

### Liquidator's Memo Regarding the Sale of the Investment in CLO Note

Over the course of the last several years, repayments and interest received from the CLO note had been declining. Since late last year, no repayments and interest were received from the investment. The Liquidator enquired this matter with the CLO administrators and was advised that the remaining underlying notes, belonging in the subordinated tranche in the CLO, has been in default. As the CLO investment will not mature until November 2019, the total impact (i.e. loss/benefit) to the liquidation was considered to determine whether or not the liquidation should remain open until the CLO note matured. Notwithstanding an estimated recovery value of the CLO at maturity at about \$80,000, it was estimated that it would cost the liquidation an additional \$120,000 if it were to hold onto the CLO note until its maturity (along with the uncertainty of receiving repayment and interest). It was therefore deemed prudent to sell the CLO investment and recover value as much as possible. Initially, the Liquidator had received a four-digit offer from a third-party buyer; however, after some discussion between the Liquidator and the third-party interest waned and the Liquidator did not receive any counter offers. In May 2017, the Liquidator received formal interest from a CLO related party ("CLO purchaser") to purchase the CLO position. After several negotiations with the CLO purchaser, the Liquidator was able to agree to a purchase price of \$27,000.