

IN THE SUPREME COURT OF BERMUDA  
COMMERCIAL COURT  
COMPANIES (WINDING UP)  
CIVIL JURISDICTION  
2020: No. 304

SUPREME COURT BERMUDA  
2025 APR 17 AM 10:54

IN THE MATTER OF NORTHSTAR FINANCIAL SERVICES (BERMUDA) LTD.  
AND IN THE MATTER OF THE COMPANIES ACT 1981  
AND IN THE MATTER OF THE INSURANCE ACT 1978  
AND IN THE MATTER OF THE INVESTMENT BUSINESS ACT 2003  
AND IN THE MATTER OF THE INVESTMENT BUSINESS (CLIENT MONEY)  
REGULATIONS 2004  
AND IN THE MATTER OF THE SEGREGATED ACCOUNTS COMPANIES ACT 2000  
AND IN THE MATTER OF THE PRIVATE ACTS LISTED AT APPENDIX 1

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ORDER

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**UPON** the application of John Johnston and Elizabeth Cava as Joint Provisional Liquidators ("JPLs") of Northstar Financial Services (Bermuda) Ltd (in liquidation) ("**Northstar**" or the "**Company**") made by *ex parte* summons filed 5 February 2025 (the "**Summons**") (the "**Application**")

**AND UPON** the JPLs seeking directions from the Court as to the application and effect (if any) of the Investment Business (Client Money) Regulations 2004 ("**CMR**") upon Northstar, as more particularly set out in the Summons, including in relation to the CMR's interaction with the Insurance Act 1978 and Segregated Accounts Companies Act 2000 ("**CMR Issues**")

**AND UPON** the JPLs seeking the determination of the directions required for the distribution of certain assets in segregated accounts of Northstar as more particularly set out in the Summons ("**Variable Claims Directions**")

**AND UPON** the JPLs seeking such further directions as are practicable for the admission of claims against Northstar and/or convening the first meeting (or meetings) of creditors and contributories of Northstar pursuant to rule 85 of the Companies (Winding-Up) Rules 1982, along with other associated or ancillary directions as more particularly set out in the Summons ("**General Directions**")

**AND UPON** the Court having previously provided procedural directions in relation to the Variable Claims Directions and certain of the General Directions by an Order of Subair Williams J dated 19 January 2024 ("**January Order**")

**AND UPON** United Nations Federal Credit Union (together with its affiliated UNFCU Advisors LLC) ("**UNFCU**") having consented to acting as the Non-JPL Party (as defined at paragraph 6.5 below) subject to the Court appointing another Non-JPL Party, as below.

**AND UPON** the JPLs having given notice to creditors and other stakeholders of their intention to make this application by letter dated 25 March 2025 ("**Notice**"), and such Notice informing any creditor of its right to seek appointment as the Non-JPL Party (as defined at paragraph 6.5 below).

**AND UPON HEARING** Counsel for the JPLs, and counsel for United Nations Federal Credit Union (together with its affiliated UNFCU Advisors LLC) ("**UNFCU**"), counsel for Bankoh Investment Services Inc. ("**BISI**"), and Ms Maymouna Dwaydar (represented/assisted by her daughter Ms Dallal Dwaydar).

**IT IS ORDERED AND DIRECTED THAT:**

Substantive Hearing

1. There shall be a hearing (the "**Substantive Hearing**",) for the Court to hear argument on, and provide directions to the JPLs pursuant to section 231 of the Companies Act 1981 in relation to, the following issues (the "**Issues**"):

*CMR Issues*

- 1.1. To what extent, if any, does the CMR apply to Northstar?
- 1.2. To which of the assets of Northstar and/or its segregated accounts does the CMR apply?
- 1.3. Where the CMR applies, what are its consequences for Northstar, Northstar's liquidation, and Northstar's creditors or policyholders?
- 1.4. Such further or other issues relating to or arising out of the CMR as may be directed by the Court or agreed with the JPLs.

*Variable Claims Directions*

- 1.5. The determination of the directions required for the distribution of assets as provided for at paragraph 10 of the January Order and defined in that Order, pursuant to the 13 October 2023 Summons.

### *General Directions*

- 1.6. To the extent that it is practicable and/or agreed between the parties that they ought to be determined at the Substantive Hearing, the following issues:
  - 1.6.1. the admission of claims against Northstar; and/or
  - 1.6.2. convening the first meeting (or meetings) of creditors and contributories of Northstar pursuant to rule 85 of the Companies (Winding-Up) Rules 1982; and/or
  - 1.6.3. determining the value to be attributed to claims for voting purposes at those first meeting(s); and/or;
  - 1.6.4. determining the identity of those creditors or contributories entitled to vote at the first meeting(s).
2. To the extent practicable, the determination of the Issues shall be heard alongside the determination of any equivalent or similar issues relating to Omnia Ltd (Supreme Court, Civil Proceedings 2020 No 305).
3. There shall be permission for any party to apply for a further hearing ("PTR"), at a convenient date prior to the Substantive Hearing, at which the Court may give such further directions as may be appropriate in relation to the Substantive Hearing and (if practicable) determine any outstanding applications which may be made prior to the Substantive Hearing.

### Service of Summons and Order

4. On or before 23 April 2025, the JPLs shall serve the Summons and this Order on the Bermuda Monetary Authority ("**BMA**") and UNFCU and any other creditors who have given notice of their intention to be the Non-JPL Party, as defined below.

### Notification of creditors and interested parties

5. On or before 23 April 2025, the JPLs shall notify creditors and other interested parties of this Order by:
  - 5.1. Placing a notification on Northstar's website;
  - 5.2. Where Policyholders maintain an account on Northstar/Omnia's electronic policy management system, by requesting that the administrators of that system upload a notification to each Policyholder's account.
  - 5.3. Where Policyholders do not maintain an account on Northstar/Omnia's electronic policy management system, by arranging for an email or a letter of



notification to be sent to the last email/physical address on file for the Policyholder.

- 5.4. Sending (electronically or by post) a copy of a notification to "Participating Parties" and "Notifying Creditors" identified pursuant to paragraphs 5 and 14 of the January Order; and
- 5.5. Taking such further or additional steps as they may consider necessary and proportionate to notify creditors.

Participation by other parties

6. No party shall be permitted to address the Court in relation to the Issues at the Substantive Hearing without the permission of the Court other than the "**Substantive Parties**", being:
  - 6.1. The JPLs;
  - 6.2. The BMA (if so advised);
  - 6.3. UNFCU and BISI (in respect of Variable Claims Directions), in their capacity as Participating Parties (in accordance with the January Order);
  - 6.4. In respect of General Directions, any Notifying Creditors, (in accordance with the January Order); and
  - 6.5. A creditor or policyholder of Northstar (who may be one of the parties above) who may appear by legal counsel and (to the extent so advised) present argument (including adversarial argument) on some or all of the Issues (the "**Non-JPL Party**").
7. In the event that no other creditor or policyholder of Northstar identifies that they wish to act as the Non-JPL Party, UNFCU shall be appointed as the Non-JPL Party.
8. In the event that any other creditor or policyholder wishes to act as the Non-JPL Party:
  - 8.1. they shall provide notice to the JPLs and UNFCU on or by 7 May 2025;
  - 8.2. UNFCU and that party shall seek to agree the identity of the Non-JPL Party;
  - 8.3. If agreement is not reached on or by 15 May 2025, the identity of the Non-JPL Party shall be determined by the Court on the papers (unless the Court lists the application for hearing), upon urgent application by summons by that party to be filed at Court on or by 22 May 2025. The JPLs, UNFCU and the creditor(s) or policyholder(s) seeking appointment as the Non-JPL Party have leave to file

written submissions of no more than 10 sides per party, to be filed and served on or by 29 May 2025, or such further date as may be agreed between the parties. Pending such determination, UNFCU and the other creditor(s) or policyholder(s) shall abide by the following provisions as if they are Substantive Parties.

#### CMR Report

9. On or by 14 May 2025 the JPLs shall file and provide to the Substantive Parties a report on the factual matters which they consider bear upon the CMR Issues (the “**CMR Report**”).

#### List of Issues

10. On or by 14 May 2025, the JPLs shall provide to the Substantive Parties any refined, amended or more granular list of issues for determination at the Substantive Hearing.
11. Within 14 days thereafter, the Substantive Parties (other than the JPLs) shall provide the JPLs with any comments on the list of issues produced pursuant to paragraph 10 above.
12. Within 7 days thereafter, the Substantive Parties shall seek to agree a final list of issues for determination at the Substantive Hearing.

#### Evidence and documents

13. On or by 4 June 2025, the JPLs shall file and serve upon the Substantive Parties:
  - 13.1. Copies of any evidence previously filed with the Court in relation to the Variable Claims Directions and/or the General Directions (to the extent that they have not already received it);
  - 13.2. Any further evidence in relation to the Issues upon which they intend to rely.
14. The JPLs shall provide the Substantive Parties with a copy of such documents as may reasonably be requested from time to time and such further or other documents as the Court may direct.

#### Legal Submissions

15. On or before 14 May 2025, the JPLs shall serve upon each Substantive Party copies of any legal submissions previously filed in relation to the Variable Claims Directions and/or the General Directions, unless already received by that party.

16. On or before:

- 16.1. 25 June 2025, the JPLs shall file with the Court, and serve upon the other Substantive Parties, any further legal submissions in relation to the Issues;
- 16.2. 4 July 2025, the Substantive Parties, if so advised, shall file with the Court, and serve upon the JPLs, any further legal submissions in response; and
- 16.3. 14 July 2025, the JPLs shall file with the Court, and serve upon the Substantive Parties who have filed such submissions, any legal submissions in reply.

#### Costs

17. The costs of the JPLs up to and including the Substantive Hearing shall be costs of Northstar's liquidation and shall be paid on an indemnity basis and shall be allocated as appropriate to the various segregated, trust, pooled or general account assets as the Court sees fit.

18. The reasonable costs of:

- 18.1. UNFCU from the date of the filing of the Summons up to any determination of its appointment as the Non-JPL Party on the Issues; and
- 18.2. the Non-JPL Party from the date of appointment up to and including the Substantive Hearing on the Issues;

shall be costs of Northstar's liquidation and shall be allocated as appropriate to the various segregated, trust, pooled or general account assets as the Court sees fit. Such costs shall be assessed by the Court if not agreed.

#### Listing

19. The matter shall be listed for a four day hearing on the first available date on or after 17 July 2025, upon filing by the JPLs of a listing form, recording the availability of the Substantive Parties who have notified of their intention to participate and any creditor who has notified the JPLs of their intention to apply to be Non-JPL Party, by 30 April 2025.

#### Miscellaneous

20. There shall be liberty to apply.

21. The JPLs shall make available to any investor, policyholder or creditor of the Company, upon request and upon agreement to pay reasonable copying costs, a copy of any evidence or legal submission filed pursuant to the above.

DATED this 22 day of April, 2025.



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HON. JUSTICE SUBAIR WILLIAMS

## APPENDIX 1: PRIVATE ACTS

AND IN THE MATTER OF NATIONWIDE FINANCIAL SERVICES (BERMUDA) LTD. ACT 1998

AND IN THE MATTER OF THE CITICORP INTERNATIONAL INSURANCE COMPANY LTD. ACT 1999, AS AMENDED BY THE CITICORP INTERNATIONAL LIFE INSURANCE COMPANY, LTD. AMENDMENT ACT 2004

AND IN THE MATTER OF THE NORTHSTAR FINANCIAL SERVICES (BERMUDA) LTD. ACT 2008, AS AMENDED BY THE NORTHSTAR FINANCIAL SERVICES (BERMUDA) LTD. AMENDMENT ACT 2018



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AND IN THE MATTER OF THE COMPANIES  
ACT 1981  
AND IN THE MATTER OF THE INSURANCE  
ACT 1978  
AND IN THE MATTER OF THE INVESTMENT  
BUSINESS ACT 2003  
AND IN THE MATTER OF THE INVESTMENT  
BUSINESS (CLIENT MONEY) REGULATIONS  
2004  
AND IN THE MATTER OF THE SEGREGATED  
ACCOUNTS COMPANIES ACT 2000  
AND IN THE MATTER OF THE PRIVATE  
ACTS LISTED AT APPENDIX 1

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ORDER

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