

**FENJA Fund Multi Strategy Limited**  
In Members' Voluntary Liquidation

27 April 2020

**Status Update**  
**FENJA Fund Multi Strategy Limited (In Members' Voluntary Liquidation)**

**1. Introduction**

This memorandum serves as an update to the creditors of FENJA Fund Multi Strategy Limited (In Members' Voluntary Liquidation) ("the Company" or "FENJA") on the Company's winding up proceedings, for the period 24 October 2019 to 31 March 2020 and the key issues that are being addressed. This update should be read in conjunction with the Liquidators' Frequently Asked Questions ("FAQ") posted to the following liquidation webpage:

**<https://www2.deloitte.com/bb/en/pages/aboutdeloitte/solutions/FenjafundSVGLiquidation.html>**

The Company was incorporated as an International Business Company under the Companies Act of St. Vincent & the Grenadines on 9 September 2010 and held a Registered Mutual Fund License in accordance with the Mutual Funds Act 23 2005.

By written resolution of the Member, as sole director and sole shareholder of the Company, dated 13 September 2019 of the Member, Mr. Raymond Haynes and Mr. Ikins Clarke, both of Deloitte & Touche in Barbados, were appointed as Joint Liquidators of the Company ("Joint Liquidators"). The Financial Services Authority of Saint Vincent and the Grenadines ("the FSA") subsequently approved the appointment of the Joint Liquidators on 24 October 2019.

As at the date of this memorandum, the Joint Liquidators have issued one (1) report to the Sole Member, with a copy to the FSA. The report covered the period 24 October 2019 to 31 March 2020 and provided details of the liquidation activities since our appointment on 24 October 2019 ("the Liquidation Date").

Based on declaration of solvency provided by the Member, the following net assets were reported:

**Table 1. Statement of Affairs**

<b>EUR</b>	
<b>Assets:</b>	
Cash at bank	110,300
Other assets	3,660,457
<b>Estimated realisable value of assets</b>	<b>3,770,757</b>
<b>Liabilities:</b>	
Secured on specific assets: Investors	3,660,757
Est. cost of liquidation and other expenses	30,000
Unsecured creditors	72,000
<b>Total Liabilities</b>	<b>3,762,757</b>
<b>Estimated surplus after paying debts in full</b>	<b>8,000</b>

*Source: Members' Declaration of Solvency*

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c/o Deloitte & Touche

The Goddard Building, Haggatt Hall, St. Michael, Barbados

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**2. Liquidators Actions to date**

The Joint Liquidators, after confirmation of their appointment, became sole signatories to the bank account at Banque Havilland (Suisse) S.A and took control of the cash held by the bank. At the date of appointment, the account held EUR 109,878.

The Joint Liquidators also submitted a Notice of Appointment to the relevant stakeholders:

- Registered Agent / Office
- Investment Manager
- Fund Administrator
- Legal Advisor
- Banker / Custodian
- Auditors

To date, the Joints Liquidators have received and responded to numerous correspondence from fund investors; corresponded and held meetings by teleconference with the Member; held discussions to update the FSA on developments with the liquidation; held internal meetings and discussions on key developments and analyses related to the liquidation of FENJA.

As Joint Liquidators, we continue to assess the financial position of the Company, by requests made to the Sole Member for a Statement of Affairs as of 24 October 2019 verified by affidavit containing:

- particulars of the Company's assets, debts and liabilities;
- names, residences, and details of the Company's creditors;
- security interests held by the Company's creditors respectively;
- dates when the security interests were respectively created.

**3. Risks / Challenges**

In the execution of our duties, we encountered a number of issues, including those listed below, which have impeded the progress of the liquidation activities.

1. The resignation of the Fund Administrator (CAIAC International Ltd) who was responsible for the administration and the calculation of the NAV of the Funds. To date, the nature and value of the investments remain unverified.
2. At the Liquidation Date, the Member provided a listing which indicated 22,846.9666 non-voting participating preference shares ("Investor Shares"). Queries have been received from brokers who represent investors in the Company. To date, the Joint Liquidators have been unable to reconcile listings of investors from the brokers to the listing provided by the Sole Member.
3. The initial declaration of solvency of 13 September 2019 filed by the Member indicated EUR 3.7 million of other assets. During a meeting on 16 December 2019, the Member indicated that the EUR 3.7 million related to an investment in the OneCoin Cryptocurrency ("OneCoin"). The investment is not in the name of FENJA but personally in the Member's name for the benefit of the Company.
4. In December 2019, the Member advised the Joint Liquidators that a potential purchaser was identified for the OneCoin investment. Subsequently, the Member noted that various issues have impeded execution of the sale to date.
5. As of the date of this memorandum, the Joint liquidators have not obtained a copy of the proposed Contract for the sale of the investment and no proceeds of sales have been deposited to the liquidation bank account.

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6. From investigations into OneCoin, the Joint Liquidators noted the following:
  - OneCoin was promoted as a Bitcoin system analogue but with a private blockchain;
  - It was founded by Ruja Ignatova and Konstantin Ignatov in 2015;
  - Konstantin Ignatov was arrested in March 2019 in the USA and recently pleaded guilty to various charges including money-laundering and fraud. The whereabouts of Ruja Ignatova are reportedly unknown;
  - As of 1 December 2019, OneCoin's webpage "OneCoin.eu" was no longer active. There is currently no trading exchange for the sale or conversion to a standard currency.
7. Based on information currently available, the estimated realisable value of the Company's assets is limited to the funds in the liquidation bank account net of liquidation expenses. Subject to confirmation of a sale by the Member and remittance of funds to the liquidation bank account, the Joint Liquidators' current best estimate of realisable value of the investment in OneCoin is nil.

**4. Next Steps**

The Joint Liquidators will:

- continue to liaise with the Member to ascertain the status of the proposed OneCoin sale;
- request proofs of debt from creditors and investors;
- make a determination based on progress of the identified matters, whether to continue with the liquidation process.

Yours sincerely,



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Ikina D. Clarke, Joint Liquidator  
For and on behalf of  
FENJA Fund Multi Strategy Limited  
(In Members' Voluntary Liquidation)



.....  
Raymond Haynes, Joint Liquidator  
For and on behalf of  
FENJA Fund Multi Strategy Limited  
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