

Bankruptcy report (pursuant to Art. 73A of the Bankruptcy Act)

Concerning

Report number	01
Report date	20 February 2020
Liquidation number	F 13/20/21
Supervisory case number	0000127617:F001
Date of bankruptcy order	21 January 2020
Supervisory judge	A.E. de Vos
Bankruptcy trustee	J.E.P.A. van Hooff

General information

Company name

IIG TOF B.V.

Company details

This report serves to provide information to interested parties pursuant to Art. 73a of the Bankruptcy Act. This public report does not constitute financial statements or a prospectus. No rights may be derived from this report.

The bankruptcy trustee (hereinafter: the **trustee**) points out that some of the information originates from third parties, and at this stage the information is not yet complete or is subject to further investigation by the trustee. The trustee has not been able yet to verify all the information included.

It cannot be ruled out that further investigation will produce new or different information, as a result of which the information included herein must be adjusted.

IIG TOF B.V. (hereinafter: '**IIG TOF**'), has its corporate seat in Amsterdam and registered offices on Curaçao at Blenchiweg 23, Curaçao. IIG TOF is listed in the trade register of the Chamber of Commerce under number 34126083.

According to the information contained in the trade register of the Chamber of Commerce, the deed of incorporation of IIG TOF is dated 16 December 1999. The articles of association of IIG TOF were most recently amended on 6 July 2007.

Since 6 May 2002, IIG TOF's sole shareholder has been IIG Trade Opportunities Fund N.V. ('**TOF**'). From the company's incorporation until 6 May 2002, the sole shareholder was CNE Corporate Services B.V. TOF is subject to a Curaçaoan liquidation, in which mr. Maria has been appointed as bankruptcy trustee.

The sole director of IIG TOF from 16 December 1999 until 3 October 2019 was Trust International Management (T.I.M.) B.V. Currently, IIG TOF does not have a director.

Activities of the company

IIG TOF is a company that forms part of the international 'International Investment Group'.

According to the information contained in the trade register of the Chamber of Commerce, IIG TOF is a 'Financial Holding'. The activities of the company involved, amongst other things, providing finance (trade financing) to businesses in Argentina.

According to the articles of association of IIG TOF, the objects of the company are:

- a. to incorporate, to participate in any way whatsoever in, to hold an interest in another manner in, to manage and supervise, to give advice to and to provide services to other companies and businesses of whatever nature;
 - b. to make periodic payments;
 - c. to finance businesses and companies;
 - d. to borrow, including the lending and raising of funds, to issue bonds, debt instruments or other securities, and to enter into related agreements;
 - e. to issue guarantees, to commit the company and encumber assets of the company for the benefit of businesses and companies with which the company forms a group and on behalf of third parties;
 - f. to acquire, alienate, encumber, exploit, rent, let and obtain and give the use or enjoyment of property subject to registration in another manner;
 - g. to trade in currency, securities and asset values in general;
 - h. to exploit and trade in patents, trademarks, licences, know-how and other industrial property rights;
 - i. to perform any and all activities of an industrial, financial or commercial nature;
- and to do all that is related or conducive thereto, all in the broadest sense.

Financial information

Year	Turnover	Profit and loss	Balance sheet total
2017	USD 148,034	USD 36,338	USD 72,982,937

Notes to financial information

This information is derived from the annual accounts 2017.

Average number of personnel

IIG TOF has no employees.

Estate balance

Nil

Reporting period

21 January to 19 February 2020

Hours spent

Reporting period	Hours spent	total
220.20	220.20	

Explanation of hours spent

1. Overview

1.1. Management and organisation

Report 1

IIG TOF forms part of an international group of companies, known as the International Investment Group. The headquarters of the International Investment Group was or is (the trustee is not yet clear about the precise status) in New York City, USA.

The director of IIG TOF was Trust International Management (T.I.M.) B.V., a subsidiary of Citco Nederland B.V., ('**Citco**'), a trust company. Citco resigned as director of IIG TOF on 3 October 2019. Since then, IIG TOF has no director.

1.2 Current proceedings

Report 1

The trustee is familiar with a number of proceedings to which IIG TOF is a party, or which are relevant to it.

November 2018 and June 2019 – Girobank N.V. and Girobank International N.V.

In November 2018 the Curaçaoan bank Girobank N.V. and its parent company Girobank International N.V. submitted a request for ICC arbitration. According to information received by the trustee, this request was deferred until March 2020.

In addition, in June 2019 Girobank N.V. and Girobank International N.V., as plaintiffs, brought proceedings before the New York County Supreme Court against various entities of the International Investment Group including IIG TOF, as defendants. Girobank N.V. asserts that it has claims against IIG TOF in connection with helping to incite fraudulent acts by IIG TOF. In addition, there would be claims for unjust enrichment. IIG TOF and the other defendants are thought to have received USD 187 million for the sale of participations in loans. Although according to Girobank N.V. these loans partly belong to it, Girobank N.V. states that it has received nothing of the sale proceeds. According to the information that the trustee has received, these proceedings have been put on hold.

March 2019 – Vicentin group

A number of borrowers (Friar, Nacadie and Algodonera) which belong to the Argentinian Vicentin group have brought various proceedings in Argentina against IIG TOF. IIG TOF has brought, in its turn, various proceedings against the Vicentin group in Argentina and the USA. These proceedings pertained, amongst other things, to obligations of IIG TOF under an Option Agreement and the rights of IIG TOF against the Vicentin group pursuant to the loan agreements. A settlement was reached between the Vicentin group and IIG TOF set out in a Settlement Agreement entered into by IIG TOF, Trade Finance Trust and the Vicentin group. On the grounds of this Settlement Agreement, the Vicentin group is thought to have paid a settlement amount that is held at present in an escrow account with an American lawyer.

November 2019 - SEC

In addition, the American stock exchange regulator, the Securities and Exchange Commission (SEC), filed a complaint against the International Investment Group, LLC at the United States District Court Southern District of New York. The International Investment Group, LLC consented to a convicting judgment. The SEC alleges that the International Investment Group, LLC committed fraud to cover up tens of millions of dollars in investment losses. On 26 November 2019 the federal court ordered a judgment (freeze order), which led to a freeze on all assets of the International Investment Group, LLC as well as a moratorium on all pending and future legal proceedings against the International Investment Group, LLC. The trustee understands that this moratorium also extends to proceedings against IIG TOF and assets of IIG TOF.

The bankruptcy estate currently has no funds available. . Obtaining liquidities by attracting estate financing has the highest priority for the trustee. This is because the trustee requires finance to instruct, in the near future, an American lawyer to give advice on such matters as the scope of the freeze order and the way in which the trustee can apply for any exemption from this freeze order.

1.3 Insurance policies

Report 1

According to the information available to the trustee, the International Investment Group, LLC has two liability/D&O insurance policies, one with The Travelers Indemnity Company and one with Continental Casualty Company. IIG TOF appears to be one of the insured parties under these policies.

The trustee has been asked to sign a settlement agreement with respect to these insurance policies. Part of this settlement is apparently that the insurers pay an amount directly to certain lawyers for

work already performed (for IIG TOF and other insured parties). As it would appear from a fleeting glance, IIG TOF would, in return, have to waive any further claims under this insurance policy.

This will be investigated further by the trustee.

1.4 Rent

Report 1

This is not applicable.

1.5 Cause of bankruptcy

Report 1

The information stated below is based on the petition for bankruptcy of IIG TOF by the petitioner TriLinc Global Impact Fund – Trade Finance, Ltd. (**'TriLinc'**) and the statements by TriLinc. Further investigation will be carried out with respect to the causes of the bankruptcy.

TriLinc bought participations from IIG TOF in various credit facilities. One of the participations was in a credit facility which facility turned out not to exist. The underlying documentation is thought to have been forged, this was supposedly acknowledged by IIG. Despite various promises, IIG TOF would not have repaid the purchase price of USD 6 million for the participation. In its petition, TriLinc asserts that IIG TOF has also failed to pay the due and payable claims of other creditors.

The trustee understands from various parties involved that some of the Argentinian businesses to which IIG TOF did grant existing loans are not meeting their obligations towards IIG TOF.

2. Personnel

2.1 Number at time of bankruptcy

Report 1

At the time of the bankruptcy, IIG TOF had no employees.

2.2 Number in year before bankruptcy

Report 1

In the year prior to the bankruptcy, IIG TOF had no employees. It would appear that IIG TOF never had any employees.

2.3 Notice of termination of employment

Date	Number	Explanation
total	0	

This is not applicable.

2.4 Work regarding personnel

Report 1

This is not applicable.

3. Assets

3.1 Immovable property

Description	Sales proceeds	Mortgage	Estate admin. fee
Total	€ 0.00	€ 0.00	

This is not applicable.

Explanation of immovable property

Report 1

According to the information available to the trustee, IIG TOF has no immovable property.

3.2 Work regarding immovable property

Report 1

This is not applicable.

3.3 Operating assets

Description	Sales proceeds	Estate administration fee
total	€ 0.00	€ 0.00

This is not applicable.

Explanation of operating assets

Report 1

According to the information available to the trustee, IIG TOF has no operating assets.

3.4 Priority right of seizure by the tax authorities

Report 1

This is not applicable.

3.5 Work regarding operating assets

Report 1

This is not applicable.

3.6 Stock on hand /work in progress

Description	Sales proceeds	Estate administration fee
total	€ 0.00	€ 0.00

This is not applicable.

Explanation of stock on hand / work in progress

Report 1

According to the information available to the trustee, IIG TOF has no stock on hand or work in progress.

3.7 Work regarding stock on hand /work in progress

Report 1

This is not applicable.

3.8 Other assets

Description	Sales proceeds	Estate administration fee
total	€ 0.00	€ 0.00

This is not applicable.

Explanation of other assets

Report 1

According to information obtained by the trustee, the assets of IIG TOF consist of receivables from debtors and there are no other assets.

3.9 Work regarding other assets

Report 1

This is not applicable.

4. Debtors

4.1 Debtors

Description	Amount	Proceeds	Estate administration fee
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total € 0.00 € 0.00 € 0.00
The trustee will investigate this further.

Explanation of debtors

According to the information available to the trustee, IIG TOF originated various loans to borrowers in Argentina. These loans are thought to be for tens of millions of US dollars and are non-performing.

TriLinc asserts that it bought participations in a number of these loans, and that it is entitled to the proceeds of these loans. It would concern here a kind of entitlement under property law. Participations would also have been sold to the entities IIG Structured Trade Finance Fund Ltd ('**STFF**'), IIG Global Trade Finance Fund Ltd ('**GTFF**'), Malta Bank and (possibly) Girobank. STFF, GTFF, Malta Bank and Girobank all form part of the International Investment Group. STFF and GTFF have their seat in the Cayman Islands and are subject to a formal liquidation procedure or insolvency procedure there, for which Alvarez & Marsal is acting as liquidator. Girobank is subject to emergency regulations on Curaçao.

There is also an escrow account that is held with an American law firm. As already stated above, the balance on the escrow account is apparently formed by the settlement amount paid by the Vicentin group. The balance would amount to approx. USD 23 million. The trustee is currently investigating whether IIG TOF is entitled to this amount. TriLinc has stated that it believes in any case that it has a claim to part of that amount.

The exact situation is currently being investigated by the trustee. In order to make progress with that investigation, he will have to engage foreign lawyers, in any case in the USA and in Argentina. Since the bankruptcy estate currently has no funds, it is crucial that estate financing is obtained in the short term.

4.2 Work in relation to debtors

The trustee has spoken with TriLinc, with the SEC, with one of the natural persons referred to as 'partner' of the International Investment Group and who appears to play a central role therein and his lawyers, with the trustee of TOF, with Alvarez & Marsal, with the lawyer of Girobank and with Citco and its lawyer. Furthermore, the trustee has corresponded with the law firm where the escrow account would be held, and with the lawyer of IIG TOF in Argentina. The trustee has received information from them and is studying it at present.

5. Bank/Security rights

5.1 Bank claims

Report 1

According to information available to the trustee, there are no bank claims.

5.2 Leases

Report 1

According to information available to the trustee, there are no leases

5.3 Description of security rights

Report 1

According to information available to the trustee, there are no security rights.

5.4 Position as a secured creditor

Report 1

As stated above, the trustee is currently investigating the question whether TriLinc, and possibly other creditors of IIG TOF as well, have a position as secured creditors with respect to the loans that were granted to the borrowers in Argentina and/or the balance in the escrow account.

5.5 Retention of title

Report 1
This is not applicable.

5.6 Retention rights

Report 1
This is not applicable.

5.7 Rights of recovery

Report 1
This is not applicable.

5.8 Estate administration fees

Report 1
This is not applicable.

5.9 Work regarding bank/securities

Report 1
See above under 4.2.

6. Continuation/restart of the business

Continuation of the business

Report 1
The company does not have a formal management board at present. The trustee is investigating whether, and if so how the loan portfolio is being managed. The named 'partner' of the International Investment appears to have continued the management of the loan portfolio in the period before the liquidation with the help of others, including local lawyers. The trustee is writing as many of those involved as possible in order to gather information.

6.1 Operations / securities

Report 1
This is not applicable.

6.2 Financial reporting

Report 1
This is not applicable

6.3 Work regarding continuing the business

Report 1
This will be investigated further by the trustee.

Restarting the business

Report 1
This is not applicable.

6.4 Description

Report 1
This is not applicable.

6.5 Accounting

Report 1
This is not applicable.

6.6 Proceeds

Report 1
This is not applicable.

6.7 Estate administration fee

Report 1

This is not applicable.

6.8 Work regarding restarting the business

Report 1

This is not applicable.

7. Lawfulness

7.1 Accounting obligation

Report 1

Citco is thought, upon its resignation, to have written to the shareholder with the request to cooperate in the transfer of the administration of IIG TOF to the shareholder. The shareholder is thought not to have responded, at least not positively, to this request. Citco is thought to have then kept the administration, but transferred the digital administration to a different server.

The trustee asked Citco to hand over the administration. Meanwhile the trustee has received 14 boxes which appear to contain parts of the old administration. In addition, on 14 February 2020 the trustee has received from Citco a USB-stick with the digital administration.

The administration will be examined by the trustee.

7.2 Filing of financial statements

Report 1

The last annual accounts to be filed concern the financial year 2017. These annual accounts were filed on 14 December 2018 but have not been adopted.

The annual accounts (that were not adopted) for the financial year 2016 were filed on 22 December 2017. The adopted annual accounts for the financial year 2016 were filed on 20 September 2018.

7.3 Unqualified audit opinion

Report 1

On the grounds of Article 2:396 of the Dutch Civil Code, no unqualified audit statement is required.

7.4 Obligation to pay up shares

Report 1

According to the information contained in the trade register of the Chamber of Commerce, the issued and paid-up capital of IIG TOF amounts to €20,000.00.

7.5 Mismanagement

Report 1

This will be investigated further by the trustee.

7.6 Actio pauliana

Report 1

This will be investigated further by the trustee.

7.7 Explanation of lawfulness

Report 1

The trustee cannot provide this at this stage.

7.8 Work regarding lawfulness

Report 1

See above under 4.2. In addition, the trustee has corresponded several times with Citco on delivering the administration and the timing thereof. The trustee has started studying the information already received.

8. Creditors

8.1 Claims against the estate

Report 1

Trustee's salary: TBD

8.2 Preferential claim by the tax authorities

Report 1

The trustee is not aware of a preferential claim by the tax authorities.

8.3 Preferential claim by the UWV

Report 1

A preferential claim by the UWV is not applicable as there are no employees.

8.4 Other preferential creditors

Report 1

The trustee is not aware of other preferential creditors.

8.5 Number of ordinary creditors

Report 1

Not yet known.

8.6 Amount of ordinary creditors

Report 1

Not yet known.

8.7 Expected manner of settlement

Report 1

It is too early to make any statement on the manner of settlement.

8.8 Work regarding creditors

Report 1

The trustee has written to potential creditors and asked them to submit their claims.

9. Proceedings

9.1 Name of other parties

Report 1

As already mentioned above, the trustee is aware of various proceedings relating to IIG TOF. The other parties in the proceedings currently relevant for IIG TOF are (i) the SEC, and (ii) Girobank N.V. and Girobank International N.V.

9.2 Nature of proceedings

Report 1

The proceedings brought by the SEC pertain to fraud that the International Investment Group, LLC is alleged to have committed. The proceedings in which Girobank N.V. and Girobank International N.V. are the plaintiffs pertain to the alleged claims against IIG TOF in connection with helping to incite fraudulent acts.

9.3 Status of proceedings

Report 1

Concerning the proceedings involving the SEC, a judgment was ordered on 26 November 2019 which led to a freeze on all assets of the International Investment Group, LLC as well as a halt to all pending and future legal proceedings against the International Investment Group, LLC, including proceedings against IIG TOF.

According to the information that the trustee has received, the proceeding brought by Girobank N.V. and Girobank International N.V. has been put on hold.

9.4 Work regarding proceedings

Report 1

The trustee has started studying the extensive court documents available to him.

10. Other

10.1 Action Plan

Report 1

The liquidation is currently very unclear and complex. This is due to the fact that IIG TOF had no management board, the trustee had not yet received the updated administration, the potential assets of IIG TOF are located mainly in Argentina and the USA, there are rumours that fraud had been committed and for the time being the bankruptcy estate does not have any resources to engage local lawyers.

IIG TOF has no liquidities. The trustee has asked various parties, including TriLinc and other creditors of IIG TOF, for bankruptcy estate financing.

During the coming reporting period the trustee intends to investigate the position of the secured creditors, given the statements by TriLinc on this.

In addition, during the coming period the trustee wants to take steps to protect the position of IIG TOF as far as possible, which may include requesting for a recognition of IIG TOF's bankruptcy in the USA, and possibly also in Argentina.

However, bankruptcy estate financing is necessary for this.

Last, but certainly not least, the trustee wants to trace the available administration (that he has not received yet) as quickly as possible.

10.2 Term for winding-up

Report 1

The trustee cannot make any statement about the term for winding-up at this stage.

10.3 Submission of next report

Report 1

Approximately 3 months from this date.

10.4 Other work

Report 1

Drafting of this bankruptcy report.