered, would be allocated to cover winding-up expenses and to facilitate a pro-rated distribution to remaining creditors and claimants who may also include victims of the fraud. Any remaining admitted claim of the victims of the fraud would rank *pari passu* with Category 4 Unsecured Creditors

65. An application has been made to the Court for approval for a quasi-management fee of **7.5%** to be levied on clients' accounts. The following are the factors that guide this recommendation:

- i. There is a Client Payable (Shortfall) -
- ii. No Management Fees were charged during the TM.
- iii. Insurance proceeds were not used to compensate victims with Contingent Claims – this might be recoverable to create an *SSL Victims' Compensation Fund*;

- iv. Principle of fair allocation of the costs in insolvency; and
- v. What would the Office of the Government Trustee would charge to administer the SSL Off-Balance Sheet Portfolio if it was assigned to them to be administered.

***Clients' Payable***

66. There was a Client Payable (Shortfall) of **JMD77.89 million** at 31 January 2023 and **JMD74.757 million** as at 31 May 2024. This means that liability to clients is not fully backed and it would not be possible to repay in full (100%) all the client accounts per SSL's records.

67. The Table below shows the deficit as at January 2023 and May 2024:

	31 May 2024	31 January 2024
	JMD	JMD
Clients Payable (Shortfall)	74.757M	77.890M
Total Clients' Cash	4.654B	186.051M
Shortfall as a % of Total Clients' Cash	1.61%	41.86%
Total Assets Under Management	13.753B	29.146B
Shortfall as a % of Total AUM	0.54%	0.2%

68. The TM had been making 100% payouts of cash balances to clients between September 2023 to May 2024.

69. The question for further consideration is whether it would have been appropriate for the clients who were being paid out to absorb a proportionate share of the deficit.

70. A reasonable determination as to Estimated Final Outcome is an expected first step before commencing payouts to avoid prejudice to some future claimants. The pari passu principle requires that all creditors/claimants in the same class be treated equitably.

***No Management Fees or Brokerage Fees Charged During Temporary Management***

71. The sale of the international equities would normally have triggered a brokerage fee of 2 percent of the gross amount. There would have also been a 1% custodian fee per annum. Clients may also have been subject to other fees depending on the type of plan they had and/or services SSL was providing to them.

72. Below is an extract of the various fee schedules in effect at SSL from 1 May 2022:



**PRIVATE WEALTH MANAGEMENT FEES**

The Private Wealth Management Fee is based on the gross market value of marketable securities under management each month, which for purposes of this agreement will be equal to the gross carrying value of each marketable security at the end of the relevant month on the statement or report prepared by the broker holding the marketable securities.

US \$100,000.00 - US \$249,999.99 of marketable securities	2.00% per annum
US \$250,000.00 - US \$499,999.99 of marketable securities	1.75% per annum
US \$500,000.00 - US\$999,999.99 of marketable securities	1.50% per annum
\$1,000,000.00 or more of marketable securities	1.00% per annum

**\*SSL general fees are not applicable to Private Wealth Management clients.**

**FINANCIAL PLANNING FEES**

**Safe Solutions, Plum Plans & Plum 100**

<b>Front-End Fees</b>	
Plum 100	0.75%
Plum Plans & Safe Solutions	1.00%
Subsequent Investments (All)	0.50%
Annual Management Fee	2.00%
Percentage of Gains upon Repositioning	9.75%
<b>Early Encashment Fee</b>	
(Encashment before 3 Years)	5.00%

**Money Managers**

<b>Front-End Fees</b>	
up to \$100,000	5.00%
\$100,001 - \$999,999	4.00%
over \$1,000,000	3.50%
Subsequent Investments	2.50%
Annual Management Fee	2.00%
Percentage of Gains upon Repositioning	9.75%
<b>Early Encashment Fee</b>	
(Less than 6 months)	7.50%
<b>Encashment Fee</b>	
(Greater than 6 months)	4.00%

**BROKERAGE FEES**

**Equity Trades**

NYSE & NASDAQ - \$50.00 per trade or 2% of gross amount (whichever is higher)  
 TORONTO STOCK EXCHANGE - \$50.00 per trade or 2% of gross amount (whichever is higher)  
 OTHER EXCHANGE- \$50.00 per trade or 2% of gross amount (whichever is higher)  
 (JMD Equivalent for all other currencies)  
 JSE - JMD \$500.00 per trade or 2% of gross amount (whichever is higher)  
 JSE - USD \$5.00 per trade or 2% of gross amount (whichever is higher)

Annual Custodian Fee (applicable to USD accounts only) 1.00%

**SSL FEE SCHEDULE EFFECTIVE May 1, 2022.**

*International broker fees will apply on all international trades not processed through clients' IBKR accounts*

**ALL FEES ARE SUBJECT TO GCT.**

*Fees are subject to change without notice.*


<sup>1</sup> *The RTGS Fee includes GCT.*

<sup>2</sup> *This is applicable when a client lodges money to SSL's bank account without notification of the lodgement being sent in writing.*



*Insurance Claim*

73. It has been confirmed that **USD1 million (JMD153.5 million as per Appendix 5)** was recovered specifically related to **Employee Dishonesty** from the insurance policy that SSL had in place for this, and other risks covered under a Professional Indemnity policy. This **USD1 million** was the policy limit per extract from the policy document, which was originally issued in 2019, shown below:



Forming part of Contract Number: FH1905426

**SCHEDULE**  
**SECTION 1: COMPREHENSIVE CRIME**

**In consideration of the payment of the premium specified, Insurers agree to provide insurance to the extent and in the manner set out in this document. This document should be read as a whole, in conjunction with the attached contract wording(s), clauses and schedule(s).**

**Policy No.:** FL1905426

**Item 1.** Name of the Assured: STOCKS AND SECURITIES LIMITED and their 50% and more owned subsidiaries and management controlled companies established or hereafter constituted for their respective rights and interests, as per General Condition 27

Principal Address: 33 ½ Hope Road, Kingston 10, Jamaica

**Item 2.** Policy Period: From: 26<sup>th</sup> October 2019  
To: 25<sup>th</sup> October 2020

Both days inclusive Local Standard Time at the Address of the Insured

**Item 3.** Retroactive Date: None, however Inception in respect of any new or increased limits

**Item 4.** **Proposal Form** dated: 13<sup>th</sup> November 2019 and No Claims/No Material Changes Declaration dated 13<sup>th</sup> December 2019

**Item 5.** Limit of Indemnity:

The Limit of Indemnity combined under Sections 1 and 2, subject to General Condition 11, shall be USD 1,000,000 for any one loss and/or series of losses arising out of one or the same event and in the aggregate, PROVIDED, however that if other amounts are inserted against the several Coverages or Extensions shown below, the **Insurer's** liability in respect of loss falling within those Coverages or Extensions is limited to such other amounts which are considered as part of and not in addition to the above-mentioned Limit of Indemnity and further subject to the terms of the Automatic Reinstatement Clause, General Condition 26, applicable to Sections 1 and 2.

**Section 1 - Coverage**

Coverage 1  
Employee Dishonesty

Coverage 2  
Cyber Crime

74. As indicated before the **USD1 million (JMD153.5 million per Appendix 5)** was utilised for TM expenses and is now shown in Proforma Balance Sheet as at 31 May 2024 as a Contingent Liability for **\$153.9 million (as per Appendix 6)** to the victims of the fraud. The difference between **JMD153.5 million** and **JMD153.9 million** being attributable to different exchange rates being used to book the entries.

75. It should be noted that the **JMD153.5 million** represents approximately **41%** of the expenses that were paid by SSL during the Temporary Management. The ***Contingent Liabilities*** represented only **9%** of the total liabilities to clients and creditors.
76. With respect to the Companies Act section 233 report, in my opinion, further inquiry is desirable to determine as a matter of law, whether the insurance funds proceeds ought to have been used to offset operating expenses in the TM.
77. With respect to the Insolvency Regulation 39, the Trustee would recommend that a portion of the proceeds of asset recoveries and/or revenues generated by SSL be kept in a dedicated fund for victims of the alleged fraud. Further, since the insurance proceeds were used to fund expenses during the TM period and the ***Unaffected Off Balance Sheet Clients*** did not any fund of those expenses even though they benefitted from the activities, a share of any fees recovered from ***Unaffected Off Balance Sheet Clients*** should go back to the ***Affected Claimants***.

#### ***Fair Allocation of Costs of Insolvency***

78. Given the insolvency status of SSL, it is important that one examines Section 3 of the Insolvency Act (“IA”), with its stated objective as follows:  
*“This Act seeks to create an environment which aids in-  
 The rehabilitation of debtors and the preservation of viable companies, having due regard to the protection of the rights of creditors and other stakeholders; and  
 Fair allocation of the costs of insolvencies with the overriding interest of strengthening and protecting Jamaica’s economic and financial system and the availability and flow of credit within the economy.” [emphasis added]*
79. In keeping with international best practice, the cost of winding-up a segregated portfolio or trust is a charge on that specific estate and not a charge on the “parent” or “management” entity which may or may not also be wound-up. The management fee proposal seeks, inter alia, to achieve an equitable share of costs for the different types of claimants/clients.
80. Non-operating assets of SSL (***Investment Securities*** and ***Investment Properties***) were liquidated to partially fund the cost of the TM. The realisation from these sales totalled **JMD141.248 million** and this contributed to **38%** of the TM Expenses of **JMD376.546 million** that was directly borne by SSL. The ***Proprietary Liabilities*** of SSL in January 2023 were only **3.53%** of the estimated consolidated liabilities but had to effectively bear **11 times** their share of the expenses.
81. It should be appreciated that the ***Investment Securities*** and the ***Investment Properties*** would otherwise be available to cover winding-up expenses (including Trustee’s fees) and to facilitate some pro-rated distribution to On-Balance Sheet Creditors. These creditors would be Tax Administration of Jamaica who would rank as a ***Category 2 Preferred Creditor*** for approximately **JMD22 million** with a further **JMD44 million** as a ***Category 4 Unsecured Creditors***. There would also be **75 clients** who hold SSL Promissory Note who are due approximately **JMD751 million** as ***Category 4 Unsecured Creditors***. The interest of these

creditors must also be protected, and they should not disproportionately bear the costs to facilitate the **Unaffected Non-Proprietary Claimant** getting back their funds and assets.

### *Government Trustee Option*

82. An alternative for dealing with the **Non-Proprietary Estate** would have been to hand over the portfolio to another trustee to administer. No private trustee would undertake such an engagement without being compensated. As is seen in *Appendix 6*, the Office of the Government Trustee is paid six percent (6%) of the dividend for estates that it administers. This office would have been an option should the **Off-Balance Sheet Portfolio** be decoupled from the winding-up of SSL and be dealt with separately.

### *Allocation of funds to be recovered from the management fees*

83. The estimated amount that would be recovered based on the proposed **7.5%** quasi management fee is **JMD345 million** and it would be allocated as follows:

	\$M	% of Total	7.5% Split	Comments
Clients Payable AUM funding deficit	74.76	21.67%	1.63%	Facilitating availability of cash to meet all claims.
SSL Victims' Compensation Fund	153.50	44.49%	3.34%	Funding of contingent liability
Proprietary Estate recovery.	116.74	33.84%	2.53%	Comparable to 2% brokerage fee on liquidation of international equities and 1% per annum custodian fee. NB. As no management fees were being charged, funding for the Temporary Management included the <b>\$141.25 million</b> that was realised by the TM from the sale of SSL's Investment Securities and Investment Properties.
<b>Total</b>	<b><u>345.00</u></b>	<b><u>100.00%</u></b>	<b><u>7.5%</u></b>	

84. This could represent a fair reallocation of the cost of the SSL insolvency and balance the 3 segregated estates.

## **G. SSL WINDING-UP ESTATES**

### *Proprietary On-Balance Sheet Estate*

85. This is represented by assets, legally and beneficially owned by SSL, and direct liabilities to clients, suppliers, trade creditors, employees and statutory authorities that are ordinary recorded on the balance sheet of SSL.

86. Of the approximately **20,000 accounts** at the commencement of the winding-up in January 2023, less than **100 (0.5%)** would be on-balance sheet. These would be represented by some of the holders of SSL Promissory Notes which were carried on the books of SSL. The

information available indicated that that there were between 70 and 75 accounts that fall in this category.

### *SSL Promissory Notes*

87. Strictly speaking, the only liabilities to clients shown on the balance sheet of SSL is reflected in the SSL Promissory Notes Payable. There are approximately 75 account holders of these instruments which had the following balances:

	31 Dec. 2022	31 Jan. 2023	31 May 2024	31 Aug. 2024
	\$	\$	\$	\$
Loans Payable	610,393,278	622,998,177	634,484,046	634,484,046
Accrued Interest	<u>75,210,391</u>	<u>79,468,911</u>	<u>116,441,296</u>	<u>116,441,296</u>
Total Note Payable	<u>685,603,669</u>	<u>702,467,088</u>	<u>750,925,342</u>	<u>750,925,342</u>

### *Trust Claimants*

88. Approximately ninety-nine percent (**99%**) of the clients of SSL were in a segregated off-balance sheet portfolio. The assets and associated liability (obligations) with respect to these assets are not included in the Financial Statements of SSL; this is not peculiar to SSL and is the current established practice for such financial institutions in Jamaica.

89. SSL acts as a trustee of the clients who remain the beneficial owners of the investments or funds. SSL would earn management fees and/or commission and or/or fee income and or fee spread from these investments being managed (held in trust) on behalf of the clients.

90. The Trust Claimants are broken down into two (2) distinct categories:

- *Unaffected Trust Claimants*
- *Affected Trust Claimant with Contingent Claim Against SSL*

### *Unaffected Trust Claimants - Off-Balance Sheet Portfolio (Non-Proprietary)*

91. The Unaffected Trust Claimants may be subdivided into two (2) categories:

- a) Claimants with unencumbered or unimpaired assets – The vast majority of claimants fall within this category.
- b) Claimants with impaired assets – this would include a mix of external investments that have underperformed, or entities have gone bust. It would also include investments in related/connected entities or other high-risk investment that have not panned out and for which mismanagement and/or bad investment advice may have been contributory factors. – SSL Growth Equity Limited, Delta Capital Partners Bond, P2 Controls Group. The preliminary estimate is that there would be about 154 accounts falling within this category.

### *Affected Trust Claimants - Off-Balance Clients with Contingent Claim*

92. This category is estimated to number 60, that is 50% more than the initial 40 that were identified by Ms. Jean-Ann Panton in January 2023. These are persons for whom there is no

record of authorization to (apparently) deplete their accounts. Many of these accounts were almost fully depleted with only minimal holdings remaining in them.

## H. KEY ACTIVITIES SINCE RESUMPTION OF WINDING-UP

### *Meeting and Correspondence with the Financial Services Commission*

93. Meeting with TM Team inclusive of representatives from the FSC and BRSL was held on Monday, 3 June 2024. There was clarification of roles and agreements from both sides to facilitate the winding up of SSL in the interests of its stakeholders.
94. Subsequent to the meeting there has been significant exchange of correspondence between the parties. The FSC responses have not always been timely, but there has been more responsiveness in the way they have dealt with correspondence to facilitate the payout of clients.

### *Meetings and Correspondence with the BRSL Team*

95. We met with the BRSL team inclusive of Kenneth Tomlinson, Gregg Dennis and Jackie Somers King on Tuesday, 4 June 2024. The purpose was to get an understanding of the status of SSL and some of the key issues to be immediately addressed. Preliminary indications of some of the information and documentation that would be required were given.
96. The PRAISE Team has been in regular contact with the BRSL Team since and has generally received timely responses. There are however some issues which have been referred to the FSC for response, with some of those responses still even to the date of this revised Report, not provided.

### *Meeting and Correspondence with the Financial Investigations Division*

97. The PRAISE Team had a meeting with the Financial Investigations Division (FID) on Wednesday, 5 June 2024. The purpose of the meeting was to establish protocols and guidance for how the investigation and trustee responsibilities will proceed going forward.
98. It was explained that the Trustee, primary responsibilities are to secure and monetize the assets of SSL, notify creditors to submit claims, and distribute the proceeds according to the statutory ranking of creditors. It was clarified that the Trustee is not beholden to instructions from shareholders or directors, and that there is unlikely to be any surplus funds remaining for shareholders after creditors are paid.
99. The need for coordination between the Trustee, FSC, and the FID to facilitate the investigation and asset recovery efforts was discussed. While the criminal investigation may limit what information can be shared initially, the FID was advised of the Trustee's desire to pursue any civil recovery options that would not compromise the criminal case.
100. Concerns were raised about maintaining access to SSL's IT systems and records, given the limited resources available. Assistance was requested from the FSC and FID to ensure the

PRAISE Team and investigators have the necessary capabilities to access and review the relevant information, even as former SSL employees may no longer be available.

101. It was agreed to continue coordinating and meeting as needed to facilitate the investigation and Trustee responsibilities. Financial issues facing the PRAISE Team were identified but we emphasized the need to maintain access to information and pursue recovery of assets for the benefit of claimants and creditors.

102. It was indicated that the Trustee appointment would not interfere with the investigations being undertaken and that it would not preclude the Trustee from referring matters to the DPP. Clients would subsequently be advised (who indicated that they may have been a victim of the fraud) to report the matter to the FID if they had not previously done so. One Claimant was referred to the FID.

103. To avoid misinformation or allegations of interference with investigations the PRAISE Team has had minimal interactions with the FID since the initial meeting, save communicating on pertinent issues which it would not be appropriate to elaborate on at this time.

### *Communication and Correspondence with Claimants and Creditors*

104. Since the recommencement of the winding up, the PRAISE Team, and subsequently the re-engaged SSL Service Team, have been in daily communication with the clients and claimants of SSL via email and telephone and facilitation of the PRAISE Trustee Limited office.

105. Notices were published in newspapers on the following days:

- i. Notice of Appointment of Trustee and Notice to Creditors & Claimants:
  1. Jamaica Observer - Wednesday, 19 June 2024
  2. Financial Gleaner – Friday, 21 June 2024
- ii. Notice to Creditors & Claimants
  1. Sunday Gleaner of 23 June 2024
  2. Sunday Observer of 23 June 2024
- iii. Notice To All Known, Potential and/or Contingent Claimants and/or Creditors of SSL
  1. Jamaica Observer – Wednesday, 10 July 2024
  2. Financial Gleaner - Friday 12 July 2024
  3. Sunday Gleaner of 14 July 2024
  4. Sunday Observer of 14 July 2024

106. Samples of the publications are shown at [Appendix 8](#)

107. Other initiatives included:

- Email of 28 June 2024 from PRAISE Team to over 6,000 email accounts in the SSL database.
- Email blast from the SSL Service Team to over 3,000 clients in July 2024
- Hand delivered notices and invitation to submit claims to some of the top 25 client by value of portfolio (particularly cash) from whom we had not had a response.



- Facilitating of 'walk-in' claimants and help with the completion of the POC as required.
- Regular follow-up emails and reminders and addressing queries from clients.

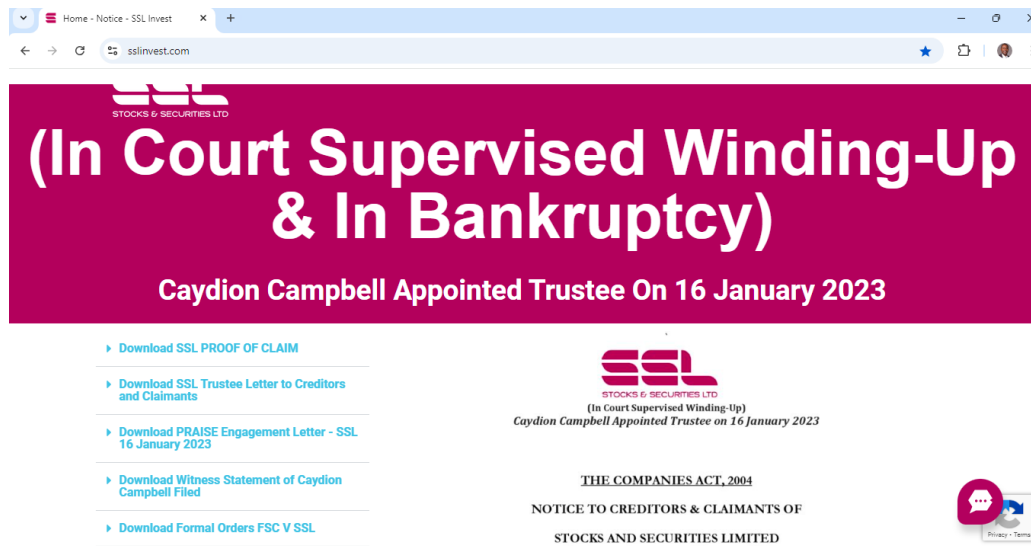
108. Given the financial and human resource constraints, it was not practical to send out mail by post to all the known claimants and creditors. We however took additional steps to reach out to the top 200 clients, who would account for over **80%** of the value of the ***Off-Balance Sheet Portfolio*** as we sought to prioritise the Claims Adjudication process for these clients and to facilitate the return of their funds or the transfer of their assets as soon as practicable.

### *SSL Website*

109. The following are the items available from the website, [www.sslinvest.com](http://www.sslinvest.com):

- Notice of Appointment of Trustee & Notice to Creditors and Claimants to Submit POC
- Notice to Clients to Update Their Accounts
- Proof of Claim Form
- Letter to Creditors and Claimants dated 21 June 2024
- Formal Orders dated 6 June 2024
- Supreme Court Decision 31 May 2024
- Witness Statement of Caydion Campbell in SU 2023 CD 000036
- Gazette Notice of Appointment of Trustee – 17 January 2023
- PRAISE Engagement Letter – 16 January 2023

110. The highlighted documents are shown at [Appendix 9](#).



### *Claims Adjudication (Proof of Claims Processing, Review and Reconciliation)*

111. One of the key tasks in the winding up is to undertake a proper Claims Adjudication Process considering Order # 10 of the Formal Orders. Given the peculiar nature of SSL, a Proof of



Claim form, shown at *Appendix 10* was tailored to capture the expected 5 Categories as follows:

- b. Claim by Unsecured Creditor (On-Balance Sheet Liability);
- c. Claim by Unaffected Trust Claimant;
- d. Claim by Affected Trust Claimant / Contingent Creditor;
- e. Claim by Temporary Management Creditor; and
- f. Claim by Equity Claimant

112. The latter two categories reflect the particular circumstances of SSL having been under T M and having an Equity Claimant who was in the process of acquiring a majority stake in the company.

### *Funding the Claims Adjudication and Winding-Up*

113. The Claims Adjudication process currently underway is being initially funded by the proprietary estate, pending finalisation of the quasi-management fees to be levied. No **Non-Proprietary Clients'** assets are being used to fund the winding up of SSL **Proprietary Estate**.

114. The following outlines the projected cost of administering the winding-up of SSL's estate over the twelve-month period from June 2024 to May 2025:

	<b>JMD</b>
Contracted Personnel – Former SSL Staff	26,140,000
Software Licence – Prospero Portfolio System	24,030,000
PRAISE Trustee Fees <sup>1</sup> (including GCT)	94,875,000
Legal Fees (including GCT)	17,825,000
Rent & Maintenance	2,600,000
Creditors' Meeting	5,000,000
Other Administrative Fees	<u>14,200,000</u>
<b>TOTAL</b>	<b><u>184,670,000</u></b>

<sup>1</sup>See further details and comments on the Trustee's fees under the PRAISE Team Compensation section of this report

### *Summary and Statistics on Claims Adjudication*

115. The following is a summary of key tasks with respect to Claims Adjudication:

#### **Proof of Claims Adjudication**

	<b>Quantity</b>	<b>Amount (JMD)</b>

<b>Total Proof of Claims Received as of 31 August 2024 (All Claim Types)</b>	724	9,981,705,125
<b>Total Accounts Submitted to FSC for Review<sup>1</sup> (For client cash accounts only)</b>	441	4,032,242,352
<b>Total Proof of Claims Reviewed and Agreed by FSC<sup>2</sup> (For client cash accounts only)</b>	441	4,032,242,352
<b>Payments made to clients relating to their cash accounts:<sup>3</sup></b>	203	2,981,850,918

The totals above include amounts denominated in USD and translated to JMD at a rate of 158.031, being the BOJ average selling rate at 30 August 2024.

**Notes:**

<sup>1</sup>This relates to listing submitted to FSC with clients who have submitted a proof of claim and outlining their cash account balances. These numbers include batches 3 and 4, submitted to FSC on September 3, 2024. Approval for Batch 4 was received on 19 September and the payment were not yet processed as of the date of this Report.

<sup>2</sup>This relates to client accounts for which the Trustee has received a no-objection response from the FSC regarding paying out balances on their cash accounts.

<sup>3</sup>These payment statistics include payments made up to September 20, 2024.

**Legal Obligation of SSL to Contingent Claimants**

116. One of the issues that remains outstanding for future determination is whether there is in fact a legal obligation on the part of SSL part to the clients who were defrauded. It would be useful to get a formal legal opinion on SSL’s obligations to clients who were apparently defrauded and their accounts and/or investment depleted without their authorisation but at present SSL does not have the funding to do this given the prioritisation of the Claims Adjudication exercise.

117. It may however be ‘moot’ whether these claims are included, as it stands now, there will be no funds available to make any distribution to these creditors, unless the proposed **SSL Victims Compensation Fund** is funded via recovery from the **Unaffected Claimants** and/or otherwise resulting from Court action.

118. A question for further determination is whether the Contingent Claimant has recourse to the extent of the insurance proceeds. There was no guarantee provided by SSL and the coverage that they had in place for dishonest acts of their employees was capped at **USD1 million**.

### *Additional Cost of Temporary Management*

119. The FSC has submitted a Proof of Claim for **JMD123.3 million** comprising Temporary Management Fees of **JMD112.8 million** and Legal Fees of **JMD10.5 million**. They have also indicated that there may be other costs associated with T M and as such this figure may increase. With this additional information, I note that the aggregate T M Fee is approximately **JMD160.9 million**, including of **JMD48.1 million** paid directly by SSL.

120. These claims were preliminarily classified as a Category 1 liability. However, since there was an injunction on the winding-up and these expenses were not authorized by the Trustee, it may be more appropriate that they be classified as a Category 4 Unsecured Claim. Further deliberations will be held on this matter and this will be a matter for the further consideration of the creditors.

### *Directive from the FSC*

121. On 31 July 2024, the Trustee received certain Directives from the FSC which are attached at *Appendix 11*. The formal reply to the FSC is shown at *Appendix 12*.

122. Relevant excerpts are set out below:

- a. *"I confirm having advised you that if I am appointed as Trustee under the Companies Act ("the Act"), I will be acting under this jurisdiction with my primary duty to the general body of creditors and members.*
- b. *I have also advised you that I will also be under the directions of the FSC which has imposed certain enhanced governance procedures concerning the operations of SSL in addition to the normal regulatory requirements.*
- c. *While I will endeavour to work cooperatively with you throughout the assignment to facilitate as far as practical the reorganisation of SSL for the benefit of the stakeholders, primarily the creditors and members, my statutory duties and obligations under the Act and compliance with directives from the FSC must take priority over your wishes should there be a conflict."*

## **I. PRAISE TEAM COMPENSATION**

### *Original Compensation for PRAISE*

123. As at the date of this Report, no member of the PRAISE Team has received any compensation from SSL or in relation to appointment as Trustee for SSL from any directors, shareholders, officers, former employees or any other party.

124. The original compensation (inclusive of recoverable expenses) that was to have been paid to Phoenix Restructuring, Advisory & Insolvency Services Enterprise (which is now incorporated in PRAISE Trustee Limited ("PTL") to facilitate the reorganisation of the business of SSL and wind-up the company was approximately **\$26.5 million**. The foregoing fees did not contemplate a piecemeal winding-up of SSL.

125. The standard rates of the PRAISE Team members are between **USD100 (JMD15,000)** and **USD300 (JMD45,000)** per hour as would have been contracted in the original engagement

letter of 16 January 2023. However, a significant discount has been offered and services might be billed at a composite rate of **USD150 (JMD22,500)** per hour plus General Consumption Tax (GCT).

126. Furthermore, the fees will be capped at **JMD9,000,000** per month for a minimum of 400 hours by the PRAISE Team. If the total number of hours is less than 400 hours in any month, the total hours will be billed at the blended rate of **USD150 (JMD22,500)** per hour plus GCT.

127. For comparative purposes, the team would have expended in excess 400 hours in each of the 3 months between June and August 2024. If capped at 400 hours and charged at the standard rate for team members, the applicable billing would have been approximately **USD97,500 (JMD14,650,000)** for each of these months.

128. Projected fees over a 12-month period which is **JMD82.5 million (JMD94.875 million with GCT)** are below:

Period / Months	Projected Average Fees Per Month JMD million	Projected Fees for Period JMD Million
1-5 (June to October 2024)	9.00	45.00
6-9 (November 2024 to February 2025)	6.00	24.00
10-12 (March to May 2025)	<u>4.50</u>	<u>13.50</u>
<b>TOTAL (June 2024 to May 2025)</b>	<b><u>6.88</u></b>	<b><u>82.50</u></b>

129. There are some fees and expenses that were incurred for the period 16 January 2023 to 31 May 2024. The total is approximately **JMD73 million** (inclusive of GCT) being **JMD25 million** in Trustee's Fees and **JMD48 million** in legal fees to be recovered as per the orders of the Court.

130. The fees to be charged are reflective of the cost of discharging statutory duties. This is a high-risk engagement with SSL being both under Court-Supervision and In Bankruptcy. In discharging the duties and responsibilities, there must be compliance with Formal Orders of the Court dated 6 June 2024 and any further other and directions from the Court. There must also be compliance with Directives of the FSC and any applicable provision of following acts and their regulations:

- The Companies Act
- The Financial Services Commission Act
- The Insolvency Act.
- The Proceeds of Crime Act
- The Terrorism Prevention Act
- The United Nations Security Resolutions Implementation Act

131. Though there are additional administrative burdens and costs associated with compliance of the latter 3 acts, the FSC has advised that SSL remains an obliged entity under these acts, notwithstanding that we have ceased operation and are only engaged in returning persons funds and/or investments to them.

## J. ANTECEDENT ISSUES

132. One of the required duties of a Trustee over an entity like SSL is to investigate the cause(s) of the failure and review the operations, activities and transaction of the entity antecedent to the winding-up and/or bankruptcy. In SSL's case there are 2 relevant periods. Firstly, the period before 16 January 2023 being the commencement of the winding-up. Secondly, the period prior to the issuance of the Certificate of Assignment on 27 June 2024 which would cover the TM between 17 January 2023 and 31 May 2024<sup>2</sup>.

As regards the pre winding up period, a Special Audit was already undertaken by Mr. Tomlinson and KROLL conducted a forensic investigation and submitted their report. Therefore, and bearing in mind the minimal resources and the lapse of time, most of this tasking would now be redundant; the PRAISE Team will ascertain what information and or documentation is in the Special Audit report that may assist with civil recovery for the SSL estate, particularly the Affected Trust Claimants. Also, activities during this period are the subject of existing criminal proceedings and the FID is continuing its investigations.

### *SSL Growth Equity Limited and Related Party Investments and Receivables*

133. There is significant related party receivable of approximately **\$670.12 million**, due from the following entities:

Entity	Amount Due \$	Comments
SSL Growth Equity Ltd.	\$391.32 million	
SSL Capital Cayman	\$222.26 million	Related to former Papa John Pizza Franchise in the Cayman Islands
Delta Capital Partners ("Delta")	47.00 million	
Other Related Parties	<u>\$9.54 million</u>	
<b>TOTAL</b>	<b><u>\$670.12 million</u></b>	

134. It is to be further enquired into whether some imprudent investments were made with and through these entities, since it does appear that some clients' funds were used to finance these investments.

<sup>2</sup> The review for this period is included in Section J, K & L.

135. It also warranted further enquiry into whether in other instances, clients were induced into investing in SSLGEL and Delta by key representatives of SSL. Some clients have asserted that they gave no instructions/authorisation to make these investments and are “surprised” that they were part of their holdings.

136. The available information indicates that the significant majority, if not all, the persons (legal and natural) who would ultimately have a claim against these related party entities are direct SSL clients.

137. Currently, the *SSL Proprietary Estate* does not have the wherewithal to aggressively pursue these recoveries. For further consideration is the question whether it might be appropriate for SSL to trigger the winding up of these entities and bring them under some formal administration. Appropriate cost-benefit analysis would have to be undertaken for each entity. It would be expected that discussions would have to be had with a Committee of Inspection once it has been established on if and how these receivables would be pursued given the limited resources. It would therefore not be prudent to incur such expenses until discussions can be had with a COI.

#### *Non-Proprietary Clients with Impaired Assets*

138. The records of SSL indicate that there are approximately **154 Non-Proprietary Accounts** with investment with SSL related entities or other entities recommended by SSL representative, which are significantly impaired: These are as follows:

Entity	# of Clients	Investment Principal USD	Investment Principal JMD
Delta Capital Partners	39	3,520,086	
P2 Control Group	30	3,235,000	
SSL Fixed Deposit Bridge	2	289,000	
SSL Growth Equity	30	759,527	
SSL Promissory Note – Off-Balance Sheet	<u>53</u>	<u>3,718,017</u>	
<b>TOTAL</b>	<b><u>154</u></b>	<b><u>11,521,630</u></b>	

139. The initial assessment is that the recovery prospect for these clients is very negligible with the best prospect being for Delta. There was a JMD**52.5 million** recovery during the T M but no further recoveries have since been made. Based on information from some clients and attempts at reconciling their claims with the SSL records, it is apparent that some clients have received partial payments directly from Delta. Discussions have started with representatives of Delta and additional care is being taken to ensure no duplication of the liability.

#### *Advice to Clients and the Demographic Profile of SSL Clients*

140. The client demographics of the SSL portfolio reveal many senior citizens who have retired or were near retirement. It would seem imprudent for these investors to have invested in what

ought to have been known to be high risk investments. Upon review of some of the investment histories, it appeared the clients had better quality assets in their portfolios than these new investments, some of which were connected to SSL.

141. It also appears from review that SSL personnel were given significant latitude by some clients. This might have been abused to the detriment of these clients. This is an area to be discussed with the COI when established. It is expected that some of these issues would have been captured in the Special Auditor's and forensic investigator's (KROLL) reports and the appropriate referrals have been made. These issues will be further discussed with the FID as appropriate.

142. Although we have emailed over **6,000 clients** of SSL, to date, we have only had responses from just under **800 clients (approximately 13%)**. This raises the issue of actual awareness by many clients notwithstanding all the publicity surrounding SSL. It is queried whether younger family members are aware of that their elderly relatives had investments through SSL. The resource constraints of SSL, makes it challenging to do much more to solicit the remainder of the claims at present, but the efforts continue. It is anticipated that as word spreads on the current repayment in the formal winding-up of SSL, other clients will come forward to make their claims.

*Value Destroyed for Clients*

143. Undoubtedly, significant value was destroyed for the clients of SSL from the fraud, mismanagement and inadequate governance of the Company. The preliminary indications are that just under **300** client accounts may be affected. My preliminary estimate is that the fraud and mismanagement could have resulted in about **\$4 billion** in losses of which **\$3.2 billion** would relate to the *Non-Proprietary Estate* and **\$0.8 billion** to the *Proprietary Estate*. The table below shows the composition.

# of Accounts	Category	USD million	JMD million	Consolidated JMD billion
60	Estimated Direct Victims of the Fraud - Affected Trust Claimants	17.8	136.4	2.9
154	Impaired Client Investments - Unaffected Trust Claimants	11.5	-	1.8
214	Sub-Total - Non-Proprietary (with fictitious gains/appreciation in portfolio value)	29.3	136	4.7
	Elimination of Estimated Fictitious Gains (50% of Affected Trust Claims)	(8.9)	(68.2)	(1.4)
214	Sub-Total - Non-Proprietary (excluding fictitious)	20.4	68.2	3.2
75	Sub-Total Proprietary - SSL Promissory Note Unsecured Creditors	-	750.9	0.8
289	Total Estimated Loss - victims of fraud and mis-management	20.4	819.1	4.0

144. It was indicated before, several clients stated that some of the investments were made without their consent. This is an area to be discussed with the COI when established. We expect that some of these issues would have been captured in the Special Auditor's and forensic



investigator's (KROLL) reports and the appropriate referral have been made. These issues will be discussed with the FID as appropriate.

## K. ACTIVITIES DURING THE TEMPORARY MANAGEMENT

### *Special Audit by Kenneth Tomlinson*

145. As was indicated before, Mr. Tomlinson was also engaged to conduct a Special Audit on SSL. By email dated 20 August 2024, Mr. Tomlinson advised that the Special Audit assignment was completed in March 2023. As of the date of the First Report, we were in the process of obtaining access to the Special Audit report(s). The report(s) will be reviewed to ascertain what information may be beneficial in facilitating the winding-up of SSL.

### *Overview from Office of the Minister of Finance*

146. Attached at [Appendix 3](#) is a **Consolidated Update on SSL** from The Office of the Minister of Finance and the Public Service issued on 17 April 2024. This presented a high-level summary of key features of SSL as well as activities/achievements during the TM.

147. Highlights from the **Consolidated Update on SSL** included:

- a. SSL represented approximately 0.6% of the consolidated financial sector assets;
- b. SSL had custody of approximately JMD30 billion of client assets as part of SSL's off-balance sheet portfolio;
- c. Transfer of assets (to clients) began in September 2023 and as at 16 April 2024:
  - i. 1,230 client accounts totalling approximately JMD15.37 billion of local equity and fixed income securities were transferred to accounts specified by these clients;
  - ii. Jamaican dollar cash of approximately JMD665 million for 338 clients were paid over to these clients
- d. A total of JMD16.035 billion (approximately 70%) of Jamaican dollar denominated assets were transferred to clients;
- e. TM was pursuing agreement with a trust company for the *en bloc* transfer of the remaining JMD7.6 billion in Jamaican dollar securities;
- f. SSL had a portfolio of international equities, fixed income and other securities held by SSL on behalf of clients of approximately USD32.8 million
- g. As at 11 April 2024, 90% of the international portfolio had been liquidated;
- h. SSL's staff complement had been reduced to 8 full-time and 3 part-time individuals from 22 full-time individuals as at September 2023;
- i. None of the 200 accounts reportedly affected by the SSL fraud have recovered any part of what was lost due to the fraud;
  - i. Any recovery could only come by way of identification of the proceeds of the fraud in accordance with Jamaica's Proceeds of Crime Act ("POCA").
  - ii. "Benefit investigations" which is integral to the forfeiture and recovery process, can only start after criminal convictions are obtained in connection with the fraud.
  - iii. Civil proceedings are open to aggrieved parties and can be started at any time.

- j. Policy position of the Government is that it will make available whatever resources are required to ensure a thorough, fair, complete, and independent investigation.
- k. KROLL Associates UK Limited was engaged to undertake an independent forensic audit to understand the facts relating to the fraud perpetrated at SSL over the period 2010 to 2023;
- l. KROLL produced a comprehensive and independent report of its findings in November 2023;
- m. The KROLL report confirmed that the suspected fraudulent activity and mismanagement at SSL and its related parties were much broader than initially understood; and
- n. The FID submitted a report to the Office of the Director of Public Prosecution for the consideration of criminal charges against individuals linked to the SSL network of companies and/or the companies pursuant to POCA and financial sector legislations.

148. The KROLL team completed their investigation and produced their report in November 2023.

### *Completion of Special Audit and Forensic Investigations*

149. Based on the information available, by November 2023 the Special Audit and Forensic Investigations of SSL were completed.

150. The KROLL investigations made redundant any requirement on part of the as Trustee to commission a forensic audit as was contemplated in the original engagement letter of 16 January 2023.

151. The only remaining investigation is that which continues to be conducted by the FID.

### *Estimates of the number of victims*

152. There was an indication in the *Consolidated Update on SSL* (see [Appendix 3](#)) of there being approximately 200 victims of the alleged fraud but we have not been provided with that list.

153. Even if there were **300** accounts affected this would represent only **2.5%** of clients' accounts. We must be mindful to balance the interests of these various stakeholders such that none are preferred or subordinated, otherwise than is provided for in statute. Even though this number is relatively small, their minority status should not be used against them, and they should not disproportionately bear the cost of the winding-up of the various estates.

### *Cash Flow Movements 17 January 2023 to 31 May 2024*

154. We were provided with a *Cash Flow Movement* for the period 17 January 2023 to 31 May 2024 by the BRSL Team. This summarises the receipts and payments during this period, the full version of which is appended at [Appendix 4](#).

155. The main highlights from the *Cash Flow Movement* are as follows:

- a. The T M commenced with **JMD17.931 million** in cash at bank;

- b. Total Inflows during the period were **JMD376.246 million**; including:
    - i. Sale of Local Shares **JMD101.42 million**
    - ii. Insurance Proceeds re Fraud Claim **JMD153.5 million**
    - iii. Net Proceeds - Sale of Longville Lots **JMD39.828 million**
    - iv. Payment from Delta (related entity) **JMD52.5 million**
    - v. Other inflow of **JMD28.998 million** in aggregate
  - c. Total Outflows during the period were **JMD376.546 million**; including:
    - i. Salaries **JMD129.320 million**
    - ii. Statutory deductions **JMD 41.949 million**
    - iii. Rent **JMD 32.343 million**, including **JMD 3.45 million** to BRSL
    - iv. Systems **JMD 61.295 million**
    - v. BRSL -Temporary Management **JMD 48.147 million**
    - vi. Other outflow of **JMD 63.493 million** in aggregate
  - d. The Net Cash Balance as at 31 May 2024 was **JMD 17.631 million**.
156. We noted of the *Sale of Local Shares*, which realised **JMD 101.42 million**. The management accounts of SSL had recorded these at **JMD 145.801 million** as at 31 December 2022 and **JMD 138.143 million** as at 31 January 2023. Their sale primarily took place in two (2) tranches on 15 February 2023 (**JMD 38.107 million**) and 28 February 2023 (**JMD 58.53 million**). There were smaller disposals on 8 August 2023 (**JMD 4.72 million**) and on 22 May 2024 (**JMD 0.992 million**). The total proceeds represented a **73%** realisation of the January 2023 book value. This realised amount was at least a 27% less than the value at the commencement of the winding up.
157. We noted of *Sale of Longville Lots* for which the net realisation was **JMD 39.828 million**. The gross proceeds were **JMD 43 million**. The *Longville Lots* were all sold to Gentuch Enterprise Limited via an Agreement for Sale of Land dated 10 March 2024. The sale was completed in May 2024. The management accounts of SSL had recorded the value of its Investment Properties at **JMD 70 million** as at both 31 December 2022 and 31 January 2023. The then book value was based on a valuation report of November 2022 conducted by NAI Jamaica Landford and Brown. The TM had commissioned new valuations for the Longville Lots with D. C. Tavares & Finson Realty Limited. The Longville Lots were appraised in September 2023 with a market value of **JMD 53.2 million** and forced sale value of **JMD 42.5 million**. This represented a **24%** (**JMD 16.8 million**) reduction in the appraised value of the lots over the 10-month period November 2022 to September 2023. The gross realisation was marginally (**JMD 0.5 million**) above the September force sale value.
158. There is a question for further enquiry whether the sale of Investment Securities and the Investment Properties of SSL during the period of the TM was permissible.
159. Upon receipt of the *Cash Flow Movement* and making my observations, we wrote to Mr. Tomlinson on 7 June 2024 and, amongst other things, made the following request:

*I note that the statement indicates the disposal/liquidation or monetization of several assets of SSL as well as the apparent utilisation of the \$153,500,000 "Insurance proceeds re fraud claim" for expenses*

*incurred during the course the Temporary Management. Please advise me of the authority and instructions under which these were done and the rationale for each such transaction during the Temporary Management.*

160. The foregoing request was in the context of Injunctive Orders (a) and (c) which were in effect during the T M period. As of the date of the Report, we have not been provided with a direct response to this request.

### ***Proforma Balance Sheet as at 31 May 2024***

161. We have noted the ***Proforma Balance Sheet as of 31 May 2024 – Proprietary*** provided to us by Mr. Tomlinson. This is shown at ***Appendix 5*** and the main highlights of which are:

- a. There were Total Assets of **JMD 770.449 million**, including:
  - i. Cash and Cash Equivalents - **JMD 17.63 million**
  - ii. Loans receivable - **JMD 19.452 million**
  - iii. Due from related parties - **JMD 670.119 million**
- b. There were Total Liabilities of **JMD 1.235 billion**, including:
  - i. Client Payable of **JMD 74.756 million**
  - ii. Contingent Liability **JMD 153.901 million**
  - iii. Note Payable (SSL Promissory Note) of **JMD 750.925 million**
  - iv. Other Payables of **JMD 255.834 million**
- c. The company had a Net Liability (Deficit or negative shareholders' equity) of **JMD 464.968 million**.

162. There was only **JMD17.6 million** in cash and the remaining assets were not readily realisable. The Trustee would have to prioritise the utilization of this cash to activities which could not be deferred pending future recoveries from the other assets.

163. We have noted the **JMD 153.9 million** in Contingent Liability. A copy of this financial report as at 31 May 2024 is included in ***Appendix 5*** of this report, the notes to which describe this amount of **\$153.9 million** as "*insurance recovery re fraud claims.*"

## **L. SPECTRUM CAPITAL PARTNERS LIMITED – PROPOSED TRANSACTION**

164. In the first instance, the lynchpin of the original reorganisation plans for SSL was to have been appropriate modification of a transaction with Spectrum Capital Partners Limited ("SCP" of "Spectrum") which was at an advanced stage toward the acquisition of a majority stake in SSL. Specifically, Spectrum had executed a Share Subscription Agreement and a Shareholders' Agreement with existing shareholders of SSL for their acquisition of approximately 60% of the entity for Four Million United States Dollars (**USD4,000,000**). Spectrum had already paid **USD2,000,000** and the other **USD2,000,000** was payable by 1 March 2023.

165. It was known that the fraud and the winding up would pose some challenges, but these were not insurmountable as the key assets that SCP wanted to acquire were not impacted at the time. That is the licence, the off-balance sheet portfolio and clients' database and management system. These could still be acquired as part of a reorganisation of SSL under a modified

transaction with or without the implementation of a Scheme of Arrangement with the creditors. Any such Scheme of Arrangement would have had to have the necessary approval of creditors, the FSC and the Court as required. The impact on the ***Unaffected Trust Claimants*** would have been neutral and would not have been disenfranchised from their assets/investments.

166. It was confirmed up to 24 January 2023 directly with SCP that they remained interested in pursuing a transaction for the acquisition of the controlling stake in the SSL business which could have been facilitated by a reorganization of SSL.
167. Subsequent to the resumption of the winding-up, the Trustee became aware of correspondence from SCP and its attorneys-at-law, Henlin Gibson Henlin (“HGH”) with respect to their continued interest in the SSL assets which shed a different light on prospects to for the rehabilitation of SSL (and even its solvency).
168. Normally, such correspondence would not have been included in a Trustee’s Report, but in the present circumstances, it is considered prudent to append all the correspondence that has come to our knowledge with respect to the interest from SCP. The correspondence is summarised below and shown at [Appendix 13](#).

Date	From	To
26 Jan 2023	HGH	SSL's Temporary Manager indicating SCP's intention to complete transaction
14 Feb 2023	HGH	SSL's Temporary Manager requesting refund of USD900,000
3 Mar 2023	SSL (Ken Tomlinson)	Ramsay & Partners directing the immediate return of funds held in trust for Spectrum
7 Mar 2023	Ramsay & Partners	HGH – advising that they were transferring USD897,913.90, being balance of the funds they were holding in trust (escrow)
7 Mar 2023	HGH	FSC re interest in SSL Restructuring
24 Apr 2023	HGH	Hylton Powell – re acquisition of licence
28 Apr 2023	SCP	FSC – Newco and acquisition of specific assets and licence and assumption of up to USD3 million in liabilities.
29 Apr 2023	HGH	Hylton Powell – referencing *Hylton Powell letter of 26 April 2023 which I have not been provided with.

169. These correspondences were referenced in a legal opinion which will not be shared at this time. We cannot definitively state that this is all the correspondence with the SSL Temporary Manager, the FSC and SCP with respect to the latter's interest in the SSL business and assets inclusive of the off-balance sheet portfolio.

170. Reference is made to letter dated 28 April 2023 from SCP to the General Counsel of the FSC, wherein SCP detailed a proposal with the formation of a new company ("NewCo") to acquire the SSL business. We have had discussions with SCP and were advised that they did not receive a response to their letter of 28 April 2023.

171. This correspondence might suggest that up to the end April 2023, SCP was seriously interested in the SSL licence and business. In particular, the SCP letter of 28 April 2023 made the following explicit:

- a. Indicative Assets to be acquired:
  - i. Broker Dealer Licence
  - ii. Assets under management: USD150 million
  - iii. Total client: 5,000 clients
  - iv. Average account size: USD30,000 per client
- b. Indicative Liabilities to be considered:
  - i. USD3 million

172. The correspondence suggests that SCP wanted the entire off balance sheet portfolio and would assume up to **USD3 million** in liabilities. SCL was in effect valuing the Broker/dealer Licence of SSL for **USD5 million** with the consideration being **\$2 million** capital injection and the assumption of **USD 3 million** of SSL's on-balance sheet liabilities.

173. Using the liabilities as a May 2024, which are higher than the figures for January 2023 and April 2023, and assuming a twenty percent (20%) to cover the realisation, transaction and winding costs to facilitate the agreement would mean that NewCo settle the Category 2 Preferred Creditors in full and would assume the Category 4 Unsecured Liabilities for approximately **36 cents** in the dollar on a pro-rated basis. That is, **Category 4 Creditors** would suffer a **64%** “haircut”.

	USD Million	JMD Million
SCP Liability Assumption Cap (exchange rate USD1:JMD154)	3.00	462.00
Realisation, Transaction Costs & Winding-up Expenses (20%)	<u>(0.44)</u>	<u>(67.40)</u>
Available for Preferential Creditors	2.64	394.60
Category 2 Preferred Claimants & Creditors	<u>(0.52)</u>	<u>(80.32)</u>
Available for Distribution to Category 4 Claimants & Creditors	2.12	314.28
Category 4 Unsecured Creditors	<u>(5.71)</u>	<u>(879.01)</u>
Deficit (Shortfall) as regards Category 4 Unsecured Creditors	<u>(3.59)</u>	<u>(564.74)</u>
Percentage Distribution to Category 4 Creditors	35.75%	35.75%

174. On the basis of all the information made available, it is reasonable to project that if the SCP transaction was successfully pursued and concluded, it would have potentially had a significant favourable impact on the SSL estate.

175. I should point-out that SSL would still have had the assets on its balance sheet and future realisations and recovery from these assets would have gone towards satisfying the remaining 64% of Unsecured Claims and the Contingent Liabilities.

***Main Challenge with Pursuing transaction with SCP***

176. From assessment, apparently the main challenge facing the TM Team in entering negotiations with SCP was the absence of a brokerage licence; it having been terminated on or around 17 February 2023.

177. Requests have been made for any other pertinent correspondence or information on this issue but as of the date of this report it has not been provided by the FSC or BRSL.



## M. BROKER DEALER AGREEMENT (LICENCE) AND INTANGIBLE ASSETS

178. Although not quantified, the licence SSL had pursuant to a Member Dealer Agreement (“MDA”) of 12 March 2008 and with the Jamaica Stock Exchange (“JSE”) and a Participant Agreement with the Jamaica Central Securities Depository (“JCSD”) along with its clients management system and clients database were/are intangible assets of SSL which would have significant value, even in excess of the value of the on-balance sheet assets. There is no indication that the TM or the FSC took reasonable steps to preserve the stock brokerage licence of SSL for which at least one entity, SCP, had expressed a strong and repeated desire to acquire up to April 2023.
179. Under the original agreements with SCP, whereby for **USD4 million** they would have acquired a **59%** shareholding, the estimated value of SSL’s Equity would have been **USD6.78 million**. In our view, this would be deemed a reasonable proxy for the value of the MDA, the off-balance sheet portfolio of assets under management and the clients’ database of SSL.
180. We have seen correspondence with the Jamaica Stock Exchange (“JSE”) and its Regulatory Market Oversight Division (“RMOD”) indicating requests for information on the required insurance for to SSL retain its broker-dealer licence. Copy correspondence is attached at [Appendix 14](#). With the exception of the letter of 17 February 2024, which was also obtained from Mr. Tomlinson, all the other correspondence were obtained from the JSE/RMOD. The correspondence along with the main subject and or relevant extracts are summarised below:

Date	From	To	Main Subject or Extract
27 January 2023	JSE/RMOD	Ken Tomlinson TM of SSL	Request for proof of renewal of insurance coverage.  Termination of Member/Dealer Agreement by 3 February 2023
2 February 2023	JSE/RMOD	Ken Tomlinson, TM of SSL	Extension granted to 13 February 2023 to provide proof of insurance renewal
14 February 2023	JSE/RMOD	Major Keron Burrell – Executive Director, FSC	<i>“In order to avoid termination, SSL must provide by the end of the day Thursday, February 16, 2023, evidence of coverage of no less amount and on no less terms, than what it had prior to its expiration on January 22, 2023.”</i>
17 February 2023	JSE/RMOD	Major Keron Burrell	<i>Deadline passed...” Please be advised that on February 23, 2023, SSL’s Member/Dealer Agreement with the Exchange will therefore be terminated.”</i>
24 February 2023	JSE	Ken Tomlinson	SSL’s trading access to the JSE’s trading system disabled.
5 March 2023	Jamaica Central Securities Depository Ltd	Ken Tomlinson	<i>“Need for alternative arrangements for investors to access brokerage services” “...SSL JCSD account holders to transfer their securities to a broker of their choice”</i>
2 May 2024	JSE	Hugh Croskery	Confirmation that Member Dealer Agreement was terminated on 23 February 2024.

			<i>“While the Member Dealer Agreement is in existence, the Member Dealer can, with the JSE’s consent assign same to a third party on such terms that it agrees with the third party. However, when the agreement is terminated, the Member Dealer’s right to trade on the Exchange ceases and so does the right to assign the Agreement.”</i>
14 June 2024	JSE	Caydion Campbell	Formally advising Trustee of termination of SSL’s Dealer Agreement with the JSE and its Participation Agreement with JCSD.
20 August 2024	JSE	Caydion Campbell	Declining request for correspondences referred to in their letter of 27 January 2023. Advised that correspondences shared contained all “information relevant...particularly the reason for the termination of SSL’s trading license.

181. Requests were made of Mr. Tomlinson and the FSC for all correspondence around the insurance coverage and the termination of SSL’s Member Dealer Agreement. By letter dated 19 September 2024, the FSC advised that *“The Commission is in the process of liaising with the former Temporary Manager with a view to having this information provided to you at the soonest possible time.”*

182. The following correspondence is highlighted:

- ii. Letter dated 27 January 2023 requesting proof of renewal of insurance coverage, which itself referenced previous correspondence dated *“January 16<sup>th</sup>, 23<sup>rd</sup>, and 25<sup>th</sup>, regarding Stocks and Securities Limited (SSL) insurance renewal pursuant to the Jamaica Stock Exchange’s (JSE) **Rule 225 – Insurance.**”*
- iii. Letter of 2 May 2024 from the JSE to Mr. Hugh Croskery (which was provided by the JSE) putting into context the termination of the MDA and its effect.

***Who Should be Beneficiary of Employee Dishonesty Insurance?***

183. Please note the following from the 3<sup>rd</sup> paragraph of the JSE/RMOD letter of 14 February 2023 shown at **Appendix 14**:

*“Please be advised that the JSE is considering the immediate termination of SSL’s Member/ Dealer Agreement as **the insurance coverage requirement provides investors** through the Exchange, **with protection against fraud and other malfeasance by SSL, to the extent of the coverage.**”* [emphases added]

The Court has been asked to determine whether the purpose insurance coverage for **Employee Dishonesty** is for the benefit of the **investors** (clients) who were the victims of the fraud and not SSL.

**N. COURT APPLICATIONS**

***Preliminary List of Applications to be Made***

184. The following is the Preliminary List of Applications to be made:

- i. Permission Meeting of Creditors to be held in person and virtually and to be hosted from a suitable venue selected by the Trustee with the approval of the Supervisor of Insolvency on or before 31 December 2024.
- ii. Approval of Trustee's Fees which is capped of \$9 million in any month
- iii. Approval for a quasi-management fee of 7.5% to be levied on client accounts with unaffected cash.

### *Communication to Client re Proposed Quasi Management Fees*

185. We have communicated to all clients, with unaffected cash balances on the accounts from whom we had received a Proof of Claim by 16 August 2024, intention to make an application for a quasi-management fee of between **5% and 10%**. These were the clients who were included in the first four (4) batches that were sent to the FSC for their approval in accordance with Directives issues on 31 July 2024. Clients were also advised that **90%** of their balance was approved for payment and extended to them a settlement proposal wherein they could receive **95%** of the balance on their account in full and final settlement prior to the determination of the Court.

186. As of the date of this Report, approximately 210 clients had already executed the settlement agreement. These clients had approximately \$1.33 billion standing to the credit of their account. This represents approximately **25%** of the clients' cash as at 31 May 2024.

187. Less than 5 clients have expressed an objection to the proposed levy, and we are still awaiting responses from the others. These clients, and any others who may object, will receive 90% of the cash balance that stood to the credit of their account as at 31 May 2024.

188. We also have many clients who submitted their claims after our initial cut-off to start the payout enquiring when they will get their settlement offer. The 95% settlement offer will remain open until a determination by the Court.

189. In discussions with clients, some have postulated that the costs should not be borne by the clients but by one or more of the following:

- a) Ms. Jean-Ann Panton (or recovery from her)
- b) Former Directors and Managers of SSL
- c) Shareholders of SSL or
- d) The FSC/Ministry of Finance (Government of Jamaica) i.e. taxpayers

190. A Trustee is not able to compel any of these parties to bear any of the costs of administering the **Off-Balance Sheet Portfolio** and believe the most pragmatic approach is for the clients who are the beneficiaries to bear these costs.

### *Beneficiaries of the Quasi-Management Fees*

191. For avoidance of doubt, I should state that the proposed quasi-management fees would reallocate costs that would benefit clients of approximately 300 accounts, in addition to TAJ and some other statutory bodies and trade creditors. It is not to benefit "SSL" or its shareholders and directors. **SSL is its clients, claimants and creditors.**

192. We remain fully committed to discharging the duties of the Trustee in an objective and impartial manner while balancing the interest to all stakeholders without fear or favour.

Respectfully Submitted,



Caydion E. O. Campbell

Trustee

Stocks and Securities Limited (In Court Supervised Winding-Up & In Bankruptcy)

c/o PRAISE Trustee Limited

Suite # 3, 47<sup>E</sup> Old Hope Road, Kingston 5, Jamaica, W.I.

Email: [caydion@praisetrustee.com](mailto:caydion@praisetrustee.com)

Telephone **(876) 990-0555 (Flow)** or **(876) 383-8944 (Digicel)**

## O. APPENDICES

*Appendix 1 – Formal Orders of the Court – 6 June 2024*



**"Attested Copy"  
FORMAL ORDERS**

**IN THE SUPREME COURT OF JUDICATURE OF JAMAICA  
IN THE COMMERCIAL DIVISION  
CLAIM NO. SU 2023 CD 00036**

**IN THE MATTER OF the Financial Services  
Commission Act**

**AND**

**IN THE MATTER OF the Companies Act**

<b>BETWEEN</b>	<b>FINANCIAL SERVICES COMMISSION</b>	<b>CLAIMANT</b>
<b>AND</b>	<b>STOCKS &amp; SECURITIES LIMITED</b>	<b>1<sup>ST</sup> DEFENDANT</b>
	<b>(In Members' Voluntary Winding-Up)</b>	
<b>AND</b>	<b>CAYDION CAMPBELL</b>	<b>2<sup>ND</sup> DEFENDANT</b>

**BEFORE THE HONOURABLE MR. JUSTICE D. BATTS  
IN OPEN COURT**

**ON February 6, 26, 27, 28, 29, 2024; March 1, 4, 5, 6, 7, 13, 25, 26, 27, 28, 29, 2024;  
April 29, 2024; May 10, 31, 2024**

**UPON THE AMENDED FIXED DATE CLAIM FORM** dated and filed February 27, 2023, 2023 and **UPON THE 2<sup>ND</sup> DEFENDANT'S COUNTERCLAIM** dated November 26, 2023 and filed November 27, 2023 coming on for trial on these days and upon hearing Lisa White, Faith Hall, Nicola Richards, Rochelle Duncan, Matthew Gabbadon and Karessian Gray Attorneys-at-Law instructed by Director of State Proceedings for the Claimant, Carlene Larmond KC and Giselle Campbell instructed by Messrs. Patterson, Mair Hamilton, Attorneys-at-Law for the 1<sup>st</sup> Defendant, Caroline P. Hay KC, Kimberley McDowell and Tereece Campbell-Wong instructed by Caroline P. Hay Attorneys-at-Law for the 2<sup>nd</sup> Defendant with the 2<sup>nd</sup> Defendant being present:

**IT IS HEREBY ORDERED AND DECLARED AS FOLLOWS:**

1. The Claimant's Claim is dismissed.
2. Judgement entered for the Defendants on the 2<sup>nd</sup> Defendant's Counterclaim dated November 26, 2023 and filed November 27, 2023.
3. **DECLARED** that the appointment of **CAYDION CAMPBELL** of Phoenix Restructuring Advisory and Insolvency Services Enterprise (PRAISE), Suite #3,



47E Old Hope Road, Kingston 5 in the parish of St. Andrew as Trustee of the 1<sup>st</sup> Defendant for the purposes of winding up and reorganization is and was at all material times valid.

4. The interlocutory injunction granted on January 25, 2023 is hereby discharged and the temporary management put in place by the Claimant on or about January 17, 2023 shall cease with immediate effect and is hereby also discharged.
5. The 1<sup>st</sup> and 2<sup>nd</sup> Defendants are at liberty to pursue recovery of damages pursuant to the Claimant's undertaking as to damages.
6. The winding up of the 1<sup>st</sup> Defendant lawfully commenced on January 16, 2023 shall recommence but shall be subject to the supervision of the Court with liberty to creditors, contributories and all relevant and interested parties to apply to the Court and be subject to such further or other conditions as the Court may order.
7. The said **CAYDION CAMPBELL** shall continue to act as Trustee in the winding up unless or until the creditors determine otherwise pursuant to the provisions of the Insolvency Act or further order of the Court.
8. The Temporary Manager and the Claimant shall provide the Trustee with all reports and other pertinent information in their possession as well as all relevant information he may request in furtherance of his duties.
9. The Trustee shall in accordance with Section 282 of the Companies Act (as amended by the Insolvency Act) apply to the Supervisor of Insolvency for an assignment in accordance with the Insolvency Act and shall thereafter proceed in accordance with the provisions of that Act.
10. The Trustee is further ordered and directed to invite, by post, electronic mail, newspaper publication and/or any address known to the 1<sup>st</sup> Defendant, all known potential and contingent claimants and/or creditors of the 1<sup>st</sup> Defendant to submit their proof of claims for adjudication and proving by the Trustee and/or for their admission or voting at a meeting of creditors and/or ranking for distribution and/or payment or for the reorganization of the business or otherwise whatsoever in accordance with the Insolvency Act or any further order of the Court.
11. There is a stay of all pending or other proceedings against the 1<sup>st</sup> Defendant and no suit, action, or other proceedings including criminal proceedings shall be

proceeded with or commenced against the 1<sup>st</sup> Defendant unless the permission of this Court is obtained.

- 12. The Trustee shall submit a report to the Court within 90 days of this Order and the Court will convene on September 26, 2024 at 10:00am for 2 hours in open Court to consider any applications.
- 13. Suit SU2023CD00097 shall be listed on September 26, 2024 at 10:00am for 2 hours in open Court before the same Court for further orders.
- 14. Costs of this claim will go to the 1<sup>st</sup> and 2<sup>nd</sup> Defendants against the Claimant to be taxed if not agreed.

BY THE COURT

  
 \_\_\_\_\_  
 REGISTRAR  
 JUDGE



Extracted by Caroline P. Hay Attorneys-at-Law (per Teresece K. Campbell-Wong, Atty No. 6024) of 17 Ruthven Road, Bldg. 1, Kingston 10, Saint Andrew, Jamaica. Tel. (876) 958-1866, 960-8538/4880 and Fax (876) 968-1870 for and on behalf of the 2<sup>nd</sup> Defendant herein whose address is that of his said Attorney-at-Law. Email address: info@haylawja.com Web: www.haylawja.com.

*Appendix 2 - Beneficial Ownership of SSL*

1. It is important that I set out, based on the information available to me, my understanding of the beneficial ownership of SSL and some of the key players associated with the company.
2. The direct and beneficial shareholders of SSL are as indicated in the schedule below:

Stocks & Securities Limited			
Shareholder	Number of Shares	% of Holdings	Beneficial Ownership % in SSL
SSL Growth Equity Limited	125,215,477.00	62.50%	
George Chai	75,129,240.00	37.50%	37.50%
	<u>200,344,717.00</u>	<u>100.00%</u>	
SSL Growth Equity Limited			
Shareholder	Number of Shares	% of Holdings	Beneficial Ownership % in SSL
Hugh Croskery	43,427,881	37.28%	23.30%
[REDACTED]	19,854,400	17.04%	10.65%
George Chai	15,129,274	12.99%	8.12%
Mark Croskery	14,336,000	12.31%	7.69%
[REDACTED]	4,361,429	3.74%	2.34%
[REDACTED]	3,443,756	2.96%	1.85%
[REDACTED]	2,869,796	2.46%	1.54%
[REDACTED]	2,869,796	2.46%	1.54%
[REDACTED]	2,295,837	1.97%	1.23%
Sarah Meany	1,753,797	1.51%	0.94%
[REDACTED]	1,147,919	0.99%	0.62%
[REDACTED]	1,056,085	0.91%	0.57%
[REDACTED]	876,898	0.75%	0.47%
[REDACTED]	876,898	0.75%	0.47%
[REDACTED]	579,699	0.50%	0.31%
[REDACTED]	551,001	0.47%	0.30%
[REDACTED]	409,219	0.35%	0.22%
Phillip Croskery	374,143	0.32%	0.20%
[REDACTED]	275,500	0.24%	0.15%
	<u>116,489,328</u>	<u>100.00%</u>	<u>100.00%</u>
George Chai Beneficial Ownership in SSL			
Direct in SSL			37.50%
Indirect through SSL Growth Equity Limited			8.12%
<b>Total Beneficial Ownership of George Chai</b>			<u>45.62%</u>
Croskery Family's Beneficial Ownership in SSL			
Hugh Croskery (indirect through SSL Growth Equity)	43,427,881	37.28%	23.30%
Mark Croskery (indirect through SSL Growth Equity)	14,336,000	12.31%	7.69%
Sarah Meany [nee Croskery] (indirect through SSL Growth Equity)	1,753,797	1.51%	0.94%
Phillip Croskery (indirect through SSL Growth Equity)	374,143	0.32%	0.20%
<b>Total Croskery Family Beneficial Ownership</b>	<u>59,891,821</u>	<u>51.41%</u>	<u>32.13%</u>
<b>Other 14 SSLGEL Shareholders</b>	<u>56,597,507</u>	<u>48.59%</u>	<u>22.25%</u>
<b>GRAND TOTAL</b>			<u>100.00%</u>

3. I should point out that as I understand, the shareholders of SSL Growth Equity Limited (“SSLGEL”) were for the most part initially direct shareholders of SSL whose holdings were

swapped out for shares in SSLGEL. There were also some who had converted prior investments they had made through SSL into shareholdings in SSLGEL. This was part of an initial reorganisation of SSL to make it simpler to attract a strategic investor who would not have to deal with multiple shareholders. SSLGEL is incorporated in Barbados.

#### George Chai's Beneficial Ownership in SSL

4. The apparent largest beneficial shareholder of SSL is Mr. George Chai who holds directly a **37.5%** stake in SSL and indirectly a further **8.12%** stake through SSLGEL for a total beneficial ownership of **45.72%**.

#### Croskery Family's Interest in SSL

5. As I understand it, Mr. Hugh Croskery former director of SSL, is one of the shareholders of SSLGEL in which he holds a **37.28%** stake. His son, Mr. Mark Croskery, daughter, Mrs. Sarah Meaney and brother, Mr. Phillip Croskery, are also shareholders with stakes of **12.31%**, **1.51%** and **0.32%**, respectively.
6. The information available suggests that Mr. Hugh Croskery's beneficial interest in SSL is approximately **23.30%**. In conjunction with other family members the interest is approximately **32.13%**.

#### Other Shareholders of SSLGEL

7. There are 14 other shareholders who have an approximately **22.25%** stake in SSL through their combined **35.60%** stake in SSLGEL. The preliminary indication is that none of these other 14 shareholders took any active part in the governance or management of SSL. However, several of them are also direct clients of SSL, including being affected claimants and/or holders of impaired investments in SSL related companies.
8. I have redacted the names of these 14 shareholders as their identities are not otherwise public information or relevant for this Report.

#### Status of SSLGEL

9. I should point out that, although outside of the scope of my appointment, the information available to me suggests that SSLGEL would be both balance sheet and cash-flow insolvent. It would be expected that this would have been aggravated by the status of SSL which it had relied on for financial, managerial and governance support. That is, the subsidiary was in fact taking care of the parent company. Given the insolvent state of SSLGEL, only Mr. George Chai, through his direct **37.5%** holding would potentially have been **"in the money"** and have a real beneficial and economic interest in SSL at the commencement of the winding-up in January 2023.
10. It should be noted that any surplus that in subsequent years may have flowed from SSL, because of a successful reorganisation and rehabilitation of the business, would have had to be used to first settle SSLGEL liabilities. SSL and its clients are the primary creditors of SSLGEL and as such this would be a circular flow of funds to arrive at the net position of amounts that are due to the third-party clients. SSLGEL shareholders, who are also making

enquiries and wanting to submit claims in the SSL winding-up, which is not permissible, and not expected to recoup any of their investments.

11. The information available to me suggest that most of the creditors of SSLGEL are also among the off-balance sheet clients of SSL as most of these investments would have been made through SSL.

#### Former Directors of SSL

12. As at the date of my appointment as Trustee of SSL, the following were the directors of the Company:

- Laurence Adamson, Non-Executive Director
- Jeffrey Cobham, Chairman of the Board
- Hugh Croskery, Executive Director
- Peter Knibb, Non-Executive Director

13. The following person had also by then recently resigned as directors of SSL:

- Ivan Carter
- Zachary Harding
- Sarah Meany

14. I have not ascertained any information to indicate that any of the other former directors, apart from Hugh Croskery and Sarah Meany were also shareholders of SSL or SSLGEL and therefore had any equity interest in SSL or in the outcome of the proposed reorganisation.

15. Some of the directors are also clients of SSL.

#### No Conflict of Interest for Trustee

16. I must point out that I (and the members of the PRAISE team) have no personal or professional relationship with any of beneficial shareholders of SSL or its directors nor any conflict-of-interest issues that would lead me to believe that I could not act impartially and independently in accepting an appointment as Trustee of SSL.

17. I would also wish to make it explicit that I have not received any financial backing, funding or even moral support from any of these parties nor am I in contact with any of them save where they may have a claim against SSL in the capacity of a client or I am seeking information from them with respect to SSL's operations in the discharging my duties as Trustee.

18. I must state for the record that I have only had limited interactions with the shareholders of SSL (or their representatives), the (former) directors, officers and managers of SSL While I will extend the usual courtesies to these persons, I have always maintained my professional distance and am able to act independently and impartially. I have not received, nor would I take, instructions from any of these persons.

19. In my role as Trustee and the Agent of SSL. I am not the agents or representatives of the shareholders or (former) directors of SSL and at this point these persons have no equity in or oversight of SSL.





*Appendix 3 – Financial Overview***I. FINANCIAL OVERVIEW****PROFORMA BALANCE SHEET FOR STOCKS & SECURITIES LIMITED**

	<b>31 Aug 2024</b>	<b>31 May 2024</b>	<b>31 Jan 2023</b>	<b>31 Dec 2022</b>
	<b>JMD</b>	<b>JMD</b>	<b>JMD</b>	<b>JMD</b>
<b>ASSETS</b>				
Cash and cash equivalents	5,342,894	17,630,512	133,450,868	378,163,201
Investment securities	-	-	138,142,797	145,801,358
Loans receivable	19,451,780	19,451,780	5,878,282	6,882,769
Due from related parties	670,118,561	670,118,561	706,409,983	638,362,469
Income Taxation recoverable	17,346,041	17,346,041	17,346,041	17,346,041
Other receivables	17,442,389	17,442,389	49,674,836	21,840,436
Intangible asset	-	-	54,097	54,097
Property, plant and equipment	4,041,626	4,311,626	4,327,805	4,327,805
Investment Properties	-	-	70,000,000	70,000,000
Deferred Tax Asset	24,148,330	24,148,330	24,148,330	24,148,330
	<b>757,621,622</b>	<b>770,449,239</b>	<b>1,149,433,039</b>	<b>1,306,925,506</b>
<b>LIABILITIES</b>				
Client Payables	74,756,569	74,756,569	193,410,705	191,433,266
Contingent Liability	153,901,600	153,901,600		
Note Payable	750,925,342	750,925,342	702,467,088	685,603,669
Other Payables	300,237,412	255,834,438	281,111,303	111,994,066
	<b>1,279,820,923</b>	<b>1,235,417,949</b>	<b>1,176,989,096</b>	<b>989,031,001</b>
<b>EQUITY</b>				
Share Capital	2,827,269,673	2,827,269,673	2,827,269,673	2,827,269,673
Advance on shares	-	-	-	309,412,183
Cumulative convertible preference shares	172,361,179	172,361,179	172,361,179	172,361,179
Accumulated Deficit	(3,521,830,153)	(3,464,599,462)	(3,027,186,908)	(2,991,147,529)
	<b>(522,199,301)</b>	<b>(464,968,610)</b>	<b>(27,556,057)</b>	<b>317,895,505</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>757,621,622</b>	<b>770,449,239</b>	<b>1,149,433,039</b>	<b>1,306,925,506</b>

## NOTES TO BALANCE SHEET

### 1. Cash and cash equivalents

	31 Aug 2024	31 May 2024	31 Jan 2023	31 Dec 2022
	JMD	JMD	JMD	JMD
Cash	170,000	-	12,135	12,135
Bank	5,172,894	17,630,512	137,331,255	381,726,948
Broker	-	-	(3,892,522)	(3,575,883)
	<b>5,342,894</b>	<b>17,630,512</b>	<b>133,450,868</b>	<b>378,163,201</b>

Refer to accompanying Receipts and Payments summary received from Temporary Management which outlines transactions done during the period 17 January 2023 to 31 May 2024.

\$170,000 in Cash on hand as of 31 August 2024 represents cash received from sale of artwork.

A summary of bank transactions done from 1 June 2024 to 31 August 2024 follows:

Description	Amount (JMD)	Comment
<b>Opening Balance</b>	<b>17,630,512</b>	
Reversal of prior period transaction	9,322,870	Software fee payment done in May 2024 and reversed by bank in June, 2024
Software Fee – Portfolio Management	(14,175,331)	Fees paid to Finartis Group SA, provider of the Prospero portfolio management system.
Personnel Costs – SSL Legacy Staff	(7,393,175)	Contract payments for eight (8) persons
Bank Charges & Adjustments	(211,982)	
<b>Closing Balance</b>	<b>5,172,894</b>	

## 2. Investment securities

Sale Date	Security	Ticker Symbol	Units Sold	Settlement Amount
				<b>JMD</b>
28-Feb-23	Carreras Ltd.	CAR	5,730	47,559
28-Feb-23	Ciboney	CBNY	2,600	1,326
28-Feb-23	Fosrich Company Ltfd.	FOSRICH	22,689,783	58,790,481
28-Feb-23	Jamaica Stock Exchange	JSE	1,000	13,982
				<b>58,853,348</b>
15-Feb-23	Everything Fresh Ltd.	EFRESH	29,134,517	34,945,330
15-Feb-23	First Rock Real Estate Investments Ltd.	FIRSTROCKJM	100,000	1,208,959
15-Feb-23	Knutsford Express Services Ltd.	KEX	28,721	315,187
15-Feb-23	Wisyno Group Ltd.	WISYNCO	95,000	1,637,748
				<b>38,107,224</b>
8-Aug-23	Pulse Investments Ltd	PULS	1,812,960	3,729,772
22-May-24	Pulse Investments Ltd	PULS	604,320	992,619
				<b>4,722,392</b>
	Knutsford Express Services Ltd.	KEX	384	
				<b>-</b>
<b>Overall Total</b>				<b>101,682,964</b>

Investment securities represent equity investments held directly by SSL which have all been encashed during the period of temporary management and largely used to pay operating expenses incurred.

## 3. Loans receivable (net)

This amount primarily represents loans to third parties. We are gathering pertinent information to support recovery efforts.

## 4. Due from related parties

These represent amounts loaned and/or advanced to entities related to SSL either by common ownership or through connected/associated parties.

	31 Aug 2024	31 May 2024	31 Jan 2023	31 Dec 2022
	JMD	JMD	JMD	JMD
SSL Growth Equity Limited	391,320,591	391,320,591	382,182,921	331,096,846
SSL Capital Cayman	222,255,670	222,255,670	218,135,824	199,425,498
Delta Capital Partners Limited	47,002,647	47,002,647	96,697,033	98,521,055
Others	9,539,653	9,539,653	9,394,205	9,319,070
	<b>670,118,561</b>	<b>670,118,561</b>	<b>706,409,983</b>	<b>638,362,469</b>

These amounts represent loans and advances to entities related to SSL.

I am gathering data and formulating a strategy to effectively pursue recovery. A summary of information obtained to date is provided below:

### Delta Capital Partners Limited

Delta Capital Partners Limited (“Delta”) was incorporated in Jamaica in July 2020 as a private equity firm. It’s related company, Delta Capital Holdings Ltd. is an incorporated International Business Company in St. Lucia. Information derived from Delta’s management accounts at June 2023 outlines its ownership interest as follows:

Delta Capital Partners Limited owned by	Percentages as at December 2022	Percentages as at December 2021
Zachary Harding	57.5%	45.0%
Hugh Croskery	-	45.0%
Ivan Carter	30.0%	5.0%
Allison Hemmings	2.5%	2.5%
Anthony Dunn	5.0%	2.5%
Held in Trust for Employees	5.0%	-
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Delta has invested in several equity and loan deals in the region, most of which have not turned out favourably. The receivable amount represents amounts advanced to provide working capital support to the Delta Capital, a portion of which was repaid in 2023.

### Others

This represents smaller amounts due from other related entities, as outlined below:

	31 Aug 2024	31 May 2024	31 Jan 2023	31 Dec 2022
	JMD	JMD	JMD	JMD
Due from related parties - Other	9,539,653	9,539,653	9,394,205	9,319,070

These represent smaller amounts due from other related entities:

1. SSL Asset Management (Cayman) Ltd.
2. SSL Number 7 Limited
3. Select Private Services Limited
4. SSL REIT Investors Limited

## 5. Income taxation recoverable

Income tax recoverable represents tax withheld on interest income earned by SSL which it was not able to recover against profits, given its recurrent losses sustained over the last several years.

## 6. Other receivables

This amount represents accumulated GCT input and withholding tax paid by SSL which it has not been able to recover from its taxable revenues. My intent is to discuss a deal with the Tax Administration of Jamaica whereby the GCT Recoverable can be offset against SSL's outstanding liabilities for other tax types.

	31 Aug 2024	31 May 2024	31 Jan 2023	31 Dec 2022
	JMD	JMD	JMD	JMD
Other Receivables	17,442,389	17,442,389	49,674,836	21,840,436

## 7. Intangible asset

This amount for 31 January 2023 represents the unamortised cost of yearly software licence for the Prospero system under accrual accounting convention. This amount was subsequently fully amortised.

## 8. Property, plant and equipment

Most of the items are old, malfunctioning office furniture, equipment and accessories. Since May 31, 2024, I have been able to sell one artwork for \$170,000, after commission paid to dealer. This amount represents the net proceeds and is equivalent to the assessed market value for that piece of painting.

## 9. Investment properties

- Investment properties represent six (6) parcels of land located at Longville Park, Clarendon. Per valuation report received from the Temporary Manager and carried out by D. C. Tavares & Finson Realty Limited, the lots had a combined appraised market value of \$53,200,000 (and forced sale value of \$42,500,000) as at September, 2023. The lots were sold during the period of temporary management for \$43 million.

## 10. Deferred tax asset

Deferred tax asset represents theoretical tax credit on accumulated losses carried forward as required by International Financial Reporting Standards.

#### 11. Client payables

This represents a shortfall between cash balances tracked in individual client accounts and actual total cash balance in SSL's designated client bank account. Based on preliminary research, this shortage has existed for several years. We are doing further reviews to ascertain the source.

#### 12. Notes payable

These represent promissory notes issued to clients for loans to SSL.

#### 13. Other payables

	<b>31 Aug 2024</b>	<b>31 May 2024</b>	<b>31 Jan 2023</b>	<b>31 Dec 2022</b>
	<b>JMD</b>	<b>JMD</b>	<b>JMD</b>	<b>JMD</b>
Accounts Payable	38,542,733	38,542,733	60,692,759	36,098,852
Statutorily Outstanding	55,322,211	31,333,497	29,807,688	45,015,220
Reclass of Investor Equity Injection to Debt	171,169,953	171,169,953	171,169,953	
Others (Accrued Expenses, GCT Payable, Accrued Leave, Finance Lease)	35,202,515	14,788,255	19,440,903	30,879,994
	<b>300,237,412</b>	<b>255,834,438</b>	<b>281,111,303</b>	<b>111,994,066</b>

#### 14. Share capital

This amount represents the carrying amount for Ordinary Share Capital.

#### 15. Advance on shares

This amount represents amounts received by SSL from Spectrum Capital with respect to deal for them to acquire SSL's business. A portion of this amount was refunded to Spectrum Capital and the balance reclassified during the period of Temporary Management and included in Other Payables as an outstanding obligation of SSL.

#### 16. Cumulative preference shares



This amount represents the carrying amount for Preference Share Capital.

**17. Accumulated deficit**

This represents losses accumulated by SSL to date.

*Appendix 4 – Consolidated Update on SSL – Office of MOFPS – 17 April 2024*



**OFFICE OF THE MINISTER OF FINANCE AND THE PUBLIC SERVICE**

**Wednesday, April 17, 2024**

**Consolidated Update on SSL**

**1.0 Background**

The fraud at Stocks and Securities Limited ("SSL") is of public interest. The Financial Investigation Division has reported that the fraudulent schemes are now estimated to have affected over 200 accounts and the extent of the fraud exceeds \$3 billion in value.

SSL was a boutique wealth management firm with assets that represented approximately 0.6% of consolidated financial sector assets. At the time the fraud came to public attention, SSL had custody of approximately \$30 billion of client assets as part of SSL's off-balance sheet portfolio. There have been periodic updates from the entities managing the winding down of SSL, the transfer of its client balances to accounts designated by clients, and the investigation into the fraud.

However, some members of the public have requested a consolidated update, which I now provide in this release, from updates provided to me by the FSC, the FID and the Temporary Manager.

**2.0 Temporary Management**

**2.1 Transfer of Accounts**

At the time that SSL came under Temporary Management it held a portfolio of off-balance sheet assets across thousands of client accounts.

The orderly winding down of SSL requires the transfer of these assets to clients after clients contact SSL and provide acceptable Know Your Customer and identification information.

**2.2 Transfer of Local Securities**

Transfers began in September and, as at April 16, 2024:

- 1,230 client accounts totaling approximately J\$15.37 billion of local equity and fixed income securities were transferred to accounts specified by these clients;
- Jamaican dollar cash of approximately J\$665 million for 338 clients, has been paid over to these clients.

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30 NATIONAL HEROES CIRCLE, P.O. BOX 512, KINGSTON 4, JAMAICA, W.I.  
TEL: (876) 922-8600-16 FAX: (876) 922-8804 E-MAIL: hmf@mof.gov.jm

- Therefore, a total of \$16.035 billion in, (or approximately 70% of), Jamaican dollar denominated assets held in SSL's off-balance sheet portfolio have now been transferred to clients. Jamaican dollar denominated assets include Jamaican equity and fixed income securities and Jamaican dollar cash.
- For the remaining Jamaican dollar securities, totalling \$7.6 billion in value, the Temporary Manager is pursuing an agreement with a trust company for the *en bloc* transfer of these remaining Jamaican dollar assets which will be held by the trust company in custody for clients. More details will be provided once this agreement is finalised.
- SSL continues to process requests to transfer available cash balances. Clients are required to submit their request including payment details to the Service Team.

### 2.3 Transfer of the Proceeds of International Securities

- Prior to April 11, 2024, the portfolio of international equity, fixed income and other securities, held by SSL on behalf of clients, totalled approximately US\$32.8 million.
- As at April 11, 2024, 98% of this international portfolio had been liquidated.
- In relation to these international securities, once accounts have been reconciled, funds will be remitted directly to clients based on their instructions.
- The Temporary Manager is encouraging clients to indicate their preferred payment currency and provide banking details as outlined below:
  - (i) *Bank Name and Branch*
  - (ii) *Name(s) on Account*
  - (iii) *Account Number*
  - (iv) *Account Currency and Type*
  - (v) *Routing Number or Intermediary Banking Details*
- The Temporary Manager emphasises that payments will only be made to account holders and third-party transactions will not be executed.

### 2.4 SSL Staff Complement and Client Contact Details

- SSL's staff complement has been reduced to 8 full-time and 3 part-time individuals from 22 full-time individuals as at September 2023.
- SSL clients may direct any concerns or queries regarding their accounts to the SSL Client Service Team. The team is available via email at [sslserviceteam@sslinvest.com](mailto:sslserviceteam@sslinvest.com) or by

phone at 876-948-0015 or at the offices of SSL, relocated to 11 Connolley Avenue, Kingston 4.

### 3.0 Recovery of SSL Client Losses due to the Alleged Fraud

The transfers described in Section 1.1 – 1.3 above represent transfers of client assets that existed in SSL at the time of the appointment of the Temporary Manager.

**As such, none of the 200 accounts reportedly affected by the SSL fraud have recovered any part of what was lost due to the fraud.**

Any recovery could only come by way of identification and pursuit of the proceeds of the fraud in accordance with Jamaica's Proceeds of Crime Act ("POCA"). As such, the Financial Investigative Division ("FID"), in its role as the Asset Recovery Agency under the POCA, is empowered by law "to provide for the investigation, identification and recovery of the proceeds of crime and for connected matters"<sup>1</sup>. The FID is also the Enforcing Authority under the POCA for the purposes of conducting proceedings relating to criminal forfeiture under section 5 of the Act and the FID is also expressly authorized to conduct civil recovery proceedings in the Supreme Court.

The procedures to effect these mandates are set out in the POCA. While the tracing of fraudulently obtained assets can begin before the conclusion of court proceedings in the criminal matter, the "benefit investigation", which is integral to the forfeiture and recovery process, can only start after criminal convictions are obtained in connection with the fraud. However, civil proceedings, are open to aggrieved parties and can be started at any time.

### 4.0 SSL Investigation

As I mentioned in my Opening Budget Presentation in, March 2023 and again in March 2024, with respect to the investigation into SSL, the policy position of the Government is that we will make available whatever resources are required to ensure a thorough, fair, complete, and independent investigation. We will also:

- Leave no stone unturned;
- Follow the evidence wherever it may lead; and
- Seek international assistance.

This is the policy that has been implemented.

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<sup>1</sup> The POCA

As previously updated, KROLL Associates UK Limited, a renown international investigations firm, was engaged to undertake an independent forensic audit to understand the facts relating to the fraud perpetrated at Stocks and Securities Limited over the period 2010 to 2023.

The company was selected because it did not have any connection in Jamaica and because its vast experience given the complexity of the matter, the volume of transactions, the number of accounts held by clients, and the number of bank accounts held by the SSL network of companies.

The KROLL team, working with the support of government agencies, including the FID and FSC, utilized technology, data analytics and forensic expertise to produce a comprehensive and independent report of its findings in November 2023. The KROLL report has confirmed that the suspected fraudulent activity and mismanagement at SSL and its related parties were much broader than initially understood.

With the benefit of this report, their own investigations, and through collaboration with other law enforcement agencies, the FID has publicly reported that a file was submitted to the Office of the Director of Public Prosecutions for the consideration of criminal charges against individuals linked to the SSL network of companies and/or the companies pursuant to the Proceeds of Crime Act, Larceny Act and financial sector legislations.

#### **5.0 Financial Services Commission v. Stocks & Securities Limited**

It is customary that public comments by members of the Executive and Legislative branches of government on matters actively before the Judiciary are limited to what is expressly in the public interest, if public comment is to be made at all.

As such my comments here will be necessarily brief.

The core issue in the case is to determine whether the authority over SSL should rest with the Temporary Manager appointed by the Financial Services Commission or the Trustee appointed by (the Board of) SSL itself.

After a hearing on December 20, 2023 and Pre-Trial Review on January 18, 2024, the trial commenced on February 26, 2024, with the next hearing scheduled for April 29, 2024.

#### **6.0 Further Communications**

The agencies and entities involved in the SSL matter will continue to independently provide updates. A landing page that consolidates all of the past and current updates and releases will be available for viewing by the end of this week.

As Minister of Finance and the Public Service I will continue to keep the public informed, as and when required.



*Appendix 5 – Cash Flow Movement 17 January 2023 to 31 May 2024*

<b>Stocks and Securities Limited</b>			
<b>Cash Flow Movement</b>			
<b>Jan 17 2023 -May 31 2024</b>			
<b>Date</b>	<b>Details</b>		<b>J\$000</b>
<b>16.1.2023</b>	<b>Cash at bank</b>		<b>17,931</b>
<b>A/C</b>	<b>Curren Amount</b>	<b>J\$000 (Equivalent)</b>	
Citi 2001	US\$ 40,730.18	6,110	
Citi 2192	J\$ 11,770,410.11	11,770	
Citi 0008	US\$ 339.57	51	
		17,931	
<b>Inflows:</b>			
	Sale of Local Shares		101,420
	Insurance proceeds re fraud claim		153,500
	Sale of leased Pick-up - 6197HF (net proceeds)		2,491
	Insurance refund re sale of pickup		22
	PBL Interest spread		23,572
	Sale of FF&E		1,135
	Net proceeds - sale of longville lots		39,828
	Payment from Delta		52,500
	FX gain on conversion		1,602
	Misc - deposit re sale of motor veh from 2022 to incorrect bank a/c now transferred		175
	<b>Total Inflows</b>		<b>376,246</b>
<b>Outflows:</b>			
	Salaries and contract workers	-	129,320
	Statutory deductions	-	41,948
	Rent Simdo/BRSL -J\$3.45M	-	30,445
	JSE/BOJ/JCSD	-	1,451
	Systems	-	63,192
	Utilities	-	10,594
	Legal services	-	17,860
	Surveyor and related costs re Longville, incl prop taxes	-	3,403
	GCT	-	1,110
	Motor vehicle lease	-	1,238
	Other expenses	-	22,229
	Valuators - FF&E & Longville	-	1,157
	Legal - Longville lots	-	165
	Credit card - balances	-	3,802
	BRSL - Temporary Management	-	48,147
	Relocation costs	-	485
	<b>Total Outflows</b>	-	<b>376,546</b>
<b>Net Cash Balance - 31 May 2024</b>			<b>17,631</b>
<b>A/C</b>	<b>Curren Amount</b>	<b>J\$000 (Equivalent)</b>	
Citi 2001	US\$ 369.10	58	
Citi 2192	J\$ 17,656,752.62	17,657	
Citi 0008	US\$ - 536.67	84	
		17,631	
<b>Notes:</b>			
1. Other expenses represent Security costs, Life & Heath Insurance, Motor Vehicle Insurance, Storage fe, media fees, bank charges, garbage removal, cleaning and office supplies, gas and other motor vehicle expenses.			
2. This workbook represents Temporary Management tracking of cash inflows & outflows. FX conversion rate of \$150 used until Sept 2023 when changed to \$153.5. Rate changed to \$156 in March 2024. These rates are not reflective of the monthly rates booked to the general ledger, but should not vary significantly			
3. For more accurate presentations, amounts were reallocated between rent & systems and JSE/BOJ/JCSD and others			

*Appendix 6 – Proforma Balance Sheet – 31 May 2024 - Proprietary*

Stocks and Securities Ltd  
Proforma Balance Sheet as of May 31, 2024 -PROPRIETARY ONLY

Notes #	JMD	Actual May 2024
	<b>ASSETS</b>	
	Cash and cash equivalents	17,630,612
	Loans (Net) receivable ( Deladad/Herald Printers)	19,451,780
	<b>Due from related parties</b>	<b>670,118,561</b>
	SSL Growth Equity Limited	391,320,591
	SSL Capital Cayman	222,255,670
	Delta Capital Partners Limited	47,002,647
	Others ( SSL Cayman, SSL Asset Mgmt, Select Private Services Limited)	9,539,653
	Income taxation recoverable	17,346,041
	<b>Other receivables</b>	<b>17,442,389</b>
	Withholding/GCT Tax Recoverable	17,238,330
	Other Receivable	204,059
	Property, plant and equipment	4,311,626
	Deferred tax asset	24,148,331
	<b>Total Assets</b>	<b>770,449,340</b>
	<b>LIABILITIES</b>	
1	Client Payables	74,756,569
2	Contingent Liability	153,901,600
3	Note payable	750,925,342
	Loans Payable	634,484,046
	Accrued Interest	116,441,296
	<b>Other payables</b>	<b>255,834,438</b>
	Accounts Payables	38,542,733
4	Statutories O/S	31,333,497
5	Reclass of Investor Equity injection to Debt	171,169,953
	Others ( Accrued Expenses/GCT Payable/Accrued leave/finance lease)	14,788,255
	<b>Bonds payable</b>	
	<b>Total Liabilities</b>	<b>1,235,417,949</b>
	<b>EQUITY</b>	
	Ordinary Share capital	2,782,269,673
	Redeemable Pref Share	45,000,000
	Cumulative Convertible Pref Share: G . Chai	172,361,179
	Accumulated deficit	(3,217,020,375)
	Current Year Profit / (loss)	(247,579,087)
	<b>Total Equity</b>	<b>(464,968,611)</b>
	<b>Total Liabilities and Equity</b>	<b>770,449,338</b>

**Notes**

- 1 Client Payables represents cash shortfall due to clients - difference between AUM & Client cash accounts
- 2 This represents Insurance recovery re fraud claims and is not reflective of the actual liability under existing or potential claims
- 3 This represents amounts due to SSL promissory note holders
- 4 Outstanding statutories represent long overdue amounts prior to Temporary management plus \$7.175M for January 2024
- 5** This represents amount received from Spectrum under contract, which was discontinued.



*Appendix 7 – Gazetted Government Trustee Fees*



THE  
**JAMAICA GAZETTE**  
**SUPPLEMENT**

**PROCLAMATIONS, RULES AND REGULATIONS**

1131

Vol. CXLIV MONDAY, JULY 19, 2021 No. 99

No. 133

**THE INSOLVENCY ACT**

**THE INSOLVENCY (PRESCRIBED FEE) (GOVERNMENT TRUSTEE)  
ORDER, 2021**

In exercise of the power conferred upon the Minister by section 227(4) of the Insolvency Act, and of every other power hereunto enabling, the following Order is made:—

1. This Order may be cited as the Insolvency (Prescribed Fee) (Government Trustee) Order, 2021.
2. As regards the administration of the estate of a debtor, the Government Trustee shall be paid in respect of the services specified in the first column of the Schedule the fee in relation to that service as specified in the second column of the Schedule.

1132 PROCLAMATIONS, RULES AND REGULATIONS [JULY 19, 2021]

SCHEDULE	Paragraph (2)
<i>Fees Payable to Government Trustee</i>	
<i>Service Rendered During Administration of Estate</i>	<i>Fee</i>
For services in respect of—	—
(a) dividends or other payments made to satisfy proven claims	an amount equivalent to 6% of the value of the dividends or other payments
(b) the preparation of a sale agreement to effect the sale of land	\$30,000.00 (payable by a purchaser)

Dated this 12th day of July, 2021.

HON. AUDLEY SHAW, CD, MP  
Minister of Industry, Investment and Commerce.

*Appendix 8 – Sample Newspaper Publications*

FRIDAY, JUNE 21, 2024 FINANCIAL GLEANER

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**THE COMPANIES ACT, 2004**

**COURT SUPERVISED WINDING-UP  
NOTICE OF APPOINTMENT OF TRUSTEE  
PURSUANT TO SECTION 299**

<b>NAME OF COMPANY:</b>	STOCKS AND SECURITIES LIMITED
<b>NATURE OF BUSINESS:</b>	INVESTMENTS & WEALTH MANAGEMENT
<b>ADDRESS OF REGISTERED OFFICE:</b>	33 1/2 HOPE ROAD, KINGSTON 10 Caydion@gmail.com
<b>NAME OF TRUSTEE:</b>	CAYDION CAMPBELL
<b>DATE OF APPOINTMENT:</b>	16 <sup>th</sup> JANUARY 2023
<b>BY WHOM APPOINTED:</b>	MEMBERS OF THE COMPANY AND CONFIRMED BY THE SUPREME COURT

**NOTICE TO CREDITORS & CLAIMANTS OF STOCKS AND SECURITIES LIMITED (IN COURT SUPERVISED WINDING-UP)**

NOTICE IS HEREBY GIVEN that the Creditors and Claimants of the above-named Company are required on or before the 28<sup>th</sup> day of July 2024, to submit a mandatory Proof of Claim ("POC") to Caydion Campbell, the Trustee of the said Company, and if so required by notice in writing from the said Trustee, are to come in and prove their said debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

The prescribed POC Form is available for collection from the Trustee at the address indicated below or via either of the emails provided. The POC Form may also be downloaded from the website [www.sslinvest.com](http://www.sslinvest.com).

Dated this 17<sup>th</sup> day of June 2024

**Caydion Campbell, Trustee  
Stocks and Securities Limited  
(In Court Supervised Winding Up)  
c/o PRAISE Trustee Limited,  
Suite # 3, 47<sup>th</sup> Old Hope Road, Kingston 5, Jamaica, W.I.  
Email: [sslclaims@praisetrustee.com](mailto:sslclaims@praisetrustee.com) &  
[sslserVICETEAM@sslinvest.com](mailto:sslserVICETEAM@sslinvest.com)**



(IN COURT-SUPERVISED WINDING-UP & IN BANKRUPTCY)

**TO ALL KNOWN, POTENTIAL & CONTINGENT CLAIMANTS AND/OR CREDITORS OF SSL**

9 July 2024

**Email to Creditors and Claimants**

On Friday, 28 June 2024 an email was sent from [ssclaims@praisetrustee.com](mailto:ssclaims@praisetrustee.com) to the email addresses on record for the clients and customers of SSL. If you did not see this email, kindly check your "spam" and "junk" folders. If the email is not found, as a matter of urgency, please send an email to [ssclaims@praisetrustee.com](mailto:ssclaims@praisetrustee.com), stating your full name as is on your account(s), and provide all relevant contact information so that our database may be updated.

**Proof of Claim**

Please note that you are required on or before the **26<sup>th</sup> day of July 2024**, to submit a **mandatory Proof of Claim** ("POC") to the Trustee.

The POC may be downloaded at [www.sslinvest.com](http://www.sslinvest.com) and should preferably be completed electronically before being printed for the signatures of the claimant and witness. The contact details for the claimant and witness must be provided in the spaces indicated. The completed POC should be returned by email to [ssclaims@praisetrustee.com](mailto:ssclaims@praisetrustee.com) with copy to [ssserviceteam@sslinvest.com](mailto:ssserviceteam@sslinvest.com).

The POC may also be obtained from and, when completed, delivered or mailed to the address indicated at the end of this notice.

**Updating of Accounts and Statement of Accounts**

It is mandatory for your account to be updated in accordance with the Notice to Clients to Update Their Accounts which may be viewed or downloaded at [www.sslinvest.com](http://www.sslinvest.com).

If you are uncertain as to the status of your account, you may submit enquiries to [ssserviceteam@sslinvest.com](mailto:ssserviceteam@sslinvest.com) by which email you may also request a current statement of account(s).

**Timeline for Distribution to Claimants**

At this time, the Trustee is able to give only an indicative timeline for the distributions to Unaffected Trust Claimants, that is, those persons with Managed Portfolios, Brokerage Accounts, PLUM Plans, Safe Solutions and Private Wealth Management Accounts.

The team is endeavouring to complete reconciliation of these accounts by the end of July 2024. To assist with the reconciliation, it is imperative that the SSL Claims Processing Team receives POCs representing at least eighty percent (80%) of the estimated value of Unaffected Trust Claimants. It is therefore critical that you submit your claim at the earliest opportunity.

**Unaffected Trust Claimants with cash portfolio**

Once the 80% reconciliation target has been achieved, the Trustee proposes to make a distribution of ninety percent (90%) of the proved claims that are represented by cash portfolios. These would include claimants who previously had overseas equities which were liquidated under the Temporary Management. The targeted time for the commencement of this distribution is early August 2024.

**Unaffected Trust Claimants with Jamaican Equities**

For those Unaffected Trust Claimants with Jamaican Equities, it is expected that their portfolios will be transferred to their designated new brokers commencing August 2024.

Please note that there will be a fee charged to facilitate these transfers and this will be communicated at a later date.

**Unaffected Trust Claimants with - Portland Barbodies Limited Bonds and Dollis Financial Services Limited Bonds**

The Trustee will be engaging in direct discussions with these claimants and will endeavour to finalise the mechanism with respect to these claimants by early August 2024. You may also contact the Claims Processing Team at [ssclaims@praisetrustee.com](mailto:ssclaims@praisetrustee.com) for more information on this.

If you have already complied with the foregoing requests, please do not resubmit your POC or the information already provided.

**Mr. Caydion Campbell, Trustee**  
**Stocks and Securities Limited**  
 (In Court-Supervised Winding-Up & In Bankruptcy)  
 c/o PRAISE Trustee Limited  
 Suite # 3, 47<sup>th</sup> Old Hope Road  
 Kingston 8, Jamaica, W.I.

## Appendix 9 – Notice to Clients & Letter to Creditors and Claimants



(In Court Supervised Winding-Up)  
Caydion Campbell Appointed Trustee on 16 January 2023

### NOTICE TO CLIENTS TO UPDATE THEIR ACCOUNTS<sup>1</sup>

19 June 2024

If not previously updated, clients are required to provide a valid government issued ID and TRN/ TRN equivalent.

Client instructions to eventually access holdings on their accounts should include information below, based on the type(s) of asset(s) held:

#### To transfer cash balances:

Payment instructions should indicate their preferred payment currency and provide banking details as outlined below:

- i. *Name of Bank*
- ii. *Branch and Transit Number*
- iii. *Name(s) on the Account*
- iv. *Account Number*
- v. *Account Currency and Type*
- vi. *Routing Number or Intermediary Banking details (for wire transfers)*

Payments will only be made to account holders. Third-party transactions will not be executed.

#### Local Securities held at the Jamaica Central Securities Depository

Clients with Local Equities and Fixed Income Securities held at the Jamaica Central Securities Depository (JCSD) are required to indicate their intended receiving broker information as outlined below:

1. Name of the Receiving Broker
2. JCSD account number at the receiving broker
3. Authorization to proceed with the request from the Primary Account Holder
4. Copy of a valid government issued ID & TRN

If you do not have a JCSD account with another broker, you are required to create one with a broker of your choice to eventually access your portfolio.

The name(s) on the receiving broker account must precisely match the account at SSL.

Please send your information to [sslserviceteam@sslinvest.com](mailto:sslserviceteam@sslinvest.com) with copy to [sslclaims@praisetrustee.com](mailto:sslclaims@praisetrustee.com).

Caydion E. O. Campbell  
Trustee  
Stocks and Securities Limited (In Court Supervised Winding-Up)

<sup>1</sup> This Notice is not an indication of the imminent resumption of the process that was initiated by the Temporary Manager. A formal Claims Adjudication exercise as mandated by the Formal Orders of the Supreme Court must first be undertaken. There will be modification to the process and there will be an applicable fee charged to each client's account(s). The timeline has not yet been determined and clients may have to await the Trustee's return to Court on 26 September 2024 before this is known.

**(In Court Supervised Winding-Up)**  
***Caydion Campbell Appointed Trustee on 16 January 2023***

21 June 2024

**TO ALL KNOWN, POTENTIAL & CONTINGENT CLAIMANTS AND/OR CREDITORS OF SSL**

Dear Sir or Madam:

**Stocks and Securities Limited (In Court Supervised Winding-up)**

As you may be aware on 31 May 2024, the Supreme Court of Judicature of Jamaica handed down its decision in a suit that was brought by the Financial Services Commission (FSC) versus Stocks and Securities Limited (In Members' Voluntary Winding-Up) and Caydion Campbell – Claim SU 2023 CD00036. The decision confirmed the appointment of the undersigned, Caydion Campbell as Trustee with effect from 16 January 2023. It also moved the winding-up to being under the Supervision of the Court. The Court also terminated the appointment of Mr. Kenneth Tomlinson as Temporary Manager of SSL.

A copy of the full judgement is available for download from [www.sslinvest.com](http://www.sslinvest.com). I have attached a copy of the ***Formal Orders***, in relation to the matter that were issued by the Supreme Court on 6 June 2024; this is also available from [www.sslinvest.com](http://www.sslinvest.com)

Given the high public interest in the matter and to clarify what I was engaged to do, which was to facilitate the reorganisation of the SSL business, I have made available on [www.sslinvest.com](http://www.sslinvest.com) a copy of my ***Engagement Letter***. I have also made available a copy of my ***Witness Statement*** to the Court. I am sure upon reading these documents you will recognize that my role as Trustee is in no way prejudicial to the interest of the creditors and claimants of SSL nor the public interest. It does not prevent any investigations into the alleged<sup>3</sup> crimes that were committed or the prosecution of offenders.

**Reorganisation of the business of SSL**

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<sup>3</sup> The term *alleged* is used in recognition that a determination has not yet been made in the Court and is not a comment by the Trustee.

As was indicated before, I was engaged primarily to facilitate the reorganization of the business of SSL. The strategy was to develop a **Resolution Plan** that would eventually be approved by the FSC, and the Court if necessary. It had to have the support of the creditors and claimants of SSL to be implemented.

I should also indicate that up to 24 January 2023, I had discussions with the team from Spectrum Capital Partners Limited (“Spectrum”) who had executed a Share Subscription Agreement and a Shareholders’ Agreement with existing shareholders of SSL for their acquisition of approximately 60% of the entity for Four Million United States Dollars (**USD4,000,000**). Spectrum had already paid **USD2,000,000** and the other **USD2,000,000** was payable by 1 March 2023. Spectrum confirmed to me that they were still interested in the acquisition of the controlling stake in the SSL business which could have been facilitated by a reorganization of SSL. I should indicate that it is possible to separate the en bloc business and operations of a company, in particular one with licences to operate as a regulated financial entity, from the legal entity via a **Scheme of Reorganization** in a Winding-Up. This is a procedure for preserving the going-concern value of a business for all the stakeholders and it has been done by many companies in Jamaica. The Spectrum deal collapsed after I was excluded from the affairs of SSL by the Court injunction. Given the activities during the Temporary Management it is now highly unlikely that there will be an opportunity to reorganise the business of SSL.

### **Recommendation for Court Supervised Winding-Up**

I should indicate that by letter dated 24 January 2023, I had formally recommended a **Court Supervised Winding-Up** with Mr. Kenneth Tomlinson being appointed as a Joint Trustee. There is provision in the Companies Act for this.

307. – (1) *Where an order is made for a winding up subject to supervision, the Court may by that, or any subsequent order appoint an additional liquidator.*

The FSC rejected this approach. Instead, they initiated legal proceedings on 25 January 2023 by which they sought to overturn my appointment. This prevented me from discharging my responsibilities as outlined in the Companies Act and other relevant statutes. The Court has now restored my authority over SSL and commenced the Court Supervised Winding-up.

### **Stay of Proceedings**

If you had initiated or intended to pursue litigation against SSL, kindly note **Order # 11** recited below:

***“11. There is a stay of all pending or other proceedings against the 1<sup>st</sup> Defendant [SSL] and no suit, action, or other proceedings including criminal proceedings shall be proceeded with or commenced against the 1<sup>st</sup> Defendant unless the permission of this Court is obtained”***

You should submit your ***Proof of Claim*** to the Trustee for adjudication and as admitted and appropriate participate in the winding-up proceedings and meeting(s) of creditors and claimants.

I should point out that the ***Stay of Proceedings*** is not peculiar to the SSL case or Jamaica. It is regarded as part of the best practice to preserve the assets of the entity for the ultimate benefit of all proven creditors in accordance with their ranking. It prevents the entity from being burdened with new liabilities and expenses which would rank ahead of the legacy liabilities and ultimately reduce the net assets available for distribution to creditors and claimants. It also allows a Trustee to treat each claimant in a similar manner according to the applicable laws, with no preference being shown to any party. It preserves the ***pari passu principle*** whereby all unsecured creditors must share equally any available assets of the company or any proceeds from the sale of any of those assets, in proportion to the debts due to each creditor.

#### **Notice to Creditors/Claimants and Claims Adjudication**

As mandated by **Order # 10**, recited below, all known potential and contingent claimants and/or creditors of SSL are required to submit a ***Proof of Claim*** for adjudication and proving by the Trustee:

***“10. The Trustee is further ordered and directed to invite, by post, electronic mail, newspaper publication and/or any address known to the 1<sup>st</sup> Defendant [SSL], all known potential and contingent claimants and/or creditors of the 1<sup>st</sup> Defendant to submit their proof of claims for adjudication and proving by the Trustee and/or for their admission or voting at a meeting of creditors and/or ranking for distribution and/or payment or for the reorganisation of the business or otherwise whatsoever in accordance with the Insolvency Act or any further order of the Court.***



I have attached a copy of the original Special Resolution, Notice of Appointment of Trustee and Notice to Creditors that was published in the Extraordinary Gazette of 17 January 2023. The injunction that was obtained by the FSC had prevented their publication and the ***Claims Adjudication Process*** from commencing before.

**I have also attached the current Notice to Creditors and Claimants which invites these stakeholders to submit their *Proof of Claim* for adjudication by Friday, 26 July 2024.**

It is by the ***Adjudication Process*** that claims are ultimately determined by the Trustee as to their admissibility and rank for distribution. It is possible for claims to be disallowed or approved for an amount that is different from what was submitted. An aggrieved creditor or claimant may, **with the leave of the Court**, appeal the decision of the Trustee.

I must advise that the ***Adjudication Process*** could not have been formally undertaken by the Temporary Manager as it is outside of the scope of authority given in the Financial Services Commission Act (FSC Act). Therefore, you are required to comply with the process under the ***Court Supervised Winding-Up*** and not solely rely on communications and documentation you may have already been provided during Temporary Management. I do apologize for the inconvenience and delay this may cause and as far as practical my team will utilise the information and documentation previously provided. **However, you will at a minimum be required to complete and submit the prescribed *Proof of Claim* form to be eligible for a distribution by the Trustee. This requirement is applicable to all claimants and creditors, including those related to off-balance sheet managed portfolios.**

### **Proof of Claim**

A fillable pdf ***Proof of Claim*** is attached, which you are being asked to return preferably by email to [sslclaims@praisetrustee.com](mailto:sslclaims@praisetrustee.com) with copy to [sslserviceteam@sslinvest.com](mailto:sslserviceteam@sslinvest.com).

The ***Proof of Claim*** may also be collected from, and when completed dropped off at, the following address:

Stocks and Securities Limited (In Court Supervised Winding-Up)  
c/o PRAISE Trustee Limited  
Suite # 3,  
47<sup>E</sup> Old Hope Road  
Kingston 5  
Jamaica, W.I.

The *Proof of Claim* is also available for download from [www.sslinvest.com](http://www.sslinvest.com) and the deadline for submission is **Friday, 26 July 2024**.

### Classes of Creditors and Claimants

The *Proof of Claim* has identified an expected five (5) classes of creditors and claimants in the SSL winding-up estate, inclusive of those with off-balance sheet managed portfolios for which SSL acted as a trustee:

- A. Unsecured Creditors
- B. Unaffected Trust Claimants
- C. Affected Trust Claimants (Contingent Creditors)
- D. Temporary Management Claimants
- E. Equity Claimants

### *Unsecured Creditors*

The unsecured (on-balance sheet) creditors are expected to include the following:

- i. Clients Payable (representing cash shortfall due to clients – difference between Assets Under Management (AUM) and Clients' Cash Accounts)
- ii. Promissory Note Holders (SSL issued Promissory Notes)
- iii. Employees
- iv. Statutory payments and other obligations to state agencies
- v. Trade Creditors – suppliers of goods and services to SSL

Some of these creditors may be entitled to a priority as is stipulated in Section 202 of the Insolvency Act.

### *Unaffected Trust Claimants*

SSL acted as trustee<sup>4</sup> and managed portfolios on behalf of some of its clients/customers that were held “*off-balance sheet*”. These are *non-proprietary assets* (with the associated liabilities) of SSL. In this case, circumstances have now led to the trustee of these portfolios being wound-up.

The indications are that the majority of *Trust Claimants* were unaffected by the alleged fraud and would therefore be able to submit their claim for the unaffected balance of their portfolio. I should however indicate that it is likely that there will be some charge associated with management and liquidation of the portfolios of *Unaffected Trust Claimants*. This charge will be applied before

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<sup>4</sup> This is not to be confused with the Trustee in the winding-up.

the final distribution to account holders, in accordance with the principle of fair allocation of the costs of insolvency. Discussions are being had with the FSC with a view to have agreement on the mechanism for this. The outcome of these discussions will determine the timeline for resumption of payouts to the Unaffected Trust Claimants. The determination may also have to await the Trustee's return to Court on 26 September 2024.

### ***Affected Trust Claimants (Contingent Creditors)***

It is my understanding that a number of clients' portfolios, approximately 200 according to information from the Financial Investigations Division (FID), were affected by the alleged fraud and the balances standing to their accounts are not what they ought to be. These clients may have a contingent claim against SSL and a contingent liability has been recognised by the Trustee. The contingent liability gave rise to a contingent asset in the form of an insurance claim under SSL's Fidelity Guarantee (employee dishonesty) policy (see below).

### ***Temporary Management Claimants***

These would be claims for any unpaid amount as at 31 May 2024 that were authorised by the Temporary Manager or the FSC during the period 17 January 2023 to 31 May 2024. It is also possible that the FSC may have a claim against SSL for expenses it incurred under the Temporary Management of the organisation.

### ***Equity Claimants***

Equity claims are as defined in the Insolvency Act, in respect of an equity interest including a claim for, among others -

- a) A dividend or similar payments;
- b) A return of capital;
- c) A redemption or retraction obligation;
- d) A monetary loss resulting from the ownership purchase or sale of an equity interest or from the rescission of a purchase or sale of an equity interest; or
- e) Contribution or indemnity in respect of a claim referred to in any of paragraphs (a) to (d);

Spectrum Capital Partners Limited may have an equity claim against SSL.

### **Realisation of Contingent Asset**

The former Temporary Manager, Mr. Kenneth Tomlinson has confirmed that One Million United States Dollars (**USD1,000,000**) was received from the insurers in settlement of claim made under the *Fidelity Guarantee* insurance coverage for acts of dishonesty or fraud by employees. The claim was with respect to the alleged fraud committed by former employee, Jean-Ann Panton, who is before the Court facing criminal charges. The *Contingent Asset* has therefore materialised and would be recorded as a Trust Receivable as at 16 January 2023.

The information from Mr. Tomlinson, also indicates that the funds from the insurance proceeds were expended on Temporary Management expenses and are not available for the benefit of the victims that have so far been identified. The victims are expected to submit claims under the category *Affected Trust Creditors*. I should indicate that I strongly disagree with the usage of the proceeds of the insurance claim for general Temporary Management expenses, in particular as the *Affected Trust Creditors* may ultimately have no other recourse to the assets of SSL which are already inadequate to cover the on-book unsecured liabilities.

I am making further enquiries and discussions are being had on this issue. I am also exploring a mechanism for the recovery of these funds for the *Affected Trust Claimants*; but offer no guarantee in this regard.

### **Management Fees Chargeable to Unaffected Trust Claimant**

I should also advise that based on my analysis of information provided by the Temporary Management team, significant expenses were incurred in facilitating activities primarily for the benefit of the *Unaffected Trust Claimants*. These costs have been borne by other creditors and claimants, in particular as no “*management fees*” have been charged since January 2023.

This is a breach of the principle of fair allocation of the cost of insolvency. It is therefore likely that a “*management fee*” or some such charge will be deductible from balances held by *Unaffected Trust Creditors* before there is the finalisation of the transfer of the balances on their account to the new institution of their choice. Discussions are being had with the FSC in this regard, and timeliness with which there can be a modified resumption of the transfer of clients’ portfolios is dependent on the outcome. This will be communicated to the relevant claimants as soon as practical.

### **Meetings of Creditors & Claimants**

I have tentatively set **Friday, 18 October 2024** as the day for the meetings of the creditors and claimants of SSL. This is to allow for the submission of the *Trustee's Report to Court* as mandated by **Order # 12** and for any application for directions of the Court on 26 September 2024. It will also facilitate the Trustee ascertaining the **State of Affairs** of SSL as at 16 January 2023, being the date of the commencement of the winding-up. A review of the activities during the Temporary Management will also be undertaken.

Importantly, as Trustee, I am obliged to investigate the causes of failure of SSL as well as any offences antecedent to or during the winding up. I will cite below two relevant provisions from the Companies Act:

321. —(1) *If where a company is wound up it is shown that the proper books of account were not kept by the company throughout the period of two years immediately preceding the commencement of winding up, or the period between the incorporation of the company and the commencement of the winding up, whichever is the shorter, every officer of the company shall, unless he shows that he acted honestly and that the circumstances in which the business of the company was carried on the default was excusable, be guilty of an offence and shall be liable ---*

*(a) on conviction in Circuit Court to a fine or to imprisonment with or without hard labour for a term not exceeding one year; or*

*(b) on summary conviction before a Resident Magistrate to a fine not exceeding two million dollars or to imprisonment for a term not exceeding six months.*

324. —(2) *If it appears to the trustee [liquidator<sup>5</sup>] in the course of a voluntary winding up that any past or present officer, or any member, of a company has been guilty of any offence in relation to the company for which he is criminally liable, he shall forthwith report the matter to the Director of Public Prosecutions, and shall furnish to the Director such information and give to him such access to and facilities for inspecting and taking copies of any documents, being information or documents in such possession or under the control of the trustee [liquidator] and relating to the matter in question, as the Director may require.*

I should point out that contrary to some erroneous assertions, my appointment by the members (shareholders) of SSL, as facilitated the directors, offers no protection or insulation for these stakeholders nor any former officers, managers of employees of SSL for any offences or crimes they may have committed. I am duty bound to report any evidence of a crime to the DPP. It is my understanding that there are ongoing investigations by the FID. I have indicated to the FID that their access to documents and information on SSL is unaffected by the confirmation of my appointment and I will work cooperatively with them.

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<sup>5</sup> *The term Trustee is now used instead of Liquidator.*

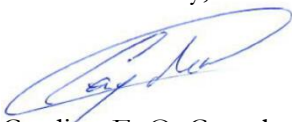
I would urge any *Affected Trust Claimant* who has not yet filed a formal complaint with the FID to do so forthwith in addition to submitting their Proof of Claim in the winding-up proceedings.

You have my commitment that in the discharge of my duties as Trustee, with the company now being declared insolvent, my primary duty of care is to the general body of creditors and claimants under the Supervision of the Court. **SSL and its creditors and claimants are now the same as you are the ones with an economic interest in the company; anything that benefits SSL benefits you; any action against SSL is an action against you.** I will however be mindful of the interests of other stakeholders, including the FSC, the FID, the DPP and the general public as long as it is not to the detriment of creditors and claimants.

Please submit your **Proof of Claim** immediately or no later than **Friday, 26 July 2024**. You are also asked, if applicable, to comply with the requirements indicated in the attached *Notice to Clients To Update Their Accounts*.

Please monitor the company's website at [www.sslinvest.com](http://www.sslinvest.com) for further updates and information.

Yours faithfully,



Caydion E. O. Campbell

Trustee

Stocks and Securities Limited (In Court Supervised Winding-Up)

c/o PRAISE Trustee Limited

Suite # 3, 47<sup>E</sup> Old Hope Road, Kingston 5, Jamaica, W.I.

Email: [caydion@praisetrustee.com](mailto:caydion@praisetrustee.com) Telephone (876) 990-0555 (Flow) or (876) 383-8944 (Digicel)

**Attachments: Formal Orders**

**Extraordinary Gazette Publication of 17 January 2023**

**Notice to Creditors and Claimants dated 17 June 2024**

**Proof of Claim (fillable pdf)**

**Notice to Clients To Update Their Accounts**

*Appendix 10 – Proof of Claim Form*

**(In Court Supervised Winding-Up)  
Caydion Campbell Appointed Trustee on 16 January 2023**

**PROOF OF CLAIM**

IN THE MATTER of the Winding-Up of  
STOCKS AND SECURITIES LIMITED (IN COURT SUPERVISED WINDING-UP) (“SSL”) and the claim of

\_\_\_\_\_ *(Insert name of claimant above)*

NOTICES TO THE CLAIMANT SHOULD BE SENT TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ *(Insert address above)*

Phone: (\_\_\_\_) \_\_\_\_\_ or (\_\_\_\_) \_\_\_\_\_ or (\_\_\_\_) \_\_\_\_\_

Fax: (\_\_\_\_) \_\_\_\_\_

Email: \_\_\_\_\_ or \_\_\_\_\_

**CLAIM**

I, \_\_\_\_\_ do hereby certify that:-  
*(Insert the name of the person completing the form above)*

1. That I am  the claimant or  \_\_\_\_\_ of the claimant.  
*(Insert position above)*
2. That I have knowledge of all the circumstances connected with the claim referred to below.

**A. CLAIM BY UNSECURED CREDITOR (On-Balance Sheet Liability)**

1. That the debtor (SSL) was at the date of winding up, namely the **16<sup>th</sup> day of January 2023**, and still I indebted to the claimant in the sum of JMD \_\_\_\_\_ (JMD) and/or USD \_\_\_\_\_ (USD), as specified in the attached statement of account  **OR** Affidavit  attached and marked **“Schedule A”**, after deducting any counterclaim to which the debtor is entitled.

*(Check appropriate description)*

Regarding the amount of JMD \_\_\_\_\_ (JMD) and/or USD \_\_\_\_\_ (USD, I do not claim a right to a priority under section 202 of the Insolvency Act.

Regarding the amount of JMD \_\_\_\_\_ (JMD) and/or USD \_\_\_\_\_ (USD, I claim a right to a priority under section 202 of the Insolvency Act. *(Set out on an attached sheet details to sort priority claim).*  
*[The attached statement of account or affidavit must specify the vouchers, invoices or other evidence in support of the claim and where applicable the SSL assigned account number(s)].*



] **B. CLAIM BY UNAFFECTED TRUST CLAIMANT**  
(Off-Balance Sheet Liability for Managed Portfolio)

1. That the debtor/trustee (SSL) was at the date of the judgement is Claim SU2023 CD00036, namely the **31<sup>st</sup> day of May 2024**, and still is holdings funds and/or assets in trust for the claimant in the sum of JMD\_\_\_\_\_ (JMD) and/or USD\_\_\_\_\_ (USD), as specified in the attached statement of account [  ] OR Affidavit [  ] attached and marked **“Schedule A”**, after deducting any counterclaim to which the debtor/trustee is entitled.

*[The attached statement of account or affidavit must specify the vouchers, invoices or other evidence in support of the claim and where applicable the SSL assigned account number(s)].*

] **C. CLAIM BY AFFECTED TRUST CLAIMANT/CONTINGENT CREDITOR**  
(accounts affected by the alleged fraud)\*

1. That, I assert that the debtor (SSL) was at the date of the winding-up, namely the **16<sup>th</sup> day of January 2023**, contingently liable to the claimant in the sum of JMD\_\_\_\_\_ (JMD) and/or USD\_\_\_\_\_ (USD), as specified in the attached Statement of Account [  ] OR Affidavit [  ] attached and marked **“Schedule A”**, after deducting any counterclaim to which the debtor is entitled.

\*A contingent claim **may** have arisen in circumstances where a client/customer of SSL on whose behalf an off-balance portfolio of Cash and/or Fixed Income Securities and/or Equities was managed, claims that the balance standing to their account(s) is less than they are entitled to or expect and they may have been a victim of the alleged fraudulent activities undertaken by a former employee of SSL.

*[The attached statement of account or affidavit must specify the vouchers, invoices or other evidence in support of the claim and where applicable the SSL assigned account number(s)].*

] **D. CLAIM BY TEMPORARY MANAGEMENT CREDITOR\*\***

1. That the debtor (SSL) was at the date of the judgement is Claim SU2023 CD00036, namely the **31<sup>st</sup> day of May 2024**, and still is indebted to the claimant in the sum of JMD\_\_\_\_\_ (JMD) and/or USD\_\_\_\_\_ (USD), as specified in the attached statement of account [  ] OR Affidavit [  ] attached and marked **“Schedule A”**, after deducting any counterclaim to which the debtor/trustee is entitled.

\*\*A Temporary Management Creditor in one who provided goods and or services to SSL between the period 17 January 2023 and 31 May 2024 that were authorized by the Temporary Manager, payment for which remained outstanding as at 31 May 2024.

*[The attached statement of account or affidavit must specify the vouchers, invoices or other evidence in support of the claim and where applicable the SSL assigned account number(s)].*

**[ ] E. CLAIM BY EQUITY CLAIMANT\*\*\***

1. That the debtor (SSL) was at the date of winding up, namely the **16<sup>th</sup> day of January 2023**, and still is indebted to the equity claimant in the sum of JMD \_\_\_\_\_(JMD) and/or USD \_\_\_\_\_(USD), as specified in the attached statement of account [ ] **OR** Affidavit [ ] attached and marked **“Schedule A”**, after deducting any counterclaim to which the debtor is entitled.

\*\*\*equity claim means a claim that is in respect of an equity interest including a claim for, among others—

- a) A dividend or similar payments
- b) A return of capital
- c) A redemption or retraction obligation
- d) A monetary loss resulting from the ownership purchase or sale of an equity interest or from the rescission of a purchase or sale of an equity interest; or
- e) Contribution or indemnity in respect of a claim referred to in any of paragraphs (a) to (d);

*[The attached statement of account or affidavit must specify the vouchers, invoices or other evidence in support of the claim and where applicable the SSL assigned account number(s)].*

**Dated at** \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
**Witness** *(Insert signature above)*

\_\_\_\_\_  
**Claimant** *(Insert signature above)*

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*(Insert the address of witness above and details below)*

**Phone:** (\_\_\_\_\_) \_\_\_\_\_ or (\_\_\_\_\_) \_\_\_\_\_ or (\_\_\_\_\_) \_\_\_\_\_

**Fax:** (\_\_\_\_\_) \_\_\_\_\_

**Email:** \_\_\_\_\_ or \_\_\_\_\_

**WARNING:** The Companies Act and the Insolvency Act provide severe penalties for making any false claim, proof, declaration or statement of account.

<b>FOR OFFICIAL USE ONLY</b>			
<b>Claim Received Date:</b>	<b>Reviewed by:</b>	<b>Signature:</b>	<b>Date:</b>
<b>Admitted for Meeting:</b> YES [ ] NO [ ]	<b>Approved by:</b>	<b>Signature:</b>	<b>Date:</b>
<b>Admitted for Voting:</b> YES [ ] NO [ ]	<b>Approved by:</b> / /	<b>JMD</b>	<b>USD</b>
<b>Proved for Distribution:</b> YES [ ] NO [ ]	<b>Approved by:</b> / /	<b>JMD</b>	<b>USD</b>

*Appendix 11 – FSC Directions 31 July 2024*



39-43 Barbados Avenue  
P.O. Box 325  
Kingston 5, Jamaica, W.I.  
Telephone: 876-906-3010-2, 906-7254-6  
Facsimile: 876-906-3018  
Email: [inquiry@fscjamaica.org](mailto:inquiry@fscjamaica.org)  
Website: [www.fscjamaica.org](http://www.fscjamaica.org)

**THE FINANCIAL SERVICES COMMISSION**

Directions issued pursuant to section 8(2) of the Financial Services Commission Act

To: Stocks and Securities Limited  
(In Court supervised Winding-Up)  
c/o PRAISE Trustee Limited  
Suite #3  
47E Old Hope Road  
Kingston 5

**Attention: Caydion Campbell, Trustee**

WHEREAS Section 9(8)(b) of the Securities Act and 8(2) of the Financial Services Commission Act ("FSC Act") empowers the Financial Services Commission ("FSC") to issue Directions that appear to the FSC to be desirable in the interest of a securities dealing institution's customers;

AND WHEREAS on May 31, 2024, the Court has ordered the winding-up of Stocks and Securities Limited ("SSL") which currently holds clients' funds;

AND WHEREAS the FSC believes that Directions are necessary to assist with the orderly winding-up and distribution of SSL's customers' assets;

NOW THEREFORE in exercise of the power conferred on the FSC, the following Directions are hereby issued to SSL:

SSL shall:

1. On or before August 29, 2024, provide the FSC with a copy of the Report filed with the court in compliance with order 10 of the Order of the Hon Mr Justice Batts made on May 31, 2024.
2. On or before August 22, 2024, provide the FSC with a transition plan detailing actions to wind up the securities business of the entity, the client assets remaining, and how the treatment of all remaining client assets will be executed. For the avoidance of doubt, the transition plan must:
  - a. give details of the trust account(s) where clients' funds are held, pursuant to section 36(1)(a) & 36(1) (b)(iii) of the Securities Act.

Commissioners: Mr. Richard Byles (Chairman), Mr. Dennis Brown, Mr. Erwin Burton, Mrs. Hillary Robertson, Ms. Kenisha Davis, Dr. Dianna Davis Smith, PhD, Mr. George Roper, Dr. Wayne Robinson, PhD, Dr. Jide Lewis, PhD, Lt Col Keron Burrell, JP; ex-officio (Executive Director)



- b. ensure that there are no withdrawals of money from the client accounts held in trust except to make a payment to or in accordance with the Directions or instructions of the persons entitled to this money, pursuant to **section 36(2) of the Securities Act**.
3. Continue not to accept monies from existing or prospective clients in respect of securities business conducted for or on behalf of such clients, except for monies received to reduce a client's liability to SSL.
4. Not make any payments to clients without first:
  - a. providing the FSC with a schedule of all prospective payments to clients and transfers of client assets, for approval on a fortnightly basis.
  - b. ensuring that all relevant Anti-Money Laundering/Combating the Financing of Terrorism obligations are complied with pursuant to the Proceeds of Crime Act and the Terrorism Prevention Act.
5. At the end of the winding-up process provide audit confirmation and evidence that all omnibus Bank Accounts, Brokerage Accounts and Depository Accounts or any other accounts held in trust for clients have been settled and closed.

**TAKE NOTICE** that these Directions shall remain in effect unless the FSC withdraws or discontinues them, or until the winding-up proceedings are completed by court order (whichever is earlier) **AND** the FSC reserves the right to issue further Directions at its absolute discretion if the circumstances so require and any breach of these or future Directions may result in the FSC taking the appropriate enforcement action against SSL.

Dated this        day of        , 2024

Signed by: Keron Burrell

A handwritten signature in black ink, appearing to read "K. Burrell".

Lt Col Keron Burrell  
Executive Director  
Financial Services Commission

*Appendix 12 – Trustee's Response to FSC Directions 21 August 2024*



(In Court Supervised Winding-Up & In Bankruptcy)  
*Caydion Campbell Appointed Trustee on 16 January 2023*

21 August 2024

**WITHOUT PREJUDICE**

Lt. Col. Keron Burrell  
Executive Director  
The Financial Services Commission  
39-43 Barbados Avenue  
Kingston 5

Via Email: [burrellk@fscjamaica.org](mailto:burrellk@fscjamaica.org)

Dear Lt. Col. Burrell

Re: Financial Services Commission's Directions to  
Stocks and Securities Limited (In Court-Supervised Winding-Up & In Bankruptcy) ("SSL")

---

I acknowledge receipt of the captioned Directions dated 31 July 2024 and respond as follows:

1. I will provide the Financial Services Commission ("FSC") with a copy of the Trustee's Report to be provided in accordance with Order #12 of the Formal Orders of the Supreme Court issued on 6 June 2024, once it has been filed.
2. I wish to formally advise the FSC that I have made no changes to the trust/client accounts handed over to me by the former Temporary Manager. If the need arises, I will inform the FSC of any proposed changes. For avoidance of doubt, the trust accounts where clients' funds are held remain those maintained at Citibank, N.A. Jamaica branch.

With respect your request for a "transition plan...", the following would be the main activities to be pursued to facilitate the winding-up of SSL:

- a) Notifying all stakeholders of my appointment and the winding-up of SSL;
- b) Ascertaining, and revising with updated information, the State of Affairs of SSL as at 16 January 2023 and 31 May 2024.
- c) Extracting periodic Estimated Final Outcome (EFO) for reporting to the Supreme Court and the claimants and creditors as to the quantum of funds and investments to be returned to clients and the likely distributions, if any, to other claimants and creditors of SSL.
- d) Taking custody and control of the assets of SSL – proprietary and trust;
- e) Taking all reasonable steps to facilitating the sale and/or realization of the proprietary assets of SSL, including contingent assets. To the extent that there may be the need to realise/liquidate trust assets to allow for their return to the beneficial owners, this will also be facilitated. Therefore, as and when any clients' investment matures that requires SSL to give the relevant instructions, these will be liquidated if they cannot otherwise be transferred to the relevant clients.
- f) Claims processing and adjudication;





(In Court Supervised Winding-Up & In Bankruptcy)  
*Caydion Campbell Appointed Trustee on 16 January 2023*

- g) Facilitating the return of funds and/or assets held on behalf of clients once they:
- i. have submitted a Proof of Claim, which after adjudication it is verified that SSL is holding funds and/or asset on their behalf;
  - ii. have provided instructions for remittance of their funds and/or assets less any applicable fees or charges that the Supreme Court and/or clients may approve.
  - iii. are compliant with all relevant Anti-Money Laundering/Combating the Financing of Terrorism obligations pursuant to the Proceeds of Crime and the Terrorism Prevention Act. I take it that during the Temporary Management period efforts would have been made to ensure that clients' accounts were so compliant. May I kindly be advised of any non-compliant accounts that were identified by the FSC during the Temporary Manager or be provided with any information on possible non-compliant accounts to assist with this task.

I should also advise that any clients' funds and/or assets that may still be held by SSL once the winding-up has been substantially completed would likely be paid into Court at the appropriate time based on any Directives or Formal Orders of the Supreme Court.

- h) Facilitating payments of winding-up fees and expenses and making any distribution to claimants and creditors of the net assets after such costs.
- i) Preparing Statements of Receipts & Payments for the SSL winding-up estate.
  - j) Preparing Reports to the Supreme Court and for the claimants and creditors of SSL.
  - k) Convening meeting(s) of the claimants and creditors of SSL and facilitating the establishment of a Committee of Inspection for the SSL winding-up. A tentative date of Friday, 18 October 2024 has been scheduled for the First Meeting of Creditors and Claimants of SSL.
  - l) As Trustee, I will also undertake other duties as permitted by the Companies Act, the Insolvency Act and Directives and Formal Orders of the Supreme Court for the orderly winding-up of SSL and to discharge my fiduciary responsibility to the claimants and creditors.
3. As stated in my letter to the FSC dated June 7, 2024:

*"...in accordance with Section 275 of the Companies Act, SSL has ceased to carry on business. Therefore, the primary activities to be undertaken during the winding-up will be those required to facilitate the return of funds and/or investments being held on behalf of clients and to make any distribution to proven creditors and claimants from any net funds that may be available for distribution to them."*

As you are no doubt aware, there would not have been any changes to the clients of SSL since the commencement of the winding-up on 16 January 2023, save the removal of those clients that may have been fully paid out under the Temporary Management during the period 17 January 2023 to 31 May 2024. The client database of SSL remains as was handed over by the Temporary Manager effective 31 May 2024.

4. I will keep the FSC informed of payments or transfers to clients, and in accordance with my customary practice and statutory obligations will ensure that no laws or regulations are violated in doing so. I have



(In Court Supervised Winding-Up & In Bankruptcy)  
*Caydion Campbell Appointed Trustee on 16 January 2023*

attached the Claims Register as at 21 August 2024 which includes claims received as of 16 August 2024 for your records and also advise as follows:

- i. I was provided with an Excel file named "SSL Frozen Accounts – September 2023" and I do not propose to release any funds associated with these accounts until further advised by the FSC. It would be appreciated if an updated file was forwarded to me as soon as possible so that there is no misunderstanding as to which accounts are affected.
  - ii. It is my intention to transfer ninety percent (90%) of the balance standing to the credit of clients' accounts with unaffected cash pending further Formal Orders or Directives of the Supreme Court. However, given the limited available cash and realisable assets, I will not be in a position to retain the contracted SSL Service Team beyond 30 August 2024; this was the same SSL Service Team that was assisting the Temporary Manager up to 31 May 2024. It is therefore imperative that the SSL Service Team initiate the transfers to these unaffected clients' funds before their departure. It is my intention to commence on Monday, 26 August 2024 the transfer of unaffected clients' funds to the applicable claimants who had submitted claims as of 16 August 2024. I look forward to receiving the FSC's no objection to the initiation of these transfers.
5. For the avoidance of doubt, at the appropriate time(s) during or at the end of the winding-up, I will advise the Supreme Court and keep the FSC informed of the settlements and closures of all "omnibus Bank Accounts, Brokerage Accounts and Depository Accounts or any other accounts held in trust for clients".

I trust the foregoing provides the necessary clarity on the activities of Stocks and Securities Limited (In Court Supervised Winding-Up & In Bankruptcy) vis-à-vis the FSC's Directions of 31 July 2024.

Yours faithfully,

Caydion E. O. Campbell  
Trustee

Stocks and Securities Limited (In Court Supervised Winding-Up & In Bankruptcy)  
c/o PRAISE Trustee Limited  
Suite # 3, 47<sup>th</sup> Old Hope Road, Kingston 5, Jamaica, W.I.  
Email: [caydion@praisetrustee.com](mailto:caydion@praisetrustee.com) Telephone (876) 990-0555 (Flow) or (876) 383-8944 (Digicel)

Attachment: SSL Claims Register as of 21 August 2024



*Appendix 13 – Correspondence re Spectrum Proposed Transaction*

Date	From	To
26 Jan 2023	HGH	SSL's Temporary Manager indicating SCP's intention to complete transaction
14 Feb 2023	HGH	SSL's Temporary Manager requesting refund of USD900,000
3 Mar 2023	SSL (Ken Tomlinson)	Ramsay & Partners directing the immediate return of funds held in trust for Spectrum
7 Mar 2023	Ramsay & Partners	HGH – advising that they were transferring USD897,913.90, being balance of the funds they were holding in trust (escrow)
7 Mar 2023	HGH	FSC re interest in SSL Restructuring
24 Apr 2023	HGH	Hylton Powell – re acquisition of licence
28 Apr 2023	SCP	FSC – Newco and acquisition of specific assets and licence and assumption of up to USD3 million in liabilities.
29 Apr 2023	HGH	Hylton Powell – referencing *Hylton Powell letter of 26 April 2023 which I have not been provided with.



**OUR REFERENCE: 2023-000002078**

**BY ELECTRONIC MAIL ONLY**

January 26, 2023

**Kenneth Tomlinson**  
Temporary Manager  
33<sup>1</sup>/<sub>3</sub> Hope Road,  
Halfway Tree, St. Andrew  
Jamaica West Indies

Dear Mr. Tomlinson:

**Re: Share Subscription Agreement Between Spectrum Capital Partners Limited, SSL Growth Equity Limited, George Chai and Stocks & Securities Limited AND Shareholder's Agreement Between Spectrum Capital Partners Limited, SSL Growth Equity Limited, George Chai and Stocks & Securities Limited**

We act for Spectrum Capital Partners Limited.

As you are aware our client entered into the captioned agreements to purchase and subscribe for fifty-nine percent (59%) of the shares in Stocks & Securities Limited. Our instructions are that the deposit of US\$2,000,000.00 was paid and the documents are now at the stamp office.

We are aware that the Financial Services Commission was sent a Notice of Satisfactory Due Diligence by Ramsay & Partners in letter of the 5<sup>th</sup> January 2023. A copy is enclosed for ease of reference.

Our client was waiting on the Financial Services Commission and Stocks & Securities Limited (SSL) when the events which led to your appointment occurred. Our client intends to complete this transaction and was led to believe that there would have been a meeting with you at your convenience. Be that as it may, we now wish to know the plans of Stocks & Securities Limited for the completion of this contract.

Our client is no doubt concerned about the injunction that was obtained by the Financial Services Commission in terms of how it may impact its rights under this contract. It has an interest in the proceedings and as presently advised is

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considering its options. We are sure that you will agree that its options may depend on whether there is any communication regarding its interest as secured by these agreements.

As a start, we will appreciate your response to this letter. In addition, we will appreciate a meeting or communication from your counsel as regards the completion of these agreements.

By copy hereof, our client is also making inquiries of the Financial Services Commission in relation to the approval including fit and proper inquiries.

We look forward to hearing from you and Major Keron Burrell.

Yours faithfully,  
**HENLIN GIBSON HENLIN**

PER:   
**M. GEORGE GIBSON HENLIN, KC**

MGGH/

- cc. Chairman, Financial Services Commission Honourable Richard Byles.  
Interim Executive Director, Financial Services Commission, Major Keron Burrell.  
Spectrum Capital Partners Limited, Dr. Winston Adams.



876-998-3553; 876-988-3258; 905-497-7328  
876-986-8834  
Suits 3 & 4, 24 Cargill Avenue,  
Kingston 10, Jamaica West Indies  
gibsonhenlin@henlin.pro  
www.henlin.pro

**OUR REFERENCE: 2023 - 000002078**

**BY ELECTRONIC MAIL ONLY**

February 14, 2023

**Kenneth Tomlinson**  
Temporary Manager  
Stocks & Securities Limited,  
33<sup>1</sup>/<sub>3</sub> Hope Road,  
Halfway Tree, St. Andrew  
Jamaica West Indies

Dear Mr. Tomlinson:

**Re: Share Subscription Agreement Between Spectrum Capital Partners Limited, SSL Growth Equity Limited, George Chai and Stocks & Securities Limited AND Shareholder's Agreement Between Spectrum Capital Partners Limited, SSL Growth Equity Limited, George Chai and Stocks & Securities Limited**

We continue to act for Spectrum Capital Partners Limited.

We refer to our letter of the 26<sup>th</sup> January 2023. We have not received a response from you or Major Keron Burrell.

Nevertheless, as we continue to press you for a meeting, our instructions require us to clarify an aspect of our letter aforesaid. This is in relation to the US\$2,000,000.00 payment. The sum of US\$1,100,000.00 was utilized in the business of SSL. The sum of US\$900,000.00 was placed in escrow in favour of our client. Our client will take sum in escrow immediately.

Further, since writing to you, we have reviewed additional documentation including The Jamaica Gazette Extraordinary dated the 17<sup>th</sup> January 2023. It confirms that a special resolution was passed on the 16<sup>th</sup> January 2023 to wind up SSL. Once effectively passed, as appears to be the case here, the resolution has the effect of terminating share purchase agreement in accordance with Clause 12.1.2 of the shareholders' agreement. The rights accrued to our client prior to termination have been preserved by virtue of Clause 12.2. This includes a right to participate in the resolution of the matter of the breach of contract which arose on the contractual termination.

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Finally, notwithstanding SSL's termination of the agreement as explained above, our client is placing on record its interest in acquiring SSL's licence as an option for resolution of the matters arising on termination of its contract. The share purchase agreement was intended to give it a majority interest in SSL.

Given the current state and status of SSL, restructuring and/or winding up are options available to you and/or the Financial Services Commission. Our client has a legitimate interest or right in the restructuring given the rights preserved on termination of the agreement.

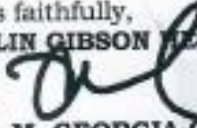
In furtherance of this interest, its agents have been in discussion with George Chai, a long-standing shareholder who has fit and proper status. Its principals submitted themselves to be considered for fit and proper status by the Bank of Jamaica (BOJ) and the Financial Services Commission (FSC). As previously advised, they are awaiting responses from both entities.

Again, we look forward to hearing from you and Major Keron Burrell.

Yours faithfully,

**HENLIN GIBSON HENLIN**

PER:

  
**M. GEORGIA GIBSON HENLIN, KC**

MGGH/

cc. Chairman, Financial Services Commission Honourable Richard Byles.  
Interim Executive Director, Financial Services Commission, Major Keron Burrell.  
Spectrum Capital Partners Limited, Dr. Winston Adams.



March 3, 2023

Marc Ramsay  
 Managing Partner  
 Ramsay & Partners  
 Third Floor, 8 Lady Musgrave Road  
 New Kingston, Kingston 5  
 St Andrew Jamaica

Dear Sir:

**Re Return of Funds Held in trust by Ramsay & Partners for Spectrum Capital Partners limited immediately to Spectrum Capital Partners Limited**

Please be advised that as per instructions issued by the appointed Temporary Manager of SSL, Mr. Kenneth Tomlinson, there should be an immediate return of funds held in trust by Ramsay & Partners for Spectrum Capital Partners Limited, to Spectrum Capital Partners Limited (SCP). The funds returned should include any accumulated interest to the date of return.

The funds are currently held in the account name of Barita Investments Limited at CIBC First Caribbean International Bank.

The bank accounts and the amounts originally transferred are indicated below. These were transferred from Stocks and Securities Limited on January 12, 2023.

**Funds to be returned to SCP are as follow:**

**(1) JMD 123,040,000.00 held in account:**

**Account Name:** Barita Investments Limited  
**Bank:** CIBC First Caribbean International Bank  
**Address:** 23-27 Knutsford Blvd, Kingston 5  
**Account Number:** 114300238  
**Type:** Chequing  
**Branch:** New Kingston  
**BIC:** FCIBJMKN

**Narration: Ramsay and Partners in trust for Spectrum Capital Partners Limited**

1876.929.3400 (P) | 1876.929.4825 (F) | 1888.CALLSSL (Toll Free from Jamaica) | 1866.978.4503 (Toll Free from USA)  
 33 N Hope Road, Kingston 10, Jamaica | Unit 010, 20 Fairview Town Centre, Montego Bay, St. James, Jamaica | info@sslinvest.com | www.sslinvest.com

Temporary Manager: Kenneth Tomlinson



The Best Investment Centre, Creating Financial Solutions for Ambitious Investors

FINANCIAL  
PLANNING

PRIVATE  
WEALTH  
MANAGEMENT

BROKERAGE

**(2) USD 100,000.00 held in account:**

**Account Name:** Barita Investments Limited  
**Bank:** CIBC First Caribbean International Bank  
**Address:** 23-27 Knutsford Blvd, Kingston 5  
**Account Number:** 113811131  
**Bank Swift Code:** FCIBJMKX

**Narration:** Ramsay and Partners Trust account

Kindly provide proof of transfers to Spectrum Capital Partners Limited once executed. In addition, please also provide proof of receipt of the funds by SCP.

Sincerely,

Kenneth Tomlinson, Temporary Manager  
Stocks and Securities Limited

1876.929.3400 (P) | 1876.929.4825 (F) | 1888.CALLSSL (Toll Free from Jamaica) | 1866.978.4503 (Toll Free from USA)  
33 N Hope Road, Kingston 10, Jamaica | Unit B10, 10 Fairview Town Centre, Montego Bay, St. James, Jamaica | info@sslinvest.com | www.sslinvest.com

Temporary Manager: Kenneth Tomlinson





**Payment 01230KF1E4X Details**

Preformat Code	BARITA INVESTMENTS LTD REPO
Debit Account Number / Currency / Name	0022542192 - JMD - STOCKS AND SECURITIES LTD.
Payment Currency / Amount	JMD - 121,840,000.00
Payment Method	Domestic Funds Transfer
Payment Type	Interbank Transfer
Subsidiary Identifier / Name	-- --
Year Reference	01230KF1E4X
Confidential	No
Debit IBAN Account Number	--
Value Date	01/12/2023
Beneficiary Account Number	114300238
Beneficiary Name	BARITA INVESTMENTS LTD
Beneficiary ID	99999
Beneficiary Bank Name	FIRST CARIBBEAN
Beneficiary Bank Address	NEW KINGSTON
Beneficiary Bank Routing Code	018
Beneficiary Branch Code	08676
Destination Branch / Name	001 - CITIBANK - KINGSTON
Beneficiary Account Type	01
Description	FFC TO: RAMSAY AND PARTNERS IN TRUST FOR SPECTRUM CAPITAL PARTNERS LTD
Document Type	RTGS-JamClear
Accounting Code	--
Product Code	--
Financial Code	--
Payment Motive Code/Description	--
Submitted By	DAHLIA FORTE
Submission Date/Time	01/12/2023, 13:11:16 GMT-05:00
Cheque Number	--
Status	Authorization Required
Sub-Status	--
Creation Method	Predefined Beneficiary Preformat



**Payment 0123001234555274 Details**

Perform Code	--
Debit Account Number / Currency / Name	0023542001 - USD - STOCKS AND SECURITIES LTD.
Payment Currency / Amount	USD - 100,000.00
Payment Method	Cross Border Funds Transfer
Payment Type	--
Subsidiary Identifier / Name	-- - --
Transaction Reference Number	0123001234555274
Confidential	No
Related Reference	--
Debit IBAN Account Number	--
Intra-Company	No
Ordering Party Name / Address	STOCKS AND SECURITIES LTD. 33 1-2 HOPE ROAD KINGSTON 10, JAM AICA
Ordering Party ID Type / ID	/ACCT/ - 0023542001
Value Date	01/12/2023
Beneficiary	/ACCT/
Account or Other ID Type / ID	113811131
Beneficiary Is	Not a Bank
Beneficiary Name / Address	BARITA INVESTMENTS LTD 15 ST LUCIA AVENUE KINGSTON 10 JAM AICA
Beneficiary Country Code / Name	JM - JAMAICA
Beneficiary Bank Routing Method / Code	SWIFT
Beneficiary Bank Routing Code	FCIBJMKX
Beneficiary Bank Name / Address	FIRSTCARIBBEAN 1 KNUTSFORD BOULEVARD, 23-27 KINGSTON, JAM AICA
Beneficiary Bank Country Code / Name	JM - JAMAICA
Intermediary Bank Routing Method / Code	--
Intermediary Bank Name / Address	--
Intermediary Bank Country Code / Name	--
Payment Details	PFC RAMSAY AND PARTNERS TRUST ACCOUNT
Bank Details	--
Charges Indicator	OUR
Advice to Beneficiary Bank	No
Advice Beneficiary	No Advice Required
Priority Flag	No
Memo Details	--
Payment Purpose Code/Description	--
Submitted By	DAHLIA FORTE
Submission Date/Time	01/12/2023, 13:04:38 GMT-05:00
Cheque Number	--
Status	Authorization Required
Sub-Status	--
Creation Method	Input



**RAMSAY & PARTNERS**

Ground and Third Floor  
8 Lady Musgrave Road  
St. Andrew, Kingston 5, Jamaica  
Jamaica: (876) 906-3402/2616  
USA & Canada Toll Free/Fax: 1-833-261-3637  
inbox@ramsayandpartners.com

**BY EMAIL**  
**CONFIDENTIAL**

7 March 2023

Henlin Gibson Henlin  
Suites 3 & 4, 24 Cargill Avenue  
Kingston 10

**Attention: M. Georgia Gibso Henlin KC**

Dear Madam:

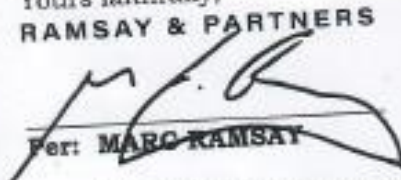
***Re: Sum held in Escrow - Spectrum Capital Partners Limited***

Further to USD wire instructions received on 6 March 2023 (Brown/Ramsay), we have requested a wire transfer of US\$897,713.90 to the account in the name of University of the Commonwealth Caribbean (UCC) account ending \*\*\*\*\*936.

We have annexed the statement of account for your records. Note that the sum transferred will be subject to wire fees from the sending and receiving banks.

Please do not hesitate to contact us if you have further questions.

Yours faithfully,  
**RAMSAY & PARTNERS**

Per:   
**MARC RAMSAY**

cc. Spectrum Capital Partners Limited;  
Stocks and Securities Limited.

**Partners:**  
Marc Francis Ramsay\*  
Samantha Moore  
Kalima Bobb-Semple  
**Associates:**  
Sheldon Robinson  
Charnelle Bainsy  
**Consultant:**  
Ransford Brahm QC

\*Also called in Barbados and Belize



Attorneys-at-Law  
2/2

Statement of Account

Funds held in Escrow – Spectrum Capital Partners Limited

DATE	DESCRIPTION	SUM
<b>JMD</b>		
1/31/23	JMD Funds received	\$ 123,039,893.00
3/1/23	Add: Net Interest Earned	\$ 595,359.72
3/1/23	JMD Funds Subtotal	\$ 123,635,252.72
	US Funds converted to USD @\$155.00	\$ 797,646.79
<b>USD</b>		
1/31/23	USD Funds received	\$ 99,975.85
3/1/23	Add: Net Interest Earned	\$ 193.26
3/1/23	Less: Bank charges	\$ (50.00)
3/1/23	USD Funds Subtotal	\$ 100,119.11
	Less: Interbank Wire Charges	\$ (52.00)
	<b>Total Sum for Disbursement (USD)</b>	<b>\$ 897,713.90</b>

E&OE

**Ken Tomlinson**

---

**From:** Marc Ramsay <ramsay@ramsayandpartners.com>  
**Sent:** Tuesday, March 7, 2023 6:34 PM  
**To:** Kentom@cwjamaica.com  
**Cc:** Stephanie Milford  
**Subject:** Re: Funds held in Escrow - Spectrum Capital Partners  
**Attachments:** RP to HGH 6 March 2023.pdf

Greetings,

Please see attached for your records.

Kind regards,

Marc



**RAMSAY & PARTNERS**

**Attorneys-at-Law**

Third Floor, 8 Lady Musgrave Road  
New Kingston, Kingston 5, St Andrew  
Jamaica

[www.ramsayandpartners.com](http://www.ramsayandpartners.com)



**Marc Ramsay**

[ramsay@ramsayandpartners.com](mailto:ramsay@ramsayandpartners.com)  
Office: 876-906-2616; 876-906-3402  
Mobile: 8765319970  
Fax: 1-833-261-3637

[Schedule Appointment](#)





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Kingston 10, Jamaica West Indies  
gibsonhenlin@henlin.pro  
www.henlin.pro

**OUR REFERENCE: 2023 - 000002078**

**BY ELECTRONIC MAIL ONLY**

March 7, 2023

**Major Keron Burrell**  
Interim Executive Director  
Stocks & Securities Limited,  
39-43 Barbados Avenue  
Kingston 5,  
Jamaica West Indies

Dear Sir:

**Re: Share Subscription Agreement Between Spectrum Capital Partners Limited, SSL Growth Equity Limited, George Chai and Stocks & Securities Limited AND Shareholder's Agreement Between Spectrum Capital Partners Limited, SSL Growth Equity Limited, George Chai and Stocks & Securities Limited**

We continue to act for Spectrum Capital Partners Limited.

We refer to our letter of the 26<sup>th</sup> January 2023 and also the 14<sup>th</sup> February 2023 to Kenneth Tomlinson and by copy to you. We have not received a response from either of you.

In those letters, we pressed for a meeting to discuss our client's interest in acquiring SSL's licence as an option for resolution of the matters arising on termination of its contract. The share purchase agreement was intended to give it a majority interest in SSL. On that basis, as indicated in our letters aforesaid, a sum of US\$1,100,000.00 is still on account in relation to the initial arrangement.

We indicated that given the current state and status of SSL, restructuring and/or winding up are options available to the Temporary Manager and/or the Financial Services Commission. Our client has a legitimate interest or right in the restructuring given the rights preserved on termination of the agreement.

In furtherance of this interest, we indicated on its behalf, that its agents have been in discussion with George Chai, a long-standing shareholder who has fit

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and proper status. Its principals submitted themselves to be considered for fit and proper status by the Bank of Jamaica (BOJ) and the Financial Services Commission (FSC). The Chai Group is aware of our client's interest as this was communicated to their attorneys-at-law Ransford Braham, KC on the 18<sup>th</sup> February 2023. He communicates with David Wong Ken on behalf of Mr. Chai.

As previously advised, we have been awaiting responses from you and from Mr. Kenneth Tomlinson.

May we have the meeting that we have requested since our first letter of the 26<sup>th</sup> January 2023. Please let us now as a matter of urgency when this meeting can be accommodated. We have been pursuing this option in lieu of receivership or litigation proceedings.

Yours faithfully,

**HENLIN GIBSON HENLIN**

PER:

  
**GEORGIA GIBSON HENLIN, KC**

MGGH/

cc. Kenneth Tomlinson, Temporary Manager, Financial Services Commission  
Interim Executive Director, Financial Services Commission, Major Keron  
Burrell.  
Spectrum Capital Partners Limited, Dr. Winston Adams.





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www.henlin.pro

**OUR REFERENCE: 2023 - 000002078**

**BY ELECTRONIC MAIL ONLY**

April 24, 2023

**HyltonPowell**  
Attorneys-at-Law  
11 Oxford Road  
Kingston 5,  
Jamaica West Indies

**Attention: Mr. Sundiata Gibbs**

Dear Sir:

**Re: Share Subscription Agreement Between Spectrum Capital Partners Limited, SSL Growth Equity Limited, George Chai and Stocks & Securities Limited AND Shareholder's Agreement Between Spectrum Capital Partners Limited, SSL Growth Equity Limited, George Chai and Stocks & Securities Limited**

We refer to our letter of the 7<sup>th</sup> March 2023 and our meeting of the 23<sup>rd</sup> March 2023.

Be reminded that at the time of the matters complained of our client was acquiring a majority interest in SSL and had paid a substantial deposit of US\$2,000,000.00. The sum of US\$900,000.00 not US\$1,100,000.00 (as stated in our letter of the 7<sup>th</sup> March 2023) was on escrow in favour of Spectrum Capital Partners.

On our client's behalf (Spectrum Capital Partners), at the meeting aforesaid, we affirmed its interest in acquiring the licence for SSL Limited in the context of any restructuring. This is also well expressed in our letter aforesaid and several previous letters.

We understood your position to be that you were not able to offer or advance any substantial position at that time. The primary reason for this is that there was a dispute before the Court as to who is the temporary manager of SSL. The contending parties were the trustee appointed by the Financial Services Commission and the trustee appointed by the directors of SSL, Caydion

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Campbell. The court was expected to rule on an issue that impacted this dispute on the 20<sup>th</sup> April 2023. It is our understanding that a ruling has been delivered. Please indicate whether and if so when, you will be able to meet with us or otherwise engage on our request.

As we expressed, we do not want to over-complicate matters and will be happy to resolve this insofar as the law permits in the interest of our client.

We look forward to hearing from you on or before the 28<sup>th</sup> April 2023.

Yours faithfully,  
**HENLIN GIBSON HENLIN**

PER:   
**M. GEORGIA GIBSON HENLIN, KC**

MGGH/

cc. Spectrum Capital Partners Limited, Dr. Winston Adams.





April 28<sup>th</sup>, 2023

General Counsel  
 Financial Services Commission  
 39 Barbados Avenue Kingston 5 St. Andrew  
 Jamaica, West Indies

Dear General Counsel,

Please see as follows for a background, and proposal for the FSC, as it relates to the formation of a new company, and it being sold to partners with SPC as majority owner, to acquire specific assets from SSL such as the remaining assets under custody, and the broker dealer license, along with certain liabilities. This new company will be formed with the primary purpose of administering the current assets under custody, and for the secondary purpose of finding a resolution to the liabilities transferred in a fair and amicable way, thereby satisfying the clients of SSL and creditors.

**Background:**

Spectrum Capital Partners Limited was advanced via a share purchase agreement to acquire a 51 to 53% stake in Stocks and Securities Ltd. (SSL) with controlling voting rights, for US\$4 million, via Spectrum Capital Partners Limited. This was subsequently increased to 59% due to contingent liabilities being above US\$800 thousand, along with other assets from the parent company to be transferred for remedies for the large receivables (J\$725 million, or approx. US\$4.5 million) to related parties that were likely to be impaired. These assets were identified as follows:

- US\$1,200,000 - SSL Capital Cayman Limited - Papa Johns Cayman
- US\$1,100,000 - Lifespan Company Limited
- US\$30,000 - SSL Asset Management (Cayman) Limited

This was abruptly put to a halt in January after fraudulent cases were discovered, and subsequently SSL's material filing for insolvency. In January, at the time of the events unfolding, half of the purchase amount was already paid by SCP in the amount of US\$2 million, and a portion of these funds (Approx. US\$900 thousand) were put in escrow.

Spectrum Capital Partners Limited was the most advanced in terms of the process to acquire majority shares in SSL, for its assets under management, with a view of offering financial products to all UCC's students, cross selling to partners across the group such as RE/Max Elite Realty and implementing



strategic growth initiatives targeted at increasing management fees, investment banking, along with new offerings such as margin accounts, and collective investment schemes.

**Opportunity:**

The formation of a new company, and it being sold to partners with SPC as majority owner, to acquire specific assets from SSL such as the remaining assets under custody, and the broker dealer license, along with certain liabilities to find an amicable resolution for creditors. A minority interest in the new company will be sold to other partners, to generate enough capital to seamlessly administer the assets under administration, capitalize the entity, and settle with creditors.

SSL is no longer a viable entity to administer their current AUM due to several factors, not limited to:

1. Filing for insolvency, with the lack of assets to meet liabilities.
2. Losing their trading accreditation from the JSC
3. Incurring significant reputational damage and the massive fraud events that transpired.
4. Inability to maintain adequate capital adequacy ratios required by the FSC
5. Lack of working capital or operational cash
6. Lack of active Management & Board

**Proposal:**

Use of Capital: US\$ 9 million

- Purchase price: US\$2 million
- FSC required equity ratio of 15%: US\$ 1.4 million
- Operational expenses: US\$ 2 million
- Capital expenditure: US\$ 600 thousand
- Assumed liabilities from SSL: US\$ 3 million

Use of Capital is assumed to be the total use of proceeds: US\$ 5 million value less liabilities of US\$ 3 million, plus additional capital requirements US\$ 1.4 million for working capital for a year, US \$0.6 million capital expenditure and equity of US\$ 1.4 million.

The purchase price of US\$ 2 million is based on the value of the new company assumed to be US\$5 million less the US 3 million in liabilities to be taken on.

Items to be agreed on:

- Identification and due diligence of key partners and investors
- Appropriate level of capitalization to meet the operational needs of the Newco.
- Ensuring the capital adequacy ratios that will be required by the FSC.
- Establishment of Fit and Proper via a strong BOD for the new CO.
- Establishment of Fit and Proper via identification of the key management structure
- Identification of human resources via an organizational chart shown to be able to serve the clients and administer operations in accordance with regulatory requirements.
- Preparation of a business plan and a detailed action plan to execute.

- Providing operating procedures, along with the selection of brokers and an operating system
- Establishment of an AML policy framework, and SOPs for the company

Indicative Assets to be acquired:

- Broker dealer License
- Assets under management: US\$150 million
- Total clients: 5,000 clients
- Average account size: US\$30,000 per client

Indicative Liabilities to be considered:

- US\$3 million

Yours sincerely,  
Dr. Winston Adams



\_\_\_\_\_  
Founder, Group Executive Chairman, UCC Group



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www.henlin.pro

**OUR REFERENCE: 2023 - 000002078**

**BY ELECTRONIC MAIL ONLY**

April 29, 2023

**HyltonPowell**  
Attorneys-at-Law  
11 Oxford Road  
Kingston 5,  
Jamaica West Indies

**Attention: Mr. Sundiata Gibbs**

Dear Sir:

**Re: Share Subscription Agreement Between Spectrum Capital Partners Limited, SSL Growth Equity Limited, George Chai and Stocks & Securities Limited AND Shareholder's Agreement Between Spectrum Capital Partners Limited, SSL Growth Equity Limited, George Chai and Stocks & Securities Limited**

We refer to our follow up letter of the 24<sup>th</sup> April 2023.

We also refer to your response of the 26<sup>th</sup> April 2023. On our client's instructions we send you herewith our client's proposal for your client's consideration. It seems to us that for so long as the injunction remains in place, Kenneth Tomlinson is the only authorised trustee or representative of SSL. So while nothing may be taking place in the interim, we see value in its proposal being on the table in the interim.

We look forward to hearing from you on or before the 28<sup>th</sup> April 2023.

Yours faithfully,  
**HENLIN GIBSON HENLIN**

PER:   
**M. GEORGIA GIBSON HENLIN, KC**

MGGH/

cc. Spectrum Capital Partners Limited, Dr. Winston Adams.  
Kenneth Tomlinson, Temporary Manager, SSL

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*Appendix 14 – JSE/RMOD Correspondence re Insurance and Termination of Member Dealer Agreement*

Date	From	To	Main Subject or Extract
27 January 2023	JSE/RMOD	Ken Tomlinson TM of SSL	Request for proof of renewal of insurance coverage.  Termination of Member/Dealer Agreement by 3 February 2023
2 February 2023	JSE/RMOD	Ken Tomlinson, TM of SSL	Extension granted to 13 February 2023 to provide proof of insurance renewal
14 February 2023	JSE/RMOD	Major Keron Burrell – Executive Director, FSC	<i>“In order to avoid termination, SSL must provide by the end of the day Thursday, February 16, 2023, evidence of coverage of no less amount and on no less terms, than what it had prior to its expiration on January 22, 2023.”</i>
17 February 2023	JSE/RMOD	Major Keron Burrell	<i>Deadline passed...” Please be advised that on February 23, 2023, SSL’s Member/ Dealer Agreement with the Exchange will therefore be terminated.”</i>
24 February 2023	JSE	Ken Tomlinson	SSL’s trading access to the JSE’s trading system disabled.
6 March 2023	Jamaica Central Securities Depository Ltd	Ken Tomlinson	<i>“Need for alternative arrangements for investors to access brokerage services” “...SSL JCS D account holders to transfer their securities to a broker of their choice”</i>
2 May 2024	JSE	Hugh Croskery	Confirmation that Member Dealer Agreement was terminated on 23 February 2024. <i>“While the Member Dealer Agreement is in existence, the Member Dealer can, with the JSE’s consent assign same to a third party on such terms that it agrees with the third party. However, when the agreement is terminated, the Member Dealer’s right to trade on the Exchange ceases and so does the right to assign the Agreement.”</i>
14 June 2024	JSE	Caydion Campbell	Formally advising Trustee of termination of SSL’s Dealer Agreement with the JSE and its Participation Agreement with JCSD.
20 August 2024	JSE	Caydion Campbell	Declining request for correspondences referred to in their letter of 27 January 2023. Advised that correspondences shared contained all “information relevant...particularly the reason for the termination of SSL’s trading license.





40 Harbour Street, Kingston.  
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Fax: (876) 967-3273  
Website: www.jamstockex.com

January 27, 2023

**BY EMAIL ONLY**

Mr. Kenneth Tomlinson  
Temporary Manager  
Stocks & Securities Limited  
33½ Hope Road,  
Kingston 10.

Dear Mr. Tomlinson:

**Re: JSE Rule 225 – Insurance Coverage - Stocks and Securities Limited's (SSL)**

We refer to our letters dated January 16<sup>th</sup>, 23<sup>rd</sup> and 25<sup>th</sup>, 2023 regarding Stocks and Securities Limited's (SSL) insurance renewal pursuant to the Jamaica Stock Exchange's (JSE) **Rule 225 – Insurance**.

Please be advised that based on our records, SSL has failed to provide proof of renewal of insurance coverage for the period commencing January 23, 2023, as required under **JSE Rule 225 - Insurance**. Consequently, the firm is in breach of **JSE Rule 225** and **Clauses 3 and 4.2(e)** of its Member/Dealer Agreement of March 12, 2008, with the Jamaica Stock Exchange (JSE).

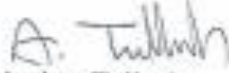
Due to the breach, the JSE hereby notifies that if the firm fails to provide documentary evidence of the insurance renewal by Friday, February 3, 2023, the JSE will terminate its agreement with SSL.

With the termination, the Exchange will suspend all of SSL's trading privileges until proof of compliance with **JSE Rule 225** is provided to the satisfaction of the JSE's Regulatory and Market Oversight Division (RMOD).

This step is without prejudice to any other enforcement or disciplinary action that the RMOD may deem appropriate following its review of SSL's non-compliance with the rules of the Exchange and its Agreement with the Exchange given the circumstances of a substantial fraud at the firm that was reported by SSL on January 10, 2023.

Please be guided accordingly.

Yours truly,  
**JAMAICA STOCK EXCHANGE**

  
Andrae Tulloch  
Chief Regulatory Officer

c. Dr. Marlene Street-Forrest, Managing Director – Jamaica Stock Exchange  
Major Keron O. Burrell, Acting Executive Director – Financial Service Commission



40 Harbour Street, Kingston.  
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**BY BEARER & EMAIL**

February 2, 2023

Mr. Kenneth Tomlinson  
Temporary Manager  
Stocks & Securities Limited  
33½ Hope Road,  
Kingston 10.

Dear Mr. Tomlinson:

**Re: JSE Rule 225 – Insurance Coverage - Stocks and Securities Limited's (SSL)**

We refer to our letter dated January 27, 2023, and subsequent telephone conversation today between (Tomlinson, Street-Forrest/Morrison/Tulloch) in relation to captioned matter.

As requested by your office, we extend the date from the end of the business day Friday, February 3, 2023 to Friday, February 13, 2023 by which Stocks and Securities Limited (SSL) is required to provide evidence of maintenance of its insurance policy under JSE Rule 225 – Insurance - of the Jamaica Stock Exchange (JSE).

Kindly be reminded that we await your response to our letter dated January 23, 2023, as it will aid us in understanding why SSL was classified as "an accounting firm" in earlier insurance documentation.

Please be reminded that under JSE Rule 225, SSL's failure to provide proof of the maintenance of the insurance coverage for the period commencing January 23, 2023, constitutes a breach of JSE Rule 225 pursuant to Clauses 3 and 4.2 (e) of its Member/Dealer Agreement of March 12, 2008 with the JSE. In the event of such a breach, the JSE will immediately terminate SSL's Member/Dealer Agreement with the JSE. The effect of the termination is that SSL will no longer be licensed as a Member/Dealer of the Exchange and all privileges, including those of trading as a Member/Dealer on the Exchange will cease, and all contractual business arrangements with the Jamaica Central Securities Depository, a subsidiary of the JSE will terminate. You no doubt appreciate that the implication is that the Member/Dealer licence it presently holds, will be of no commercial value to SSL or any third-party transferee.

.../2

Page 2

February 2, 2023

Mr. Kenneth Tomlinson  
Temporary Manager  
Stocks & Securities Limited

**Re: JSE Rule 225 – Insurance Coverage - Stocks and Securities Limited's (SSL)**

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Please be advised that the granting of this extension to produce the evidence of insurance, does not prevent the RMOD from taking any other enforcement or disciplinary actions that it deems appropriate following its review of SSL's non-compliance with any of the rules of the Exchange and/or its Agreement with the Exchange, given the circumstances of a substantial fraud at the firm that was reported by SSL on January 10, 2023.

Please be guided accordingly.

Yours truly,  
**JAMAICA STOCK EXCHANGE**



Andrae Tulloch  
Chief Regulatory Officer

- c. Dr. Marlene Street-Forrest, Managing Director – Jamaica Stock Exchange  
Major Keron O. Burrell, Acting Executive Director – Financial Service Commission



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**BY BEARER AND EMAIL**

February 14, 2023

Major Keron Burrell  
 Acting Executive Director  
 Financial Services Commission  
 33 Barbados Avenue  
 Kingston 5

Dear Major Burrell:

**Re: Stocks and Securities Limited – Insurance**

We refer to our several letters to your office and the discussion via video conference between the Jamaica Stock Exchange (JSE) and the Financial Services Commission (FSC) on instant date, regarding Stocks and Securities Limited (SSL).

As you are aware, based on our letter to the FSC of February 2, 2023, SSL is in violation of **JSE Rule 225 - Insurance** and **Clauses 3 and 4.2 (e)** of its Member/Dealer Agreement with the JSE dated March 12, 2008, due to its failure to provide evidence of insurance policy renewal commencing January 23, 2023. Further, on SSL's request, an extension was granted for the firm to submit evidence of its insurance renewal by February 13, 2023. SSL has failed to remedy the breach by the extended date and accordingly, is currently in breach of **JSE Rule 225 - Insurance**.

Please be advised that the JSE is considering the immediate termination of SSL's Member/Dealer Agreement as the insurance coverage requirement provides investors through the Exchange, with protection against fraud and other malfeasance by SSL, to the extent of the coverage. Consequently, due to SSL's ongoing breach of **Rule 225 – Insurance** and **Clauses 3 and 4.2**, the JSE has no choice but to terminate its Member/Dealer Agreement with the firm. In order to avoid termination, SSL must provide by the end of the day Thursday, February 16, 2023, evidence of coverage of no less amount and on no less terms, than what it had prior to its expiration on January 22, 2023.

We trust that the FSC appreciates the gravity of the situation which exposes clients and investors of SSL with no coverage in the event of fraud and other malfeasance and the negative impact this can have on the Capital Market. We look forward to your kind feedback by the close of business on Thursday, February 16, 2023.

Yours truly  
**JAMAICA STOCK EXCHANGE**

*A. Tulloch*  
 Andrae Tulloch  
 Chief Regulatory Officer

C: Dr. Marlene Street-Forrest, Managing Director – Jamaica Stock Exchange





40 Harbour Street, Kingston.  
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**BY BEARER AND EMAIL**

February 17, 2023

Major Keron Burrell  
Acting Executive Director  
Financial Services Commission  
33 Barbados Avenue  
Kingston 5

Dear Major Burrell:

**Re: Stocks and Securities Limited – Insurance**

We refer to our various letters to the Financial Services Commission (FSC) and Stocks and Securities Limited (SSL) regarding the subject matter, as well as our meeting on February 14, 2023, and letter sent to your office on the same date.

This is to inform you that the deadline of February 16, 2023, which was communicated in our letter dated February 14, 2023, to submit a solution to SSL's breach of **JSE Regulation 225 - Insurance and Clauses 3 and 4.2 (e)** of its Member/Dealer Agreement with the JSE dated March 12, 2008, has passed.

Please be advised that on February 23, 2023, SSL's Member/Dealer Agreement with the Exchange will therefore be terminated.

Yours truly  
**JAMAICA STOCK EXCHANGE**

Andrae Tulloch  
Chief Regulatory Officer

- C: Mr. Richard Byles, Chairman – Financial Services Commission  
Dr. Nigel Clarke, Minister of Finance and the Public Service  
Dr. Marlene Street Forrest, Managing Director – Jamaica Stock Exchange  
Mr. Kenneth Tomlinson, Temporary Manager – Stocks and Securities Limited



40 Harbour Street, P.O. Box 1084,  
Kingston, Jamaica

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[www.jamstockex.com](http://www.jamstockex.com)

February 24, 2023

Mr. Kenneth Tomlinson  
Temporary Manager  
Stocks & Securities Limited  
33 1/2 Hope Road  
Kingston 10

Dear Mr. Tomlinson:

**Re: Stocks & Securities Limited (SSL) Trading Access**

Please be advised that effective close of business today, February 24, all SSL's trading access to the JSE's Trading Platform will be disabled. All existing orders in our trading system will be withdrawn.

Kindly contact the undersigned if you have any questions in relation to this action or need any clarification.

Yours sincerely

Marlene Street Forrest (Dr.)  
Managing Director

Copy: Major Keron Burrell, Executive Director - FSC  
Ms. Andrea Kelly, General Manager - Jamaica Central Securities Depository  
Mr. Andrae Tulloch, Chief Regulatory Officer - Jamaica Stock Exchange



**Board Members:**

Mr. Julian Moe (Chairman); Mr. Steven Whittingham (Deputy Chairman); Mr. Doreen Barnett; Miss Dian Black; Mr. Jason Chambers;  
Mrs. Suzanne Phibbs-Goldson; Mr. Steven Goodley; Mrs. Kerry-Ann McCoy Tulloch; Mr. Michael B. McNaughton; Mrs. Janet Morrison;  
Mr. Livingstone Morrison; Mrs. Tara Nunez; Mr. Gary Peadar; Mr. Eric Scott; Dr. Marlene Street Forrest; Miss Rosanne Hutchinson (Company Secretary)



40 Harbour Street, P.O. Box 1084,  
Kingston, Jamaica  
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www.jamstockex.com

March 06, 2023

Mr. Kenneth Tomlinson  
Temporary Manager  
Stocks & Securities Limited  
33 1/2 Hope Road  
Kingston 10

Dear Mr. Tomlinson

**Re: SSL JCSD Accounts**

We refer to the termination of the Member Dealer Agreement between the Jamaica Stock Exchange (JSE) and Stocks & Securities Limited (SSL) resulting in the need for alternative arrangements for investors to access brokerage services.

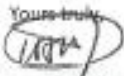
In keeping with the Participant Agreement between the JCSD and SSL under which JCSD holds securities on behalf of SSL clients, we are requesting approval for SSL JCSD account holders to transfer their securities to a broker of their choice.

If you agree, we ask that you:

- a. respond to our letter in writing granting your consent and providing us with a list of all SSL JCSD account holders who are authorized to transfer their securities to another broker.
- b. Communicate to the SSL JCSD account holders advising of the approval and directing that they contact the JCSD to transfer their securities to the broker of their choice.

The JCSD will provide a listing on a weekly basis of all securities transferred from SSL JCSD accounts. The list will include the client's names, JCSD account numbers and brokers to whom each account is transferred.

We thank you for urgent response in this regard.

Yours truly,  


Andrea Kelly  
General Manager JCSD & JCSDTS

Copy to: Dr. Marlene Street Forrest - Managing Director - Jamaica Stock Exchange  
Major Keron Burrell - Executive Director - Financial Services Commission

*Handwritten notes:*  
MSd  
MB  
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**BOARD OF DIRECTORS:**

Ms. Livingstone Morrison (Chairman); Mr. Carlo Martin (Deputy Chairman); Ms. Alvaro Casserly; Miss Jettie Coffie; Ms. Jeanine Muir; Mr. Gary Peart; Dr. Marlene Street Forrest; Mr. Leo Williams; Mr. Terence Francis; Mrs. Kayle McNaught-Henry (Company Secretary)





40 Harbour Street, P.O. Box 1084,  
Kingston, Jamaica

Telephone: 876-967-3271

Fax: 876-924-9090

www.jamstockex.com

May 2, 2024

Mr. Hugh Croskery  
Stocks and Securities Limited  
33 ½ Hope Road  
Kingston 10

Dear Mr. Croskery


**Termination of SSL Trading Licence**

Further to our telephone conversation regarding the captioned matter, please be advised that Stocks and Securities Limited's Member Dealer Agreement was terminated on February 23, 2023 as advised by letter from the RMOD dated February 17, 2023 which is attached.

While the Member Dealer Agreement is in existence, the Member Dealer can, with the JSE's consent, assign same to a third party on such terms that it agrees with the third party. However, when the agreement is terminated, the Member Dealer's right to trade on the Exchange ceases and so does the right to assign the Agreement.

I hope that the explanation provided above clarifies your inquiry.

Yours sincerely

  
Marlene Street Forrest (Dr.)  
Managing Director

Copy: Mr. Kenneth Tomlinson - Stocks and Securities Limited  
Mr. Andrae Tulloch - RMOD

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**Board Members:**

Mr. Julian Blair (Chairman); Mr. Steven Whittington (Deputy Chairman); Mrs. Dian Black; Mr. Jason Chambers; Mrs. Sabrina Cooper;  
Mr. Sarah Goodley; Mrs. Kerry-Ann McKay Tulloch; Mr. Michael B. McNaughton; Mrs. Janet Morrison; Mr. Livingston Mumbie; Mr. Gary Peart;  
Mr. Eric Scott; Ms. Tracy-Ann Spencer; Dr. Marlene Street Forrest; Mrs. Roseanne Hutchinson (Company Secretary).



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June 14, 2024

Mr. Caydion Campbell  
Trustee  
Stocks and Securities Limited  
32 1/2 Hope Road  
Kingston 10

Dear Mr. Campbell

**Termination of SSL Trading Licence**

The Jamaica Stock Exchange (JSE) wishes to ensure that, as Trustee for Stocks and Securities Limited, you were made aware that SSL's Dealer Agreement with the JSE and its Participant Agreement with the JCSD were terminated by reason of the Company's breach of **JSE Rules 225 – Insurance and Clauses 3 and 4.2 (e) of its Member Dealer Agreement.**

Should you require any clarification, kindly contact me at 876 967 0131.

Yours truly

  
Marlene Street Forrest (Dr.)  
Managing Director



**Board Members:**

Mr. Julian Moore (Chairman), Mr. Steven Whitehouse (Deputy Chairman), Mr. Dion Black, Mr. Jason Chambers, Mrs. Sabrina Cooper,  
Mr. Steven Gaskin, Mr. Kerry Ann McKee-Tully, Mr. Michael B. McLaughlin, Mrs. Jewel Murray, Mr. Lovelldown Murray, Mr. Gary Pratt,  
Mr. Eric Scott, Mr. Tracy Ann Simms, Dr. Marlene Street Forrest, Mrs. Rosalyn Whitehouse (Company Secretary)



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August 20, 2024

Mr. Caydion E. O'Neil Campbell  
Principal Advisor and Licensed Trustee  
PRAISE Trustee Limited  
Suite #3, 47e Old Hope Road  
Kingston 5

Dear Mr. Campbell

**Request for Additional Correspondence Regarding Stocks & Securities Limited ("SSL") Trading License**

We write in respect of your email dated August 7, 2024, and your further request therein, for additional correspondences regarding communication between the Jamaica Stock Exchange ("JSE") and Stocks and Securities Limited ("SSL").

We are of the view that the correspondences that have been shared with you, contain all the information relevant to your request, particularly the reason for the termination of SSL's trading license.

The JSE takes this opportunity to wish you all the best in your endeavours.

Yours truly,  
**JAMAICA STOCK EXCHANGE**

  
Dr. Marlene Street Forrest  
Managing Director



**Board Members:**

Mr. Steven Whittington (Chairman), Mr. Steven Gooden (Deputy Chairman), Mr. Don Black, Mr. Rowan Buchanan, Mr. Jason Chambers, Mr. Andrew Caines, Mr. Edna May, Mr. Emily Ann McKay Tabary, Mr. Michael E. Whiting (Asst. Sec.), Mr. Jason Mackinnon, Mr. Longshore Pearson, Mr. Gary Post, Mr. Tim Scott, Ms. Tracy Ann Spence, Dr. Marlene Street Forrest, Mr. Nigel Young, Mr. Rowan Halloway (Company Secretary)