



**OMNIA LTD.
(IN LIQUIDATION)
(THE "COMPANY" OR "OMNIA")**

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JOINT PROVISIONAL LIQUIDATORS**

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Second Progress Report of the Joint Provisional Liquidators
(the "Report")

12 April 2023

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DISCLAIMER

The JPLs, in undertaking their work and preparing this Report, have principally relied upon information provided to them by the Company's former management group and the Company's professional advisors, the Company records or information available from public sources. The information has not been audited by the JPLs and an independent verification of the information as to its validity has not been conducted. Except where specifically stated, the JPLs have not sought to establish the reliability of the sources of information presented to them by reference to independent evidence. Information contained in this Report may be subject to change in light of subsequent information or explanations that become available to the JPLs.

For the avoidance of doubt, nothing in this report shall be taken to waive any claim of privilege between the JPLs and their legal counsel.

INDEX OF DEFINED TERMS

In this Report, the following defined terms are used:

Defined Term	Meaning
Agera	Agera Energy LLC
AGH	AGH Parent LLC
Beechwood Bermuda	Beechwood Bermuda Ltd, being the previous name of the Company
Class Representatives	the individuals appointed as class representatives pursuant to the Court's Order dated 26 August 2021, and the Amicus Curiae for the General Creditor Class appointed pursuant to the Court's Order dated 13 December 2021
Company or Omnia	Omnia Ltd. – In Liquidation
Court	the Supreme Court of Bermuda
Debtors	together Omnia, Northstar, PBLA and PBIHL
Deloitte	Deloitte Ltd. in Bermuda
FAQ	Frequently asked questions
First Meetings	the meetings of creditors and contributories of the Company under section 171 of the Companies Act 1981
First Progress Report	Progress Report of the JPLs dated 15 July 2022, covering the period 25 September 2020 to 24 September 2021
Fund Houses	fund houses such as BlackRock, Morgan Stanley, and Franklin Templeton
HTBM	HSBC Institutional Trust Services (Bermuda) Limited
IALA	Interim Amendment to Loan Agreement entered into on 27 June 2019 by the Company's intermediary agents with borrowers, preferred equity owners and issuers etc.
INHK	HSBC Life (International) Ltd.
JPLs	Ms Rachelle Frisby and Mr John Johnston of Deloitte, in their capacity as joint and several provisional liquidators of the Company
Kane	Kane LPI Solutions Limited
Lindberg	Greg E. Lindberg
Lindberg Entities	entities registered in the US that are directly or indirectly owned by Lindberg
Metlife Orders	the Court's Orders dated 27 January 2022 in respect of both Northstar and Omnia in relation to the "Metlife" block of business
MFR	Funds paid from the Fund Houses (with active funds invested) to the Company. These funds are Company generated income.
MOU	a memorandum of understanding entered into by the Company on 27 June 2019 with a number Lindberg Entities
NC Insurance Companies	collectively Bankers Life Insurance Company, Colorado Bankers Life Insurance Company, Southland National Insurance Corporation, and Southland National Reinsurance Corporation

NCR	North Carolina Rehabilitators
Northstar	Northstar Financial Services (Bermuda) Ltd – in liquidation
Parties	the JPLs and the Class Representatives
Period	25 September 2021 to 24 September 2022
PBIHL	PB Investment Holdings Ltd. – in liquidation
PBLA	PB Life & Annuity Co., Ltd. – in liquidation
PBLA-ULICO Trust Accounts	Private Bankers Life and Annuity Co., Ltd- Universal Life Insurance Company Trust Accounts
PPMF	Platinum Partners Credit Opportunities Master Fund L.P.
PPVA	Platinum Partners Value Arbitrage Fund (International) Limited - In Official Liquidation
Private Acts	Sage Life (Bermuda) Ltd. (Segregated Accounts) Act 1999 and subsequently the Omnia (Bermuda) Ltd. (Segregated Accounts) Consolidation and Amendment Act 2004
Report	this report and accompanying appendices
Representation Orders	the Court's Orders dated 26 August 2021 and 13 December 2021 in respect of both Omnia and Northstar
Rule 2004 Applications	applications by the JPLs in the US Bankruptcy Court made pursuant to the United States Federal Rule of Bankruptcy Procedure 2004
Rule 2004 Subpoenas	subpoenas issued pursuant to the United States Federal Rule of Bankruptcy Procedure 2004
SAC Act	the Segregated Accounts Companies Act 2000, as amended from time to time
SAC Reports	the Omnia and Northstar Reports which sets out the facts relevant to the Issues, prepared Pursuant to the 26 August 2021 Order
Segregation Application	the JPLs' application to the Court which seeks the determination of issues relating to the segregation of the Company's accounts commenced by ex parte Summons
Segregation Report	the report on the segregation status of the various accounts maintained by the Company dated 1 June 2022
SOA	Estimated Statement of Affairs
SPA	Sale and Purchase Agreement
Summons	Ex parte summons dated 1 June 2021 (amended 26 July 2021)
26 August 2021 Order	the Court's Order dated 26 August 2021
Trusts	Omnia Bermuda Trust and the Omnia Bermuda International Trust
US Complaint	the Complaint filed with the US Bankruptcy Court on 4 January 2023
US	United States
US Bankruptcy Court	United States Bankruptcy Court in the Southern District of New York
VAC	Contractual charges applied on investments which are actively in mutual funds. These funds are company generated income.

SECTION 1: OVERVIEW AND PURPOSE OF REPORT

The Report is designed to provide the creditors, contributories and the Court with an overview of the progress of the liquidation for the Period, including an overview of the current financial situation of the Company, work carried out in the Period, together with the JPLs' views on the prospects for recovery going forward based on the information available to the JPLs as at the date of this Report. Due to the issue date, some updates provided fall outside of the reporting period.

The JPLs remain cognizant of the need to progress and/or finalize key matters in relation to the liquidation, in particular the Segregation Application and realization of assets, with the aim of making distributions to policyholders and creditors at the earliest opportunity. The JPLs will continue to provide periodic updates to policyholders, creditors, and other relevant stakeholders.

This Report is issued further to three previous open reports, as reflected in Appendix 1 – Communications Summary.

SECTION 2: BACKGROUND

SECTION 2.1: THE COMPANY

The Company was incorporated in Bermuda on 15 May 2000 as Sage Life (Bermuda) Ltd and was registered as a long-term insurer under the Insurance Act 1978 on the same date. Between 2000 and 2009 the Company sold various policies under variable and fixed annuity contracts. The policies were held on trusts established for the benefit of policyholders. The Company has sold no new plans since 2009. The Company re-registered to provide insurance and annuity products and to be licensed as a Class E insurer on 4 August 2011; however, no new products were sold.

SECTION 2.2: APPOINTMENT OF THE JPLS

The Bermuda Monetary Authority presented a winding-up petition on 18 September 2020. Following the presentation of that petition, Rachelle Frisby and John Johnston, both partners at Deloitte, were appointed as the JPLs by an order dated 25 September 2020.

On 26 March 2021, the Court issued an order to wind up the Company and ordered that the appointment of the JPLs be continued.

The Court also ordered that there shall be an extension for the JPLs to hold the First Meetings for six months from the date of the winding up order i.e. on or before 26 September 2021. As a result of the JPLs' ongoing investigations of the financial and operational affairs of the Company and significant legal issues which have arisen, the JPLs have obtained Court orders for further extensions for the time to hold those First Meetings. Pursuant to the latest Order dated 17 March 2023, the current deadline for the JPLs to

hold first meetings is 26 September 2023, the ability to hold the first meeting is subject to the determination of questions and directions on the segregation of the Company's accounts.

SECTION 3: SEGREGATION WORK UNDERTAKEN BY THE JPLS AND THEIR LEGAL TEAM

SECTION 3.1: THE SEGREGATION APPLICATION

By way of brief overview, the Segregation Application is the JPLs' application to the Court which seeks the determination of issues relating to the segregation of the Company's accounts.

Between 2000 and 2009, the Company sold policies under variable and fixed annuity contracts. The policies were administered under the Private Acts. The Company was not registered under the Segregated Accounts Companies Act 2000.

Following the JPLs' appointment and further to our review and initial investigations into the Company, the JPLs became aware that there may be issues in relation to the segregation of the Company's assets.

The Segregation Application was commenced by a Summons in relation to both the Company and Northstar, (together the "Companies"). By the Summons, the JPLs sought directions from the Court for a hearing to be held to determine whether the various accounts maintained by the Companies were segregated for the purposes of the private Acts (for each Company) to which the Companies has been subject from time to time and the contracts by which the segregated accounts were purportedly established. In particular, the JPLs sought that the Court hold a Substantive Hearing to allow the Court to hear arguments and determine the Issues, defined below:

- a) The extent, if any, to which the Company has established segregated or separate accounts in respect of investments made in it or policies issued by it (defined as the "Segregated Accounts");
- b) The extent, if any, to which the assets of the Company are to be held exclusively for the benefit of any such Segregated Accounts; and
- c) The extent, if any, to which claimants in respect of any Segregated Accounts have claims against the general assets of the Company.

The JPLs, working alongside their legal counsel, formed the view that these Issues are not straightforward, and that they raise difficult and uncertain points of law. The JPLs brought the Segregation Application to allow the issues to be considered by the Court, for the Court to receive full argument on all relevant points from all interested parties, and for the Court to determine the Issues (thereby impacting how the Companies' assets should be applied).

The JPLs also sought procedural directions from the Court at an initial directions hearing, including representation orders under which certain investors or policyholders or creditors would be appointed to represent the interests of particular classes.

The Court granted Representation Orders sought by the JPLs as follows:

- (a) an investor or policyholder in Omnia and/or Northstar holding only variable investments shall be appointed as the “**Variable Representative**” and shall represent the interests of those investors or policyholders in Omnia holding variable investments;
- (b) an investor or policyholder in Omnia and/or Northstar holding only fixed or indexed investments shall be appointed as the “**Fixed Representative**” and shall represent the interests of those investors or policyholders in Omnia holding fixed and/or indexed investments; and
- (c) a creditor of Omnia and/or Northstar not holding any such investments or policies shall be appointed as the “**Creditor Representative**” and shall represent the interests of creditors in Omnia not holding fixed, indexed or variable investments.

The Class Representatives and the appointed legal counsel are:

CLASS	CLASS REPRESENTATIVE	LEGAL COUNSEL
Variable	Nestor Orland Solano and Carlos Roberto Solano	MJM Limited Thistle House 4 Burnaby Street Hamilton, HM 11 Bermuda Contact: Ms. Jennifer Haworth Email: variableclass@mjm.bm
Fixed	Maymouna Dwaydar, acting through Ms Dallal Dwaydar	Kennedys Law 20 Brunswick Street Hamilton, HM 10 Bermuda Contact: Mr. Nicholas Miles Fixedclass@kennedyslaw.com
General Creditor		Chancery Legal Trinity Hall 43 Cedar Avenue Hamilton HM 12 Bermuda Contact: Mr John Blackwood (<i>Amicus Curiae</i>) Email: info@cl.bm

With no suitable representative for the General Class having been identified, on 13 December 2021 the JPLs by further summonses sought the appointment of John Blackwood of Chancery Legal as legal representative for the General Class. By order of the Court, Mr Blackwood’s appointment was granted

that same day. The Variable Representative and the Fixed Representative together with the Legal Representative are hereafter together referred to as the “Class Representatives”.

SECTION 3.2: PROGRESS ON THE SEGREGATION APPLICATION SINCE THE LAST REPORT

The JPLs continue to act in accordance with the directions of the Court in progressing the segregation matter. The information below covers the period of the Report only. Please read the First Progress Report for information about the work undertaken prior to 25 September 2021.

The SAC Reports

Pursuant to the Representation Orders, the JPLs were ordered to provide the Class Representatives and their legal counsel “a bundle of documents comprising copies of (a) a report by the JPLs which shall set out the facts relevant to the Issues; (b) an estimated statement of affairs; (c) the Private Acts relating to the Company and/or its business and the Segregated Accounts Companies Act 2000; and (d) pro forma investment contracts and policies”.

The JPLs worked with legal counsel to draft and issue these reports and supporting information. There were extensive investigations undertaken to prepare the reports, and the investigations and preparation of the reports took a substantial amount of time and effort by both the JPLs’ team and their legal counsel.

The SAC Reports were filed with the Court in an unredacted form. They were also served on the Class Representatives in redacted form (on 2 June 2022 in respect of Northstar and 8 September 2022 in respect of omnia), with the appendices served shortly thereafter.¹ The Northstar Report totalled 175 pages in length, with 3 folders of appendices consisting of 241 documents (including a detailed walk through of policies up to 30 pages each). The Omnia Report totalled 101 pages in length with 8 folders of appendices consisting of 118 documents (including a detailed walk through of policies of up to 30 pages each).

The SAC Reports included information relevant to the Issues, including, for example, information pertaining to the background and history of the Company, the products offered by the Company, the administration of policies and the flow of funds. The JPLs also provided walkthroughs testing the flow of funds through the tracking of certain sample policies.

¹ The Reports were served on the Class Representatives in a redacted form with the approval of the Court because they contained sensitive and confidential information (such as identifying policyholder information).

The Counsel-to-Counsel Meeting

A counsel-to-counsel meeting was held between the JPLs and counsel for the Class Representatives on a without prejudice basis on 29 November 2022. The meeting was attended by leading counsel and Bermudian attorneys for the Parties and was convened on a without prejudice basis. The purpose of this meeting was to consider:

- The appropriate directions to the Substantive Hearing of the Issues; and
- The proper approach to be taken for the formulation of a list of issues for the Substantive Hearing.

Prior to the meeting, the JPLs had circulated a draft list of issues and draft directions which were amended by the Fixed and Variable Representatives.

During the meeting, the Parties agreed (in principle) to the procedural directions leading up to the Substantive Hearing. Furthermore, it was agreed that the Substantive Hearing would be held in person in Bermuda on the first available date after 31 March 2022, with a time estimate of up to 7 days. Following the meeting, updated directions were agreed and confirmed by Order of the Court for directions dated 19 December 2022.

In addition, counsel for the Class Representatives confirmed that they did not currently propose to file any additional evidence in advance of the Substantive Hearing. One of the Class Representatives indicated that it would be helpful for the JPLs to provide a short affidavit updating the Court on any matters which have arisen since the provision of the SAC Reports. This has been agreed and the JPLs are currently working on gathering further evidence.

The Parties also discussed the drafts of the list of issues that had been exchanged before the meeting. The Parties continue to endeavor to agree in principle a list of issues for use at the Substantive Hearing and it is hoped that this will be finalised following the exchange of all the Parties' skeleton arguments.

The Listing of the Substantive Hearing

The Substantive Hearing has now been listed for hearing anticipated to last 7 days beginning 24 April 2023 through 2 May 2023 inclusive. The hearing will take place before the Court in person in Bermuda and will be attended by Leading Counsel for the JPLs and the Class Representatives. There was also a further counsel-to-counsel meeting which took place on 14 March 2023.

In addition, a pre-trial directions hearing was listed for a half day on 4 April 2023. At the directions hearing, the Court considered such further directions as are required for the just hearing and disposal of the Issues.

The directions hearing was held remotely, with Leading Counsel appearing for the JPLs and the Representatives. All pertinent issues pertaining administration of the Substantive Hearing was resolved.

SECTION 3.3: THE METLIFE APPLICATION

Alongside producing the Segregation Report, the JPLs considered a potential complication in the class allocation of certain of Northstar's policyholders. This arose in relation to Northstar's "Metlife" block of business.

Following the JPLs' further review of the various products issued by the Company, the JPLs observed that the policies of four products in relation to the Metlife block of business created varying degrees of segregation. As a result, the JPLs considered which Class Representative should represent the interests of policyholders with fixed investments for the purpose of the segregation proceedings. The JPLs wanted their position to be consistent with the terms of the Representation Orders.

To put the position beyond doubt, the JPLs filed an application with the Court on 19 December 2022, to make it clear that holders of policies which do not purport to create "segregated" or "separate" accounts should form part of the General Creditor Class constituted by the Representation Orders. The Application was made in respect of both Northstar and Omnia because it was necessary to ensure that a uniform approach is taken to class composition where the facts determinative of, or indicia of, class composition are identical in respect of both Companies.

Through the Metlife Orders, the Court granted the JPLs' proposed clarification to the Classes and Class Representatives per the Representation Orders as follows:

"2. Pursuant to Order 15, rule 12, the following representation orders in relation to the Substantive Hearing shall be made:

*(a) an investor or policyholder in Northstar and/or Omnia Ltd (in liquidation) (**Omnia**) holding only variable investments shall be appointed as the "**Variable Representative**" and shall represent the interests of those investors or policyholders in Northstar holding variable investments pursuant to policies or investment contracts which provide for the establishment of segregated accounts pertaining to such investments;*

*(b) an investor or policyholder in Northstar and/or Omnia holding only fixed or indexed investments shall be appointed as the "**Fixed Representative**" and shall represent the interests of those investors or policyholders in Northstar holding fixed and indexed investments pursuant to policies or investment contracts which provide for the establishment of segregated accounts pertaining to such investments; and*

*(c) a creditor of Northstar and/or Omnia not holding any such investments or policies shall be appointed as the "**Creditor Representative**" and shall represent the interests of creditors in Northstar not holding fixed, indexed or variable investments pursuant to policies or investment contracts which provide for the establishment of segregated accounts pertaining to such investments,*

*(together, the "**Representatives**" and, together with the JPLs, the "**Parties**")."*

The JPLs have updated the impacted Metlife policyholders of the Court's Orders.

SECTION 4: ASSET RECOVERY

The JPLs' SOA can be seen at Appendix 2 with attached notes.

SECTION 4.1: CASH AND CASH EQUIVALENTS

Following their appointment, the JPLs took control of the Company's bank accounts. The accounts are named as listed below:

- General account (account number ending 501);
- Variable account (account number ending 008);
- Fixed account (account number ending 503);
- Disbursement account (account number ending 506); and
- Unnamed account (account number ending 901).

Note there were several dormant bank accounts not listed, which the JPLs will close once all investigations work has been completed

The JPLs have undertaken reconciliations of each account from the records available (in and around Jan 2017 to the current date), and established the below in relation to each account:

- **General account (account number ending 501)**

Balance on appointment being \$350,152.22. This balance is made up of Company generated income (general account) and has been utilized for the operational costs of the Company.

- **Variable account (account number ending 008)**

Balance on appointment being \$886,584.05. This balance is made up of surrenders of mutual funds as a result of policyholder redemptions, along with VAC fees earned (which are Company generated income). This bank account continues to be used by the JPLs and the VAC charged are periodically transferred to the operating account in order to meet operational expenses. The

funds which are a result of redemptions/surrenders of policies will continue to remain in this account until the outcome of the Substantive Hearing.

- **Fixed account (account number ending 503)**

Reconciliations have been completed for this account (from the statements available) which showed that this account received MFR from the Fund Houses (which is Company generated income and general account funds), and funds from the sale of Company assets (the latest being in 2019). These funds were historically utilized to (i) pay Company operational expenses and (ii) fund policyholder redemptions.

Since the JPLs' appointment, only MFR has been received (Company generated income) as there have been no realizations of Company assets (see section 4.2 in relation to asset realizations).

The JPLs have not utilized these funds to date and no transactions have been made from this account other than debits for bank charges.

- **Disbursements account (account number ending 506)**

The JPLs have undertaken a reconciliation of this account to establish the historic use of this account prior to the liquidation. This has also been in line with the segregated accounts investigations and report.

The JPLs have not utilized these funds to date and no transactions have been made from this account other than debits for bank charges.

- **Unnamed account (account number ending 901)**

The source of these funds is currently unknown and the JPLs are working with HSBC to try and recover any documents which may provide support on these funds.

The JPLs have not utilized these funds to date and no transactions have been made from this account other than debits for bank charges.

SECTION 4.2: FIXED RETURN INVESTMENTS

The JPLs have not realized any assets within the Period.

As detailed in previous reports, the majority of the Company's investments, which were made in order to fund the fixed investment option policies, are based in the US. As early as December 2020, the JPLs started the process of obtaining more information pertaining to the underlying investments in Omnia. From the

outset of the process, the JPLs have been met with considerable opposition from Lindberg affiliated entities with regards to the provision of information. An overview of the progress in the US proceedings can be found in section 6.2.

The JPLs have been undertaking forensic investigations in relation to various claims against parties; this is detailed further below by asset. Note that the content of this Report may not cover all investigations and work on recovery, being that some work is still confidential. The JPLs will continue to report to policyholders and creditors as and when prudent in relation to asset recoveries and investigation work undertaken.

Section 4.2.1: AGH

As stated in the First Progress Report, the Company's fixed investment portfolio is concentrated in holdings which are ultimately in preferred equity and debt issuances in AGH, a company affiliated with Lindberg and the parent company of Agera. Omnia's investment in AGH comprised more than 60% of its fixed investments. As noted in the First Progress Report, Agera filed for Chapter 11 bankruptcy protection in October 2019 in New York, US. Based on current information available to the JPLs, we are currently of the view that there are no further distributions to be made from the estate that the Company would have a claim against, and therefore these investments have been given a zero value in terms of expected realizations.

Section 4.2.2: PPVA

A preferred equity investment in PPVA was listed as an asset in the June 2017 SPA entered between PBX Bermuda Ltd and Beechwood Bermuda.

The JPLs understand that the PPVA investment was listed as a holdback asset and should have been returned to Beachwood Bermuda 18 months after the effective date of the SPA. From the information available to the JPLs, is not clear if the PPVA investment was ever returned to Beachwood Bermuda. The asset appears to have been excluded from the Company's financial statements for the period ending 31 December 2017 (the latest financial statements).

Despite the aforesaid, the JPLs have investigated the PPVA investment and established that PPVA is in official liquidation in the Cayman Islands and is insolvent. PPVA's only realistic potential source of recoveries is from claims against the former auditors, which are subject to arbitration proceedings. There are significant unsecured creditor claims and redemption creditor claims which have been submitted during the liquidation. The JPLs understand that the liquidators of PPVA do not intend to adjudicate the claims until such a time that there may be sufficient assets to facilitate a distribution to creditors. All expenses of the liquidation and admitted creditors will need to be paid in full before there would be any distribution to shareholders. Based on the information available to the JPLs as set out above, it is the JPLs' view that it is unlikely that there will be any value in terms of expected realizations.

A loan to PPMF was also listed as an asset in the SPA. PPMF was placed into receivership in the US in 2017. After initial investigations the JPLs have established there may be some recovery from an escrow account. The JPLs have filed an objection to these funds being released to other parties pending further investigation and this matter is still ongoing. The realizable value of these assets is listed as "unknown" in the SOA until the true value can be confirmed.

Section 4.2.3: Other Fixed Investments

From information available to the JPLs, the Company's investment portfolio also consists of preferred equity securities and corporate debt securities in other companies affiliated with Lindberg. The JPLs currently have insufficient information as to the realizable values of these assets and have left the values as "Unknown" in the SOA.

SECTION 4.3: VARIABLE RETURN INVESTMENTS

The JPLs have established investments held within various mutual funds, whose balances are subject to market fluctuations. The figures shown in the SOA are as at the end of the Period² for this Report. These funds remain invested in the Fund Houses, and these are still monitored by the custodian. Policyholders can submit redemptions requests in relation to their policies; however, until the matter of segregation has been decided by the Court, no funds will be paid out to policyholders and the funds have remained in the variable cash account.

SECTION 4.4: INHK

On appointment, the balance of \$2,068,256 was owing to Omnia from INHK in relation to the reinsurance and service agreement between the two parties. During the Period, the JPLs have received a total of \$1,091,772 in relation to this agreement. Further information on the work undertaken in relation to this relationship can be found at section 6.3.

SECTION 4.5: HEDGE FUNDS

The JPLs identified from the books and records of the Company that there were several investments in hedge funds in 2019, totalling an estimated value of \$611,338.

The JPLs have written to these entities in order to establish if the funds are still invested and to determine whether there is any opportunity for recovery. Owing to lack of documentation, as at the end of the

² The reporting period falls to 24 September 2022, however the financial information in re the value of the mutual funds is showed with the effective date as at 30 September 2022, this being for the reason this is the standard reporting date and it was not deemed commercial to incur the costs of re calculating these values outside of standard reporting.

Period, these funds have not yet been recovered in part or in full. The JPLs expect there to be recoveries in relation to these assets; however, the quantum to date is still unknown.

SECTION 5: CREDITORS

SECTION 5.1: THE COMPANY'S CREDITORS

The Company's creditors include policyholders and trade creditors.

The JPLs have not called for claims from creditors, therefore, any values which are included in this Report and financials in relation to the creditors of the Company should not be taken as a basis for claims or prospective distributions.

Section 5.1.1: Policyholders – Active Policies

The Company utilizes an information management system³ which updates the liability value of the policies, including any charges and interest payable in line with the initial policy contract.

The JPLs have made the following changes to this system:

- **Switches**

The option to switch funds between Fund Houses (in relation to variable policies) has been deactivated. Policyholders are not able to reinvest or move to alternative funds to those which were in place on the date of appointment.

- **Redemptions**

The action to redeem policies is still in place. However, the JPLs are unable to make payments in relation to such redemption requests until such time as the financial position of the Company has been confirmed, including, but not limited to the determination of the Segregation Application.

All variable funds subject to redemption requests are liquidated from the applicable mutual funds and are held in the Company's variable bank account. The JPLs are not in a position to make distributions until such time as the Court has made determinations in relation to the Segregation Application.

The JPLs are currently processing redemption requests in relation to all policies. However, there are currently no funds that the JPLs are able to liquidate in relation to fixed fund redemptions. The quantum of distributions in this regard is still unknown.

³ Please see section 6.4 in relation to the change in operating system within the period.

The JPLs have not audited the system, and adjudication on claims have not been made. The figures represented in the system therefore cannot be confirmed or relied upon for the purposes of future distributions at this time.

SECTION 5.2: DISTRIBUTIONS

Until the Segregation Application has been determined, the JPLs are not able to make distributions to creditors. As such, the JPLs have not provided any notice in this regard.

SECTION 5.3: REPORTS PREPARED FOR THE COURT

An updated index of the reports prepared and submitted to date can be seen in Appendix 1.

SECTION 5.4: COMMUNICATIONS WITH POLICYHOLDERS AND DISTRIBUTORS

As stated in the First Progress Report, from the investigations conducted and based on records available, the JPLs understand that all policies were sold through distributors and further, that no new business has been written since 2009. On appointment, the JPLs engaged with the distributors who were still acting for the policyholders and these distributors have continued to play an integral role in facilitating communication between the JPLs and the policyholders (including circulating letters from the JPLs to policyholders). It should be noted that there are various distributors that have terminated their relationship with the Company, and as such, an estimated 420 plans are labelled as orphaned (without distributors on record/active).

The JPLs update creditors/policyholders directly in the following ways:

- Letters posted by physical mail to all known addresses on file;
- Letters posted to the policy management system⁴, for which every policyholder is able to gain access to their account via login portal. An email notification is automatically sent when documents are uploaded;
- Letters emailed to a list of verified contacts (these are emails obtained from policyholders directly but not verified to have access on the online system as of yet); and
- Communications posted to the Company website.

The full list of communications from the JPLs to policyholders and creditors during the Period can be found in Appendix 1.

⁴ See section 6.4 in relation to the migration of the system

It is important to note that, due to the age of the book, the JPLs have limited electronic contact details for the majority of policyholders. The JPLs have sent correspondence via postal mail in order to notify policyholders and request that their electronic contact details are brought up to date. Currently there are only 216 active online users, however there are 882 outstanding policyholders

SECTION 5.5: CREDITOR QUERIES AND COMMUNICATIONS TEAM

The JPLs have engaged two consultants in order to facilitate communications with creditors, policyholders, and distributors, and to assist the JPLs with responding to ongoing queries. The JPLs have established a dedicated email for policyholder and creditor queries, and these are responded to primarily by the consultants, with more complex matters being handled by the JPLs' team directly.

Over the course of the Period, the team of consultants have dealt with various issues, including but not limited to:

- Establishing and maintaining up to date contact lists for policyholders and creditors;
- Verification of policyholders and bringing records up to date with relation to money laundering and KYC amongst other things;
- Distributing notifications of the liquidation and subsequent updates;
- Drafting FAQ and templates for common requests;
- Responding to queries relating to segregation and the nomination of Class Representatives;
- Addressing day-to-day administrative queries in relation to the policies; and
- Updating outdated client request and documents.

SECTION 6: ONGOING MATTERS/ NEXT STEPS

SECTION 6.1: TRUSTS AND TRUSTEE/ CUSTODIAN

As stated in the First Progress Report, on 2 October 2006, HTBM was appointed as the new custodian of the Company. On 31 October 2006, HTBM were appointed as the trustee of the Trusts, of which Omnia is the Settlor. After the appointment of the JPLs, they were made aware that HTBM had, as early as February 2019, indicated that they wished to retire from both trustee and custodian positions. The management of the Company failed to appoint new trustees and custodians in the almost 2 years following the notice by HTBM. There has been no change in trustee during the Period.

As previously advised in the First Progress Report, the JPLs considered various solutions in order to seek minimum disruption to the current operations of the Company. The JPLs have determined that it is not possible for a replacement trustee or custodian to be put in place whilst the Company is in liquidation; therefore, HTBM will continue in their positions for the duration of the liquidation.

SECTION 6.2: LEGAL PROCEEDINGS IN THE US

For the purposes of this section, the Debtors are all currently in liquidation with Deloitte acting as the joint provisional liquidators of each Company.

Background:

Following their appointment, the JPLs took steps to protect the assets and interests of the Company situated in the US. In particular, the JPLs sought the protection of the US Bankruptcy Court on the Company's then-provisional liquidation for reasons including:

- Protecting and safeguarding of assets in the US;
- Obtaining a stay of litigation that could otherwise deplete assets to the detriment of policyholders and creditors;
- Facilitating the turnover of Company files held by the entities associated with Lindberg; and
- Recognition of the Bermuda proceedings as a foreign main proceeding which would assist in the administration of Company's assets, comprised of investments in Lindberg entities.

The JPLs' request for a full recognition order of the Bermuda proceedings was granted on 5 January 2021.

SECTION 6.3: MATTERS WITHIN THE PERIOD

Section 6.3.1: Asset Sales Procedure Motion - related to the sale of PBLA Assets (for the most part)

The JPLs' request for a full recognition order of the Bermuda proceedings was granted in early 2021. The other legal proceedings that the JPLs are progressing in the United States encompass.

As such the JPLs filed a Motion for Entry of an Order Approving the Use, Sale, Transfer, or Other Disposition of Assets in the Ordinary Course of Debtors' Business (the "Initial Sale Motion") seeking authority to continue: (i) the investing and reinvesting of policyholders' and investors' premiums; (ii) the funding and rebalancing of trust accounts; (iii) investing reinsurance proceeds; and (iv) selling, liquidating and/or transferring certain assets or investments of both the Debtors and the Debtors' non-debtor subsidiaries to reduce the risk of investment portfolios held for the benefit of policyholders and investors. Despite objections by the Lindberg entities and other stakeholders to the JPLs' efforts in the United States, an Order approving sales procedures was entered on 13 May 2022.

Section 6.3.2: Bankruptcy Rule 2004 Applications and Subpoenas

Commencing March 2022 and continuing throughout the year, the JPLs and their US counsel undertook significant efforts in drafting and filing over ten Rule 2004 Applications, seeking authorization to issue Rule 2004 subpoenas on a multitude of parties.

The Rule 2004 Applications sought information held by various parties on the Debtors and Debtor Investment Companies, including but not limited to the following:

- (i) the negotiation and execution of the MOU and IALA (where applicable);
- (ii) the Debtors' loans to borrowers and equity investments in certain Lindberg Entities;
- (iii) assets contributed and withdrawn from the PBLA-ULICO Trust Accounts; and
- (iv) all documents or electronically stored information relating to the Debtors' financial affairs, rights, obligations or liabilities.

The JPLs and their US Counsel further requested that the Orders approving the Rule 2004 Applications require the subpoenaed parties, or an officer, director, managing agent, or other persons who consent to testify on its behalf in compliance with Federal Rule of Civil Procedure 30(b)(6), make themselves available to provide deposition testimony upon notice, after the subpoenaed party has produced documents pursuant to the Rule 2004 Subpoena and the JPLs have had an opportunity to review.

With the assistance of the JPLs' forensic and insolvency teams, the JPLs' counsel conducted Rule 2004 examinations of 7 individuals.

The JPLs received over 475,000 documents from the subpoenaed parties. These documents were uploaded to Relativity and continue to be reviewed by the JPLs' forensic and US Legal team, in particular for the purposes of filing the US Complaint (refer to section 6.4.1 for further details).

SECTION 6.4: MATTERS OUTSIDE THE PERIOD

Section 6.4.1: US Complaint

The information obtained from the ongoing investigations by the JPLs; the initial discovery process; and the Rule 2004 Subpoenas and depositions (including interviews and depositions taking place in Bermuda of senior management), were used to file a Complaint, in relation to all the Debtors, with the US Bankruptcy Court on 4 January 2023. The claim was subsequently served on 971 defendants in 24 countries. The total value of this claim, in relation to all the Debtors, is at least \$700M. As this matter progresses, the JPLs will continue to provide updates through the usual channels.

Section 6.4.2: INHK Reinsurance Agreement and Service Agreement

Through their investigations into the Company books and records the JPLs established that on 7 May 2007, the Company executed a reinsurance agreement with INHK. The Company assumed and reinsured a portion of investment-linked insurance plans issued by INHK to its customers (LVPP policies).

At the same time, the Company also concluded a service and administration agreement with INHK, such that the Company administered substantially all activities relating to the LVPP policies (Omnia outsourced the services of the other policies to Kane). In order to facilitate its role as reinsurer and administrator, the Company was also made party to a custodian agreement with INHK and HSBC Institutional Trust Services (Bermuda) Ltd. Although this latter agreement involved setting up a cash account, the Company has no beneficial interest in that account (the full legal and beneficial interest resting with INHK).

At the time of the appointment of the JPLs, the Company was acting as reinsurer and administrator for the LVPP policies; however, the payments due under these agreements had not been maintained and were not up to date.

The JPLs' preliminary review is detailed in the First Progress Report.

The JPLs recognize that, in view of the Company's insolvency, it is no longer well placed to continue servicing the risks. It would be in the interests of the LVPP policyholders, and also the Company's own creditors, to wind down its involvement with INHK and bring to an end its ongoing exposure to the reinsured risk.

The Company does not have a unilateral right to terminate the various agreements, so any termination must be by mutual consent. Moreover, termination of the reinsurance agreement requires the Court's sanction under section 37(2) of the Insurance Act 1978 of Bermuda. During the Period, the JPLs' team have been working with INHK to make the necessary preparations for termination and have reached agreement in principle. Due to the complex, interlocking nature of the agreements, the process has necessarily been time consuming, but progress has been made and work is now at an advanced stage. As noted in the First Progress Report, the assets linked to the underlying policies do not form part of the liquidation estate and the Company would have no recourse of recovery of the same.

The termination of the agreements will result in a realization to the estate in relation to service fees (which have been outstanding since 2018) and will play a significant part in the general unwinding process. The fees received will be Company generated income which will be used to fund the liquidation expenses.

Section 6.4.3: Migration

During the Period, the JPLs migrated to a new service website as well as updating its Company contact details effective from 1 November 2022. The new service website has drastically reduced the costs of administering the policies and the decision was made in order to protect and maximize the return to

creditors. It should be noted that the migration is only in relation to the policies processing system. The assets holding funds and banking accounts remain unchanged.

In 2022, the intended migration was communicated to policyholders and distributors throughout the year. The move requires activation of new login credentials for those which utilize the online portal, details of which can be found in the communications loaded to the Company website and attached at Appendix 4.

SECTION 7: OTHER WORK UNDERTAKEN BY THE JPLS

SECTION 7.1: CONSULTANTS TEAM

The JPLs have several consultants that assist with the day-to-day operations of the Company. An overview of the work undertaken in the operations of the Company by the team of consultants is as follows:

Systems:

- Provide technology subject matter expertise;
- Manage system conversions and migrations to optimize the Administration and Corporate systems platforms to reduce costs and enhance quality;
- Design, development, maintenance, testing and oversight of the Contract Administration, Client Portal and other systems required to administer the business;
- Perform tasks required to enable Contract Administration systems' daily cycle processing;
- Oversight of the nightly Contract Administration systems' daily cycle;
- Perform vendor risk assessments and reviews;
- Manage technology risk oversight, such as penetration and disaster recovery testing;
- Administer and maintain systems access;
- Maintenance and oversight of the Corporate Environments; and
- Manage technology vendors.

Fund Management:

- Provide fund management subject matter expertise;
- Manage general relationships with fund managers;
- Manage fund manager requests for information and actions;
- Manage any fund changes such as name changes, mergers, or closures;
- Submit trade instructions to fund managers;
- Manage trade settlements;
- Manage trade reconciliations; and
- Manage fund revenue processing.

Tax Reporting:

- Provide tax administration subject matter expertise;
- Manage client mailings;
- Maintain client tax records; and
- Generate annual tax reporting.

AML:

- Provide AML subject matter expertise;
- Create and manage client mailings;
- Manage relationship with vendors;
- Manage and maintain continuous monitoring; and
- Initial AML review on any client interactions.

Administration:

- Provide subject matter expertise relating to contract administration;
- Maintain forms, correspondence and procedures to ensure compliance with contracts and regulations;
- Manage communications with clients and other stakeholders;
- Review and respond to inquiries;
- Review and respond to service requests;
- Perform review of all incoming service requests and inquiries in accordance with fraud prevention, AML/KYC and tax reporting procedures;
- Process in good order financial transactions in the Contract Administration System;
- Process in good order contract change requests in the Contract Administration System; and
- Produce Reports for use by various stakeholders.

SECTION 7.2: ADDITIONAL WORK UNDERTAKEN BY THE JPLS**Accounting, banking and treasury:**

- Corresponding with all banks;
- Making operational expense payments, reconciling accounts and relevant sanction searches;
- Continuing investigation of all bank accounts and historic payments;
- Ongoing monitoring of bank accounts;
- Reconciliation and collection of amounts due in relation to VAC fees;
- Reconciliation and collection of amounts due in relation to MFR fees;

- Reconciliation and collection of amounts due in relation to INHK;
- Reconciliation and collection of amounts due in relation to Liffey International Holdings Ltd;
- Payment of all service providers including Kane, HSBC and other ongoing disbursements; and
- Payment of all liquidation expenses.

Administration, planning and strategy:

- Day-to-day tasks involved in the operation of Omnia as a long-term insurance business;
- Updating forms, procedures and systems;
- Managing the administration migration process;
- Ongoing AML and CTF evaluations;
- Internal team meetings regarding action plans and strategy to progress the case;
- Meetings with legal teams in Bermuda, London and the United States;
- General filing and correspondence in regard to all initial documentation obtained;
- Continued review and filing of all initial documents received from the Company;
- Continued review of statutory files from the Registrar of Companies and Company secretary;
- Correspondence with various stakeholders;
- Ongoing collection, review and filing of Company documentation;
- Ongoing collection of product/plan/contract information;
- Weekly meetings with administration, communication and finance teams; and
- Coordinating all administrative services in regard to the trusts.

Asset custody and realization:

- All administration and reporting with regards to ongoing discovery proceedings in the United States;
- Drafting schedules and memos in respect of, asset identification, the progressing of the asset position and potential asset recovery going forward;
- Addressing letters to hedge funds and identified debtors in relation to potential realizations;
- Addressing letters to the entities reflected in the investment portfolio;
- Various calls with the former staff of the Company in order to understand the mechanics and operations of the Company;
- Various walkthroughs with former management of the Company to understand the various operations of the Company; and
- Working with our legal advisors in relation to legal action needed to ensure/ enhance to possibility of recovering assets.

Creditors, contributories and other stakeholders:

- Ongoing work in regards to the establishing accurate policyholder lists;

- Correspondence with creditors and contributories;
- Drafting and distributing periodic updates to policyholders and creditors;
- Preparation, planning and attendance at distributor meetings;
- Establishing and obtaining correct and up-to-date creditor, policyholder and distributor information;
- Monitoring the creditor communication teams;
- All work done in regard to the assignment of policies;
- All work done in regards to redemption request related to specific policyholders;
- Drafting and updating frequently asked question documents; and
- Providing distributors with policyholder information upon request and authorization.

Investigations and analysis:

- Detailed investigations into the trading history of the Company including investigations in relation to the historical non-compliance and solvency issues;
- Review directors' / employees' / agents' conduct as well as investigations to identify assets;
- Reviewing the Company's available accounting records;
- Reviewing all policyholder contracts and plans issued by the Company;
- Reviewing all contracts pertaining to the INHK relationship;
- Reviewing all contracts pertaining to the Kane relationship;
- Investigating the fixed asset investments;
- Reviewing the Company hard drives, network, emails, and other documentation for supporting investigations into asset recovery and for preparation of various reports;
- Examining thousands of documents obtained via the US litigation process for information pertaining to the fixed investments;
- Drafting asset memos pertaining to the fixed assets; and
- Analyzing findings to establish location of company assets, potential value and preparing and maintaining schedules.

Other case specific matters:

- Corresponding with former management with regards to matters relating to United States tax filings and Economic Substance filings as appropriate;
- Reviewing various Company-specific agreements;
- Reviewing various Company policy/plans and contracts issued;
- Negotiations, meetings and investigations with regards to the possible appointment of a new trustee and custodian;
- All work done in determining the policy specific issues (applicability of ongoing death benefits, redemption valuations etc.)
- Liaising with legal counsel in relation to the reinsurance agreement with INHK;

- Assessing risk in relation to the reinsurance contract with INHK and reviewing options for termination;
- Various calls with INHK management and the Operations team in order to plan for termination of the agreement;
- All work done in regard to the Liffey policy's migration efforts and requests to exit the current proceeding; and
- All work done in regard to the Momentum group of policies' process to exit the current proceeding.

Other meetings and reporting:

- Drafting, compiling, updating, and filing of fee report and fee certificate;
- Drafting and compiling the First Progress Report to creditors (dated July 2022);
- Drafting, compiling, and updating this Report; and
- Drafting and compiling a report on the segregation status of the various accounts maintained by the Company.

Statutory matters, filings, meetings and reporting

- Preparing and submitting Economic Substance filings for the Company;
- Attending to the necessary Economic substance filing investigations; and
- Attending to the necessary CRS and FATCA filings.

Other Court related matters:

- Continuing investigations, planning, drafting, and reviewing documents related the Motion to Compel and discovery of documentation in the US;
- Starting and completing the Rule 2004 (information request) subpoena process in the US;
- Assisting the JPLs' counsel with the drafting, reviewing, and compiling documents to be filed with the Court, including but not limited to: the JPLs' fee report, creditor meeting extension applications, the update reports, and the Rule 2004 applications and subpoenas.
- Liaising with US counsel on all legal matters filed with the Court;
- Liaising with Bermuda counsel on all legal matters filed with the Court;
- Liaising with UK counsel to advise on various aspects of the provisional liquidation and the segregation of the Company's accounts;
- Preparation of the report and supporting documentation in relation to the Segregation Application;
- Administration of the Segregation Application process; and
- Preparation of notices, FAQ, and scripts in relation to the Segregation Application.

SECTION 8: FINANCIALS

SECTION 8.1: LIQUIDATORS RECEIPTS AND PAYMENTS

Please refer to Appendix 2 for a copy of the payments made and monies received during the reporting period.

SECTION 8.2: FEES AND EXPENSES

Section 8.2.1: The JPLs' Fees

The JPLs' remuneration is fixed by reference to the time incurred by them and their staff managing the liquidation and the ongoing operation of the entity in liquidation. The Court reviews these fees as submitted by the JPLs by way of fee certifications.

The following fees have been incurred for the reporting period, which remain unpaid:

- **Period 25 September 2021 – 24 September 2022** \$1,643,344.99

Section 8.2.2: The JPLs' Disbursements – Legal Fees

The JPLs are assisted by Bermudian firm, Marshall Diel & Myers Limited, on all legal matters heard in the Supreme Court of Bermuda as well as a myriad of other matters relating to Bermuda law.

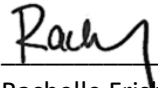
Stevens & Lee, New York law firm, have been instructed to assist with all matters in the US and have already undertaken a considerable level of work in successfully obtaining Chapter 15 recognition to ensure that the Company's assets are safeguarded for the purposes of the proceedings pending before the Court. Stevens & Lee have also assisted the JPLs in instituting discovery proceeding in the US and have successfully obtained a turnover order against the Lindberg Entities.

Following the JPLs' review and the preliminary investigations of the information and documentation held by the Company, the JPLs instructed London Counsel, led by Michael Todd KC from Erskine Chambers, to advise on various aspects of the liquidation. London Counsel has been instrumental in the provision of advice on the question of the segregation of the Company's accounts and the relevant legal principles.

The following estimated fees from the legal teams have been incurred during the Period:

- **Period September 2021 – September 2022** \$2,059,915.93

*Please note that these sums may not be exact due to, for example, the application of conversion rates.



Rachelle Frisby – Joint Provisional Liquidator

Dated 12 April 2022

APPENDIX 1: COMMUNICATIONS SUMMARY

Since the appointment of the JPLs, ongoing communications have been provided to distributors/intermediaries, policyholders, the Company's Plan Administrator (Kane), as well as fund managers. Since the migration away from Kane (further detailed in the Report), the JPLs' team issue these updates through the new operating system in the same way as previously issued through the plan administrator.

Communications are created by the JPLs and then disbursed through the following channels (noting that not all communications are disbursed through all channels):

1. Distributor/Intermediary

- a. Distributor contacts are provided with updates prepared by the JPLs as well as policyholder letters and disbursed via email.
- b. Calls through Zoom are regularly held for distributor contacts to attend and where they may ask the JPLs' team questions or raise any concerns.

2. Online service portal "IMS"

- a. Communications are posted and made available on the "Documents" tab to all impacted policyholders.
- b. When the communication is posted, an automated email is generated.

3. Postal service

- a. Prior to the JPLs' appointment, communications were only available via IMS. However, due to the low volume of users, a general update letter was created and sent to all policyholders at the last known address on file. The Creditor Class Representative letter was also mailed to all policyholders.

4. Emails and phone calls from distributor / policyholders through JPLs, Kane and Business Relationship Consultants

- a. Scripts are prepared and sent to Kane and the Business Relationship Consultants to ensure the information provided is accurate and consistent.

5. Corporate website home page

- a. Key updates and FAQ links are displayed.

6. Support

- a. Two business relationship consultants were added to the team to support the distribution channels, Kane and policyholders.

7. Email Notices to Verified Policyholders

- a. Emails are sent out with the latest communication to policyholders who have been properly verified but who do not have access to IMS.

Below is a summary and timeline of all client communications:

Date dd/mm/yyyy	Name of Communication	Audience	Type of Delivery
23/10/2020	JPL Appointment	Creditors, Distributor	IMS, Email, Distributor Calls
04/11/2020	JPL Update & FAQ 4 November 2020	Creditors, Distributor	IMS, Email
13/11/2020	JPL Update 13 November 2020	Creditors, Distributor	IMS, Email
11/12/2020	JPL Update 11 December 2020	Creditors, Distributor	IMS, Email
01/02/2021	JPL Update 01 February 2021	Creditors	IMS, Email
22/02/2021	JPL Update 22 February 2021	Creditors	IMS, Email
15/03/2021	JPL Update 15 March 2021	Creditors	IMS, Email
14/04/2021	JPL Update & FAQ 14 April 2021	Creditors	IMS, Email
24/06/2021	JPL Update 24 June 2021	Creditors	IMS, Email
22/07/2021	Omnia General Letter Corporations	Creditors	Mail
22/07/2021	Omnia General Letter Client	Creditors	Mail
03/09/2021	JPL Update 3 September 2021	Creditors	IMS, Email
06/09/2021	JPL Update 3 September 2021	Creditors	Mail
16/12/2021	JPL Update 16 December 2021	Creditors	IMS, Email
23/02/2022	JPL Update & FAQ Class Representatives 23 02 2022	Creditors	IMS
23/02/2022	JPL Update & FAQ Class Representatives 23 02 2022	Creditors	Mail
03/06/2022	JPL Update 2 June 2021	Creditors	Corporate Site
20/07/2022	JPL Update 20 July 2022	Creditors	Email
29/09/2022	Migration	Creditors	Email
15/11/2022	JPL Update 15 November 2022	Creditors	Email
12/12/2022	JPL Update 12 December 2022	Creditors, Distributor	Email

Reports Issued by the JPLs

The following reports have been issued by the JPLs. Open reports are available to policyholders and creditors on request; they may have not been circulated to the general body of creditors if the purpose of the reports was to update the Court.

Report	Date of Issue dd/mm/yyyy	Open/Close	Purpose
Open Report	01/03/2021	Open	To update the Court on the findings since the appointment as provisional liquidators
First Report to Court	23/01/2021	Closed	To update the Court on the findings since appointment – contains confidential information
SAC Hearing Report	21/07/2021	Open	To provide information to the Court ahead of the hearing in relation to the segregation matter held 26 July 2021
First Fee Report	16/09/2021	Closed	Fee approval from Court – for the JPLs' costs and legal fees
Second Fee Report	26/05/2022	Closed	Fee approval from Court – for the JPLs' costs and legal fees
First Progress Report	15/07/2022	Open	To provide the Court and creditors with an overview of the progress of the liquidation for the first 12 months following appointment
SAC Report	06/09/2022	Open (redacted)	To provide the Class Representatives with information to assist in the hearing of the Segregation Application and determination of the Issues.

The open reports are available on request and some downloadable from the Company website. To request copies of the reports, please email cbcbmomnia@deloitte.com.

APPENDIX 2: STATEMENT OF AFFAIRS

OMNIA Ltd (In Liquidation)						
JPLS' STATEMENT OF AFFAIRS & REALIZED for the period 25 September 2021 - 24 September 2022						
			Book Value at 31 December 2018	Realised to date	Further estimated to Realise	Total
	Notes		\$		\$	
ASSETS						
Cash and cash equivalents	1		\$ 6,936,707 00	\$ 1,943,434 00	Nil	\$ 1,943,434 00
Cash held in relation to variable outstanding surrender	2			\$ 19,972,525.70	Unknown	\$ 19,972,525.70
Investments						
AGH Parent LLC Class C Contribution	3		\$ 15,882,097 00	Nil	Unknown	Unknown
AGH Parent LLC B1 Preferred BOLN Agera Contribution	3		\$ 2,265,925 00	Nil	Unknown	Unknown
AGH Parent LLC - BOLN Agera Secured TN (B-1)	3		\$ 20,320,280 00	Nil	Unknown	Unknown
M LLC*	3		\$ 2,256,916 00	Nil	Unknown	Unknown
F Holdings*	3		\$ 1,004,100 00	Nil	Unknown	Unknown
Y LLC*	3		\$ 1,853,437 00	Nil	Unknown	Unknown
Other	3			Nil	Unknown	Unknown
Accrued investment income	4		\$ 1,914,119 00	Nil	Unknown	Unknown
Separate asset accounts	5		\$ 229,809,535 00			
Mutual Funds	5				\$ 74,740,322 51	\$ 74,740,322 51
Managed Product	5				\$ 29,708,383 85	\$ 29,708,383 85
Debtor (INHK)	6			\$ 1,091,747 00	\$ 3,311,399 00	\$ 4,403,146 00
Other assets	7		\$ 611,338 00	Nil	Unknown	Unknown
TOTAL ASSETS			\$ 282,854,454.00	\$ 23,007,706.70	\$ 107,760,105.36	\$ 130,767,812.06
LIABILITIES						
Fixed Product Future policy benefit reserves	8		\$ 49,414,039 00	\$ -	\$ 36,381,502.74	\$ 36,381,502.74
Separate liability accounts			\$ 229,809,535 00		-	
Variable Products	9			\$ -	\$ 74,740,322 51	\$ 74,740,322 51
Managed Product	9			\$ -	\$ 29,708,383 85	\$ 29,708,383 85
Current outstanding surrender						
Variable	10			\$ -	\$ 20,288,633 91	\$ 20,288,633 91
Fixed	10			\$ -	\$ 5,296,559.72	\$ 5,296,559.72
Intercompany balances due	11			\$ -	\$ 1,321,346 00	\$ 1,321,346 00
Other liabilities	12		\$ 2,383,424 00	\$ -	\$ 2,383,424 00	\$ 2,383,424 00
TOTAL LIABILITIES			\$ 281,606,998.00	\$ -	\$ 170,120,172.73	\$ 170,120,172.73
	13			SURPLUS / (DEFICIT) TO CREDITORS		\$ (39,352,360.67)

NOTES TO STATEMENT OF AFFAIRS

1. CASH AND CASH EQUIVALENTS

Cash balances have been taken from the Company's various bank accounts.

The reconciliations of these accounts as to the balances on appointment are still ongoing and therefore the balance shown in note 1 represents the collective balances held within the bank accounts.

The balance of cash has reduced dramatically (from the 2018 financials) owing to the INHK business. This can be seen detailed in full in the First Progress Report which is available on the Company website to download.

2. CASH HELD IN RELATION TO VARIABLE OUTSTANDING SURRENDERS

The cash balance of funds which were:

- Policies redeemed/surrendered and unpaid.
- Funds in relation to variable policies which have been requested to be removed from funds and placed into cash holdings accounts.

This included the funds which have been liquidated during the period in relation to variable policy surrenders. As noted in the Report, these funds are still subject to the determination of the Segregation Application.

3. INVESTMENTS

Investigations into these assets are continuing and subject to the litigation in the US under the Chapter 15 proceedings. Please refer to section 6.2 in the Report for more information on the status of these proceedings and the action taken during the reporting period. These assets are listed without an estimated to realize value as the quantum of any recovery is still unknown.

As a result of their investigations, the JPLs have established investments which may be not listed in the audited financial statements of 2018 (of which the book value is based), due to the paucity of records currently available and the current status of the Companies against which these investments are held/funds due. It is not known at this time the estimated value of this recovery. The JPLs will continue to report on these matters as investigations and recoveries progress – this is covered in more detail in section 6.2 of the Report.

4. ACCRUED INVESTMENT INCOME

It is unknown if there will be any accrued investment income as the Company's investments are subject to US litigation as detailed in note 3 above.

5. SEPARATE ASSET ACCOUNTS

The terms in relation to these assets have been taken from the Company's accounts as prepared prior to the JPLs' appointment. Assets are still subject to the determination of the Segregation Application.

Mutual Funds

These balances are in relation to the mutual funds (held in relation to the variable policies), currently still invested in the market via the Custodian. These figures are obtained from the operating system which is updated via Bloomberg feeds and calculated by unit analysis. These figures are checked to ensure they are in line with the balance of those currently held in funds.

These balances are subject to change in relation to fluctuations in the market, along with ongoing redemptions (note – redemptions processed during the course of the liquidation are currently held in cash holding funds).

Managed product

There is one active managed policy. The underlying assets for this policy is in the form of shares and owing to the terms of the agreement, is not under the control of the Company. The shares are managed by a third party and the figures are provided to the Company on a quarterly basis. The figures as at September 2022 can be seen in the Statement of Affairs and are subject to change owing to fluctuations in the market. The liability values, as seen at note 10, are calculated in the same way and have a net effect of zero.

Changes in the balance

The balance in the last accounts is included the INHK book of business owing to the fact that the Company had control over these funds under the service agreement. The Company does not have a legal or beneficial entitlement over these funds and they will not form part of the estate. Therefore, for the purposes of the statement of affairs these have been removed.

6. DEBTOR (INHK)

The Company was and continues to be a reinsurer for INHK.

There is a recoverable balance of \$2,034,176 which was due and payable for the period prior to the JPLs' appointment. During the reporting period, \$1,091,772 was recovered with \$942,404.00 remaining to be collected. Work is currently underway to finalise the detail of the termination agreements.

The JPLs are currently working with INHK to terminate this agreement by mutual consent. It is unknown at this moment the total quantum of the funds which will be recovered on the ceasing of the agreement due to various potential mitigating factors; however, this is estimated to be in the region of \$3,311,399 as indicated (which includes the \$942,404.00 above).

7. OTHER ASSETS

The Company had several hedge fund investments in 'side pocket accounts'. The JPLs are in the process of recovering these funds; however, at the date of the report no realizations have been made.

8. FIXED PRODUCT FUTURE POLICY BENEFIT RESERVES

The terms in relation to these assets have been taken from the Company's accounts as prepared prior to the JPLs' appointment. Assets are still subject to the determination of the Segregation Application.

The balance is of unpaid fixed policy holders and has been taken from the Operating system, which calculates the policy value in line with the original contract. The JPLs have not called for claims therefore these should not be relied upon in relation to future distributions.

9. SEPARATE LIABILITY ACCOUNTS

The terms in relation to these assets have been taken from the Company's accounts as prepared prior to the JPLs appointment. Assets are still subject to the determination of the Segregation Application.

The balance is of unpaid variable and managed policyholders and has been taken from the Operating system, which calculates the policy value in line with the original contract and mutual fund investment. The JPLs have not called for claims therefore these should not be relied upon in relation to future distributions.

10. CURRENT OUTSTANDING SURRENDERS

This relates to policies which were:

- Surrendered prior to the appointment of JPLs but were unpaid; and
- Redeemed during the course of the liquidation to date.

These balances are split between fixed (including index) and variable investments. Please see note 2 in relation to the physical cash currently held from surrenders.

These balances are taken from the Company's operating system. The variance, which can be seen between the figures at note 10 and the cash balance at note 2 is due to the reporting period and allocation of funds held pre-appointment. The cash held in relation to mutual fund surrender is materially in balance.

11. INTER COMPANY BALANCES DUE

This relates to a balance owing to NFSB on appointment for management services, staff salaries and operating costs. This balance remains unpaid. This does not include ongoing costs which are an expense of the liquidation.

12. OTHER LIABILITIES

In relation to unsecured creditor claims, the JPLs have not yet called for claims owing to the ongoing matter of segregation. These figures have therefore been taken from the books and records and will be subject to change on the calling of claims.

13. BALANCE DEFICIT

The balance being the deficit does not take into account:

- Costs and expenses of the liquidation;
- Trading receipts of the liquidation; or
- Priority or preference payments.

Note – this should not be taken as a basis for distributions which will be subject to the outcome of the Segregation Application.

APPENDIX 3: RECEIPTS AND PAYMENTS

Omnia Ltd - In Liquidation								
Joint Provisional Liquidators Receipts and Payments								
		From 25 Sep 2020 - 24 Sep 2021		From 25 Sep 2021 - 24 Sep 2022		Cumulative Total		
	Notes	Operating	None Operating	Operating	None Operating	Operating	None Operating	
Receipts								
Cash at bank (on appointment)								
General account - account number ending 501	1		\$ 350,152.22				\$ 350,152.22	
Fixed account - account number ending 503	1		\$ 338,833.48				\$ 338,833.48	
Variable account - account number ending 008	1		\$ 886,584.05				\$ 886,584.05	
Disbursements account - account number ending 506	1		\$ 352,955.37				\$ 352,955.37	
Account - account number ending 902	1		\$ 14,909.27				\$ 14,909.27	
			\$ 1,943,434.39				\$ 1,943,434.39	
Mutual Funds (Variable policy investments)								
Held in funds	2			\$ -	0		\$ 74,740,322.51	
	2			\$ -	0		\$ 29,708,383.85	
Redeemed to cash holdings in period	2		\$ 17,702,453.38		\$ 2,270,072.32		\$ 19,972,525.70	
Mutual Fund Revenue	3	\$ 652,127.11		\$ 562,604.12		\$ 1,214,731.23	\$ -	
Variable Account Charges	4	\$ 1,861,819.91		\$ 1,626,831.51		\$ 3,488,651.42	\$ -	
INHK	5			\$ 1,091,747.00		\$ 1,091,747.00	\$ -	
Other	6		\$ 23,217.78		\$ 244,979.85		\$ 268,197.63	
Total		\$ 2,513,947.02	\$ 19,669,105.55	\$ 3,281,182.63	\$ 2,515,052.17	\$ 5,795,129.65	\$ 126,632,864.08	
Payments								
Costs of Trust Services HSBC	7	\$ (55,000.00)		\$ (55,000.00)		\$ (110,000.00)		
Custodian Fees HSBC	8	\$ (61,326.11)		\$ (51,574.08)		\$ (112,900.19)		
Operating Expenses - Kane	9	\$ (1,259,413.88)		\$ (963,733.33)		\$ (2,223,147.21)		
Postage	10	\$ (3,758.36)		\$ (4,328.78)		\$ (8,087.14)		
Legal	11	\$ (3,015.38)		\$ (881,714.88)		\$ (884,730.26)		
Operational Consultants Team - Staff Expense	12	\$ (307,346.10)		\$ (75,042.21)		\$ (382,388.31)		
Bank charges	13	\$ (198.00)		\$ (125.00)		\$ (323.00)		
JPL Fee	14	\$ -		\$ (1,091,772.00)		\$ (1,091,772.00)		
Total		\$ (1,690,057.83)		\$ (3,123,290.28)		\$ (4,813,348.11)		
Balance		\$ 4,204,004.85	\$ 19,669,105.55	\$ 157,892.35	\$ 2,515,052.17	\$ 981,781.54	\$ 126,632,864.08	
				\$ 358,726.07				
Notes:								
*The R&P does not reflect costs which have been incurred and not paid by the JPLs - including but not limited to the JPLs fees and some legal expenses								

NOTES TO RECEIPTS AND PAYMENTS

1. BANK

This is the bank balance held in the Company operating account on the date of liquidation order. The JPLs have conducted in-depth reconciliations of these accounts. It is noted there are some statements missing (on the statements prior to the JPLs' appointment) which the JPLs are continuing to investigate.

Although outside of the Period and not reflected on the R&P the following should be noted:

A balance from the account ending 008 has been utilized as operating expenses – this was a block of funds identified as VAC and therefore Company generated income. The balances held in this account which are subject to policy redemptions remain untouched pending the SAC decision.

The balance in the general account ending 501 as reflected in the R&P have been utilized to fund operation expenses. The reconciliation of this account back to 2018 established the balances in this account are Company generated income only. There are no policyholder funds in this account and the account was not used for this purpose.

The balance in the disbursements account ending 506 have been established as policyholder funds and remain in balance until the determination of the Segregation Application. The balance in the account ending 901 has not been able to be reconciled to date, the transactions into this account predate those records available from the Company bank (circa 2017).

2. MUTUAL FUNDS

The Company has a total value of \$74,740,322.51 currently invested in mutual funds. As these are still in the market this figure is subject to fluctuations and has been taken from the Company's operating system as at 30 September 2022 (the system is updated via reports from the Custodian). These values will be updated in each financial statement and will not be cumulative due to the fact that these values will continue to be held in funds and subject to market fluctuations.

The balance of \$29,708,383.85 is in relation to one policy of which the Company is not invested in mutual funds.

During the Period, \$2,270,072.32 of mutual funds have been redeemed subject to policyholder requests. There balances remain in the bank account ending 008. The balance of \$19,972,525.70 is the cumulative total of these cash holdings to date.

The JPLs note the matter of Segregation is still to be determined in the Court and the process of redemption is not an indicator of segregations or ownerships over funds at this time.

3. MUTUAL FUND REVENUE

This is the value paid to the Company during the Period in relation to MFR.

The Company also receives fees in relation to the one active manage product which has been included in this value as Company generated income.

4. VARIABLE ACCOUNT CHARGES

This is the value paid to the Company during the Period in relation to VAC.

5. INHK

Funds received in relation to the pre-appointment balances due under the reinsurance and administration agreement with INHK.

6. OTHER

These funds have been received into the Company's general account, and the account designated (by name) fixed and general account. The basis of these funds is subject to investigation. Included within this balance is \$166,804.42 in relation to a fee awarded as subject to US litigation which was received on 26 May 2022.

7. TRUSTEE FEES

The JPLs have made payments totalling \$55,000 during the Period to HSBC Bermuda in relation to ongoing trust fees.

8. CUSTODIAN FEES

Payments totalling \$51,574.08 have been made to HSBC London in relation to Custodian fees applicable to mutual fund holdings and redemptions. These fees are in line with policy contracts.

9. OPERATING EXPENSES

Operating expenses of \$963,733.33 have been paid to Kane during the Period. As detailed in the Report, the JPLs have migrated the operating system to a new provider effective 1 November 2022. The ongoing operational cost will be drastically reduced as a result of this migration which will be evidenced in the financials for the following reporting period.

10. MAILING

\$4,328.78 has been paid during the Period in relation to physical mail posting of letters to policyholders: a full breakdown can be seen in Appendix 1 of the updates to policyholders which have been circulated during the Period.

11. LEGAL FEES

\$881,714.88 has been paid in legal fees during the Period.

The legal expenses include:

- Counsel for the JPLs in Bermuda, United Kingdom and the US; and
- Counsel for the Class Representatives in relation to the Segregation Application.

12. CONTRACTORS

\$75,042.21 has been paid during the Period in relation to staff contracted to work on the administration and operations of the Company. These costs are not in relation to the JPLs' staff.

The costs are met by Northstar and recharged between the liquidation estates. There are balances incurred for this Period that remain unpaid, and the paid value does not represent all invoices rendered.

13. BANK FEES

\$125.00 has been paid in relation to ongoing bank charges across the Company's accounts.

14. LIQUIDATION FEES

\$1,091,772.00 has been paid to Deloitte during the Period in relation to liquidation fees. These fees covered the time costs incurred for the period from appointment up to and including 31 July 2021. The balance of fees from 1 August 2021 to date remain unpaid.