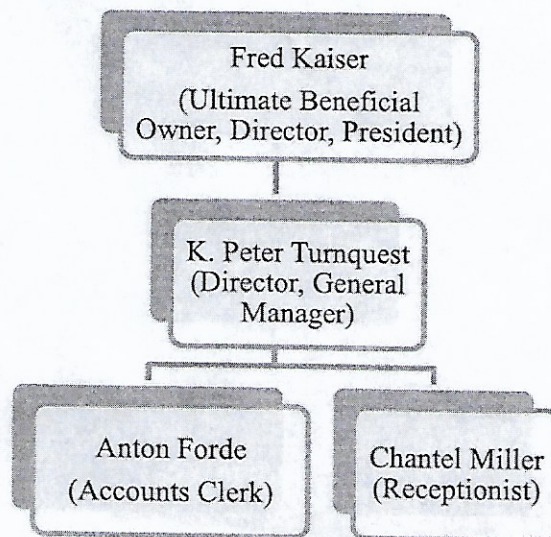


Introduction:

In February 2020, Fred Kaiser, Ultimate Beneficial Owner, Director and President of Alpha Aviation Limited and Advanced Aviation Limited engaged BDO to perform a forensic investigation to determine whether various payments, remittances and loans made by Alpha Aviation, Advanced Aviation and AOG Maintenance Company Ltd to Sky Bahamas and various entities and persons were in accordance with proper and stated policies and procedures, whether the proceeds were used as intended, and whether fraud and or malfeasance occurred.

The forensic investigative period covered in this report dates from 2008 to 2017. The analysis reviewed the payment disbursements and loans made by "the Companies" namely Alpha Aviation, Advanced Aviation and AOG Maintenance to Sky Bahamas and various entities.

The loan amount owed to Alpha Aviation from Sky Bahamas was in the amount of \$20,680,337.33 as at December 31st, 2017. The loan amount owed to Advanced Aviation from Sky Bahamas was in the amount of \$5,916,587.67 as at December 31st, 2017. Alpha Aviation had a receivable on its books due from AOG Maintenance in the amount of \$3,026,000.00 as at December 31st, 2017. Alpha Aviation and Advanced Aviation are owned by Fred Kaiser and were being managed by K. Peter Turnquest from 1996 to 2017. AOG Maintenance was managed by Randy Butler who was also the CEO of Sky Bahamas during the report period. According to documents received from the Companies' current management, K. Peter Turnquest was part owner and chairman of Sky Bahamas. Further, per Fred Kaiser, Ultimate Beneficial Owner, K. Peter Turnquest owned 70% of Sky Bahamas while Randy Butler owned the remaining 30%. AOG Maintenance's ownership per Fred Kaiser, Ultimate Beneficial Owner, was shared between Fred Kaiser with 40% ownership, K. Peter Turnquest with 30% ownership and Randy Butler with the remaining 30% ownership. BDO has received no written documentation in the form of annual returns to verify the ownership of AOG Maintenance and Sky Bahamas. The chart below shows the company hierarchy for both Alpha Aviation and Advanced Aviation as both companies had the same staff complement. Information for AOG Maintenance was not provided to BDO.



Introduction (cont'd)

Alpha Aviation

Alpha Aviation was incorporated on November 18th, 1998. The company owns an Aircraft Hanger, one aircraft and 5 Oceanview Condos located on the island of Grand Bahama. The Company is licensed by the Grand Bahama Port Authority.

Alpha Aviation's income is derived from the rental of the Oceanview Condo units, hangar rental, airplane rental and interest on intercompany advances and loans.

Information Considered for the forensic investigation:

BDO constructed a check register for Alpha Aviation based on information received from the Companies' current management in the form of cancelled checks, voided checks, bank reconciliations and bank statements which were compared to the check register in the QuickBooks accounting system. This construction process was done to identify any anomalies that may have existed. A total of 897 checks with an aggregate dollar value of **\$9,019,560.43** were extracted from the documents provided to us. The checks received from the Companies' current management were cancelled checks with the accompanying bank statements, as well as copies of cancelled checks without accompanying bank statements. The dates of the cancelled checks received were for the periods July 2nd, 2008 to July 31st, 2008; August 27th, 2008; September 23rd, 2008; December 29th, 2008; November 3rd, 2009; November 13th, 2009; December 1st, 2009 to January 31st, 2010; April 28th, 2010 to June 30th, 2014; August 2014; October 2014 to December 20th, 2016. Bank statements were provided to us for the periods January 1st, 2008 to December 31st, 2017. Bank reconciliations were provided to us for the periods December 1st, 2009 to December 31st, 2014 except for the bank reconciliation for the month of July 2014. The cancelled checks noted as processed, were checks that were traced back to bank statements and confirmed. Please see the below table summarizing the check transactions reviewed.

Description	Total Checks	Amount
Cancelled Checks (Processed)	884	\$ 8,910,919.69
Voided Checks	13	\$ 108,640.74
Total	897	\$ 9,019,560.43

Introduction (cont'd)

Advanced Aviation

Advanced Aviation was registered in the Cayman Islands and was incorporated on January 16th, 2004. The company owns the aircrafts used by Sky Bahamas.

Advanced Aviation's income is derived from the leasing of aircrafts, fuel sales and interest on intercompany advances and loans.

Information considered for the forensic investigation:

A total of 231 wire transfer transactions with a gross aggregate dollar value of **\$17,845,039.40** were presented for review by Advanced Aviation's current management. The net amount of wire transfers totaled \$17,110,299.62 as \$734,739.78 was related to 4 return payments. The date period of the wires ranged March 27th, 2008 to May 5th, 2017. There were also 4 loan transfers totaling \$11,193,711.95. The loan transfers were confirmed by reviewing the QuickBooks system. These transfers consolidated the Sky Bahamas' loans from Advanced Aviation with loans granted by Alpha Aviation. The net amount of transactions totaled \$5,916,587.67 which represented the loan amount owed to Advanced Aviation by Sky Bahamas as at December 31st, 2017. Please see the below summary table.

Transaction Type	Amount
Vendor Wire Transactions	\$ 17,845,039.40
Return Vendor Payments	\$ (734,739.78)
Loans Transferred to Alpha Aviation	\$ (11,193,711.95)
Net Transaction Total	\$ 5,916,587.67

Introduction (cont'd)

Advanced Aviation (cont'd)

BDO reviewed an e-mail from Fred Kaiser to K. Peter Turnquest dated March 28th, 2013 stating, "Please make a loan agreement for either two loans of 500K each or one for one million". This was the response to a request from K. Peter Turnquest to authorize payments and to confirm approval of a loan of approximately \$1,000,000 to cover heavy maintenance items. This e-mail showed that it was possibly an expectation of the ultimate beneficial owner, Fred Kaiser to have loan agreements made for funds paid out. BDO has been unable to verify the existence of a loan agreement referred to above. Further, the Companies' current management stated that loan agreements do not exist.

Sample of e-mail requesting a loan agreement to be made

K. Peter Turnquest

From: Fred Kaiser [fkaiser@attglobal.net]
Sent: Thursday, March 28, 2013 2:40 PM
To: <kpturnquest@tcsbah.com>
Subject: Re: Sky

Please make a loan agreement for either two loans of 500k each or one for
One million - thanks - Fred

Sent from my iPad

On Mar 28, 2013, at 12:24, "K. Peter Turnquest" <kpturnquest@tcsbah.com> wrote:

Hi Fred,

For my records, and to authorize payments please and confirm that we have approved a loan of approximately \$1,000,000 to cover heavy maintenance items, which will be paid directly to vendors.

Thanks.
Peter

Introduction (cont'd)

AOG Maintenance

AOG Maintenance was incorporated on January 24th, 2012. It owns the building and hangar that Sky Bahamas operated from in Nassau Bahamas. Randy Butler served as CEO.

Information considered for the forensic investigation:

BDO reviewed cancelled checks which revealed that 7 checks totaling \$895,000.00 were made payable to AOG Maintenance from Alpha Aviation's First Caribbean Intl Bank (FCIB) account from July 2012 to February 2016. Four checks totaling \$610,000.00 were compliant with the FCIB mandates while 3 were not. The value of the checks not in compliance totaled \$285,000.00. There was no support to verify the payment transactions for this payee.

BDO did not receive any bank reconciliations for Advanced Aviation. The Companies' current management confirmed they were all lost during a hurricane. AOG Maintenance's records were maintained and managed by Randy Butler, as a result there was little if any information contained in this report regarding AOG Maintenance due to the lack of information made available to BDO. Also, we only received the unaudited financial statements for Sky Bahamas as at March 31st, 2012.

Forensic Investigation Scope & Objectives:

The forensic investigation focused on the following:

- Whether management, directors and external agents adhered to policies and procedures in relation to the execution of the various remittances, advances, payments and loans to third parties.
- Whether the proceeds of the remittances, advances, payments and loans were utilized in accordance with the intended purpose.
- Whether the Companies' internal controls, accounting procedures as it relates to remittances, advances, payments and loans to third parties were being adhered to, for deficiencies and report on those weaknesses if applicable.
- Whether Fraud, including theft, corruption (conflicts of interest, bribery and extortion); and other illegal financial activities occurred.

Forensic Investigation and Approach:

BDO's approach was multifaceted and included:

- Fact finding and data gathering.
- Performing a forensic review of the remittances, advances and payments from initiation to funds disbursement and whether in accordance with its intended purpose for years 2008 - 2017.
- Interviewing key personnel, current management and directors.
- Forensic preservation, collection and processing of data.
- Performing a forensic review of the relevant supporting documents of the various payments, remittances and the loan to determine whether there were any inappropriate beneficiaries.
- Reviewing financing, disbursements, and loan repayment history.
- Analyzing the overall management of the loan and various payments.
- Performing Data analytics and computer forensics if required.
- Tracing payments, remittances and loans to source documents to verify each payment.

BDO Procedures Performed:

BDO performed a forensic investigation to determine whether various payments, remittances and loans made by Alpha Aviation, Advanced Aviation and AOG Maintenance to Sky Bahamas and various entities and persons were in accordance with proper and stated policies and procedures, whether the proceeds were used as intended, and whether fraud and or malfeasance occurred.

The Loan initiation process, approval process and subsequent management of the Loan to Sky Bahamas could not be analyzed due to the non-existence of loan agreements, loan repayment/amortization schedules, company policy and procedures manuals and board meeting minutes and resolutions. The Companies' current management confirmed that these documents do not exist.

The following items reviewed were provided to BDO by the Companies' current management.

- Accounting records in QuickBooks to ascertain whether any persons or entities may have unduly benefited. (Alpha Aviation & Advanced Aviation)
- Annual Returns (Alpha Aviation - 2008 to 2017)
- Check Analysis schedule (Alpha Aviation)
- Examined the books and records in detail to make determinations on the appropriateness of transactions including but not limited to appropriate authorization with regard to disbursements, consistency with policy and procedures, transactions above allowable amounts.
- First Caribbean Intl. Bank (FCIB) Reconciliations (Alpha Aviation - December 2009 to December 2014)
- FCIB Bank Statements (Advanced Aviation - January 2008 to December 2017)
- FCIB Bank Statements (Alpha Aviation - January 2008 to December 2017)
- FCIB Cancelled Checks (Alpha Aviation - 2008 to 2016)
- FCIB Mandates to verify signing authority, authorization limits and confirmation of signature specimen. (Alpha Aviation & Advanced Aviation)

BDO Procedures Performed (cont'd)

The following items reviewed were provided to BDO by the Companies' current management (cont'd)

- Loan schedules (Alpha Aviation Loans to Sky Bahamas and Advanced Aviation Loans to Sky Bahamas)
- Payment Support (applicable contracts or invoices) to substantiate payments.
- Register of Directors (Advanced Aviation)
- Unaudited Financial Statements (Alpha Aviation & Advanced Aviation, Sky Bahamas' 2012 Balance Sheet & Profit & Loss Statement)
- Wire Transfer Requisitions (Advanced Aviation)

BDO analyzed and noted the lack of internal controls and accounting procedures as they related to the loan and other areas of the Companies.

Forensic Scope:

Issue 1

Whether management, directors and external agents adhered to policies and procedures in relation to execution of the various remittances, advances, payments and loans to third parties.

BDO performed a high-level review of the FCIB mandates, cancelled checks and wire transfer requisition forms. The Companies had no documented internal company policies or procedures available for review hence, the FCIB mandate was the primary source document used to determine the compliance or non-compliance of management, directors and external agents.

A bank mandate is a standardized, contractual agreement outlining the rights and responsibilities a bank and a customer has toward each other and lists the signing authority of authorized individuals and their approval limits. It also records a specimen of the signature of all authorized individuals. The FCIB mandate stated that "the foregoing mandate and list of names remain in force until receipt by the said Bank of a duly certified copy of a resolution rescinding or amending the same." In determining whether this document was adhered to, it was first necessary to analyze all remittances, advances and payments requiring the signature of an authorized signatory in order to be processed by FCIB. This analysis was performed on cancelled checks and wire transfer requisition forms. Alpha Aviation made payments in B\$ via checks and Advanced Aviation made payments in US\$ via wire transfers. Records for AOG Maintenance were not submitted hence an analysis relating to remittances, advances and payments were unable to be performed. As noted earlier, AOG Maintenance was managed by Randy Butler during the period covered in this report; hence records were not made available to BDO for review.

Alpha Aviation

Finding:

Non-compliance with the FCIB Mandates

A review of the cancelled checks and comparison of the signatures to the authorized signature specimen per the FCIB mandate revealed that 30 of the 884 cancelled checks processed, did not follow the FCIB mandate in force at the time of processing. This amount totaled **\$1,854,897.68** which represented 21% of all checks processed that was not in compliance. In the table below, the transactions in the "Cannot Be Determined" column are checks that were processed and verified to the bank statements but did not have a physical copy of the check attached to verify the authorized signatory. Please see the summary table below followed by the corresponding graph summary.

Forensic Scope: Issue 1 (cont'd)

Alpha Aviation: Finding (cont'd)

Table highlighting summary of payees analyzed based on provided support

Payee	Total Checks Processed	Amount	Not In Compliance per FCIB Mandate	In Compliance per FCIB Mandate	Cannot Be Determined
ABC Construction	15	\$ 78,280.93	\$ 17,135.50	\$ 61,145.43	\$ -
Anton Forde	21	\$ 67,514.51	\$ -	\$ 67,514.51	\$ -
AOG Maintenance	7	\$ 895,000.00	\$ 285,000.00	\$ 610,000.00	\$ -
AS & SC	1	\$ 250,000.00	\$ -	\$ 250,000.00	\$ -
Atlantic Medical	1	\$ 4,350.00	\$ -	\$ 4,350.00	\$ -
Aviation Oversight	24	\$ 2,874,400.00	\$ 916,000.00	\$ 1,958,400.00	\$ -
Barbara Erskine	2	\$ 975.00	\$ -	\$ 975.00	\$ -
Barefoot Marketing	2	\$ 8,757.83	\$ -	\$ 8,757.83	\$ -
Batelco	149	\$ 16,615.43	\$ 220.36	\$ 15,714.47	\$ 680.60
Boulevard Services	5	\$ 482.54	\$ -	\$ 482.54	\$ -
Bristol Cellars	10	\$ 2,485.46	\$ -	\$ 2,151.01	\$ 334.45
Bugs - Or - Us	1	\$ 64.50	\$ -	\$ 64.50	\$ -
Cable Bahamas	46	\$ 25,560.08	\$ 806.59	\$ 21,632.02	\$ 3,121.47
Chancery Court	1	\$ 6,833.75	\$ -	\$ 6,833.75	\$ -
Chantel Miller	24	\$ 20,215.00	\$ -	\$ 18,215.00	\$ 2,000.00
Chester Griffin	1	\$ 83.00	\$ -	\$ 83.00	\$ -
Christine Wallace-Whitfield	1	\$ 3,300.00	\$ -	\$ 3,300.00	\$ -
Clyde Kemp	4	\$ 1,538.35	\$ -	\$ 250.00	\$ 1,288.35
Daniel Lee	4	\$ 7,182.15	\$ -	\$ 7,182.15	\$ -
David Phillips	1	\$ 2,300.00	\$ -	\$ 2,300.00	\$ -
Denise Ferguson	1	\$ 3,300.00	\$ -	\$ 3,300.00	\$ -
Denise Fox	1	\$ 150.00	\$ -	\$ 150.00	\$ -
Devinia Rahming	1	\$ 5,509.67	\$ -	\$ 5,509.67	\$ -
Dominique Roache	2	\$ 1,400.00	\$ -	\$ 1,400.00	\$ -
Dupuch & Turnquest	2	\$ 19,075.00	\$ -	\$ 19,075.00	\$ -
Ernie Kindree	5	\$ 5,110.68	\$ -	\$ 5,110.68	\$ -
FEDEX	1	\$ 132.34	\$ -	\$ 132.34	\$ -
First Caribbean Intl Bank	2	\$ 91,606.25	\$ -	\$ 91,606.25	\$ -
Flowerama	1	\$ 187.00	\$ -	\$ 187.00	\$ -
Freeport Flight Services	1	\$ 843.45	\$ -	\$ 843.45	\$ -
Freeport Gases	1	\$ 64.50	\$ -	\$ 64.50	\$ -
Furniture Plus	1	\$ 1,935.80	\$ -	\$ 1,935.80	\$ -

Forensic Scope: Issue 1 (cont'd)

Alpha Aviation: Finding (cont'd)

Payee	Total Checks Processed	Amount	Not In Compliance per FCIB Mandate	In Compliance per FCIB Mandate	Cannot Be Determined
G.B. Airport Co.	60	\$ 125,740.02	\$ -	\$ 116,436.02	\$ 9,304.00
G.B. Port Authority	13	\$ 46,461.54	\$ -	\$ 41,003.54	\$ 5,458.00
G.B. Power Co. Ltd.	134	\$ 111,251.09	\$ 2,392.33	\$ 102,148.22	\$ 6,710.54
G.B. Utilities Co. Ltd.	60	\$ 2,777.47	\$ 30.80	\$ 2,655.50	\$ 91.17
Gaylord Taylor	9	\$ 6,375.50	\$ 798.00	\$ 5,577.50	\$ -
Global Tech Systems	2	\$ 110.63	\$ -	\$ 110.63	\$ -
Grand Bahama Children's Home	1	\$ 500.00	\$ -	\$ -	\$ 500.00
Grand Bahama Golf Association	1	\$ 150.00	\$ -	\$ 150.00	\$ -
Grand Bahama Humane Society	1	\$ 500.00	\$ -	\$ -	\$ 500.00
Guardian Fencing	1	\$ 265.00	\$ -	\$ 265.00	\$ -
Home Design Centre	1	\$ 4,036.93	\$ -	\$ 4,036.93	\$ -
Insurance Management (Bahamas) Ltd	19	\$ 74,863.75	\$ 11,016.60	\$ 63,847.15	\$ -
Island Treasures	1	\$ 3,000.00	\$ -	\$ 3,000.00	\$ -
K Peter Turnquest	3	\$ 33,386.33	\$ -	\$ 33,386.33	\$ -
Kelly's	3	\$ 225.44	\$ -	\$ 225.44	\$ -
Kent Motors	6	\$ 6,242.16	\$ -	\$ 5,242.16	\$ 1,000.00
Kevin Roberts	1	\$ 8,400.00	\$ -	\$ 8,400.00	\$ -
Keys Bahamas Realty	1	\$ 2,902.50	\$ -	\$ 2,902.50	\$ -
Leo Gardiner	55	\$ 25,650.00	\$ -	\$ 23,405.00	\$ 2,245.00
Lustre Kraft Signs	1	\$ 374.00	\$ -	\$ 374.00	\$ -
Machinery & Energy Ltd.	1	\$ 260.00	\$ -	\$ 260.00	\$ -
Martina Geiger	2	\$ 2,713.84	\$ -	\$ 2,713.84	\$ -
McIntosh & Co.	1	\$ 1,500.00	\$ -	\$ 1,500.00	\$ -
McKinneyBancroft & Hughes Corporate Services	17	\$ 38,180.97	\$ -	\$ 38,180.97	\$ -
Michael Miller	7	\$ 3,969.00	\$ -	\$ 1,769.00	\$ 2,200.00
Night & Day Plumbing	1	\$ 220.00	\$ -	\$ 220.00	\$ -
Oceanview Owners Association/Oceanview Garage Owners Association	36	\$ 670,419.95	\$ 120,745.00	\$ 525,814.95	\$ 23,860.00
Patricia Forbes/ P. Coding	10	\$ 400.00	\$ -	\$ 120.00	\$ 280.00

Forensic Scope: Issue 1 (cont'd)**Alpha Aviation: Finding (cont'd)**

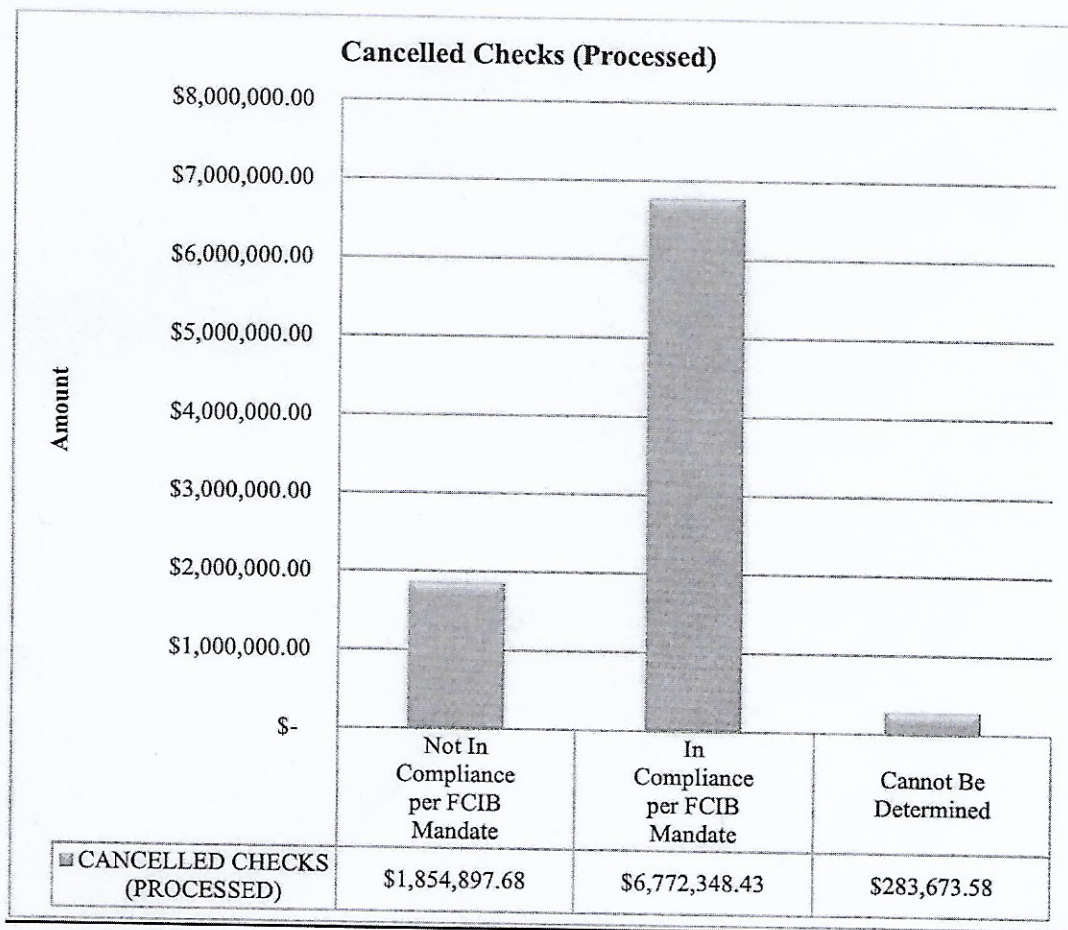
Payee	Total Checks Processed	Amount	Not In Compliance per FCIB Mandate	In Compliance per FCIB Mandate	Cannot Be Determined *
Pinders Plumbing	1	\$ 82.00	\$ -	\$ 82.00	\$ -
Pineapple Air	1	\$ 51,000.00	\$ -	\$ 51,000.00	\$ -
Pineyard Steel	3	\$ 4,804.75	\$ -	\$ 4,804.75	\$ -
Port Group Ltd.	11	\$ 15,505.00	\$ 752.50	\$ 14,752.50	\$ -
Power Equipment Co. Ltd.	5	\$ 1,420.92	\$ -	\$ 1,420.92	\$ -
Prestige Auto	1	\$ 721.00	\$ -	\$ 721.00	\$ -
Professional Brokers	3	\$ 1,463.84	\$ -	\$ 1,463.84	\$ -
Public Treasury	1	\$ 160.00	\$ -	\$ 160.00	\$ -
Randy Butler	29	\$ 569,438.46	\$ -	\$ 495,838.46	\$ 73,600.00
Raymond Jones	1	\$ 2,028.18	\$ -	\$ 2,028.18	\$ -
Rose Delancy	2	\$ 468.00	\$ -	\$ 468.00	\$ -
S & S Electrical	1	\$ 595.00	\$ -	\$ 595.00	\$ -
Scott Ferguson	1	\$ 50,000.00	\$ -	\$ 50,000.00	\$ -
Sky Bahamas	17	\$ 2,475,244.50	\$ 500,000.00	\$ 1,825,244.50	\$ 150,000.00
Southern Air	1	\$ 22,564.00	\$ -	\$ 22,564.00	\$ -
Star General Insurance	5	\$ 10,943.75	\$ -	\$ 10,943.75	\$ -
Sunshine Florists	1	\$ 95.00	\$ -	\$ 95.00	\$ -
Syngard Services Co. Ltd.	1	\$ 473.00	\$ -	\$ 473.00	\$ -
Taarik Gibson	1	\$ 165.00	\$ -	\$ 165.00	\$ -
Telecom Trading & Consulting Inc.	4	\$ 134,089.32	\$ -	\$ 134,089.32	\$ -
Terneil Burrows	1	\$ 500.00	\$ -	\$ -	\$ 500.00
Town & Country	6	\$ 3,028.63	\$ -	\$ 3,028.63	\$ -
Total	884	\$ 8,910,919.69	\$ 1,854,897.68	\$ 6,772,348.43	\$ 283,673.58¹

*¹ The total transactions in the "Cannot Be Determined" column are checks that were processed and verified to the bank statements but did not have a physical copy of the check attached to verify the authorized signatory.

Forensic Scope: Issue 1 (cont'd)

Alpha Aviation: Finding (cont'd)

Graph Illustrating
Compliance of Cancelled Checks



Forensic Scope: Issue 1 (cont'd)**Alpha Aviation: Finding (cont'd)**

The non-compliant checks contained signatures of Advanced Aviation's authorized signatories who were either not authorized to sign for Alpha Aviation during the period the checks were issued and processed or the checks contained one signature when the FCIB mandate called for two due to the approval limits and check amounts. In some cases there was a combination of both factors where the approval limit was exceeded and the second signature was that of an Advanced Aviation authorized signatory not authorized to sign on an Alpha Aviation check according to the FCIB mandate in force at the time. Please see the table below for the 30 non-compliant checks and note the comments for each check. Please also note that 10 of the 30 non-compliant checks indicated a description of the transaction on the physical checks and in the QuickBooks accounting system. Documentation or support was not received for any of the non-compliant checks.

Table highlighting non-compliant checks.

Date	Check #	Amount	Payee	Signature on Checks	Per the FCIB mandate
1-Sep-10	1136	\$ 500.00	G.B. Power Co. Ltd.	Ellison Delva T. Maitland Cates	E. Delva & T. Cates were not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva & T. Cates were only authorized to sign on Advanced Aviation's account.
22-Sep-15	1767	\$22,087.50	Oceanview Owners Association	K. Peter Turnquest	Approval limit was \$10,000 for K. P. Turnquest when signing alone. Amounts that exceeded the limit required the signature of F. Kaiser.
15-Dec-15	1795	\$ 22,087.50	Oceanview Owners Association	K. Peter Turnquest	Approval limit was \$10,000 for K. P. Turnquest when signing alone. Amounts that exceeded the limit required the signature of F. Kaiser.
2-Feb-16	1813	\$145,000.00	AOG Maintenance	K. Peter Turnquest Ellison Delva	E. Delva was not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva was only authorized to sign on Advanced Aviation's account. K. P. Turnquest required F. Kaiser's signature for amounts that exceeded his limit of \$10,000.

Forensic Scope: Issue 1 (cont'd)

Alpha Aviation: Finding (cont'd)

Date	Check #	Amount	Payee	Signature on Checks	Per the FCIB mandate
11-Feb-16	1821	\$ 90,000.00	AOG Maintenance	K. Peter Turnquest Ellison Delva	E. Delva was not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva was only authorized to sign on Advanced Aviation's account. K. P. Turnquest required F. Kaiser's signature for amounts that exceeded his limit of \$10,000.
25-Feb-16	1825	\$150,000.00	Aviation Oversight	K. Peter Turnquest Ellison Delva	E. Delva was not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva was only authorized to sign on Advanced Aviation's account. K. P. Turnquest required F. Kaiser's signature for amounts that exceeded his limit of \$10,000.
25-Feb-16	1826	\$ 50,000.00	AOG Maintenance	K. Peter Turnquest Ellison Delva	E. Delva was not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva was only authorized to sign on Advanced Aviation's account. K. P. Turnquest required F. Kaiser's signature for amounts that exceeded his limit of \$10,000.
23-Mar-16	1839	\$ 19,142.50	Oceanview Owners Association	K. Peter Turnquest	Approval limit was \$10,000 for K. P. Turnquest when signing alone. Amounts exceeding the limit required the signature of F. Kaiser.
7-Apr-16	1844	\$150,000.00	Aviation Oversight	K. Peter Turnquest Ellison Delva	E. Delva was not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva was only authorized to sign on Advanced Aviation's account. K. P. Turnquest required F. Kaiser's signature for amounts that exceeded his limit of \$10,000.

Forensic Scope: Issue 1 (cont'd)

Alpha Aviation: Finding (cont'd)

Date	Check #	Amount	Payee	Signature on Checks	Per the FCIB mandate
22-Apr-16	1853	\$250,000.00	Sky Bahamas	K. Peter Turnquest T. Maitland Cates	T. Maitland Cates was not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, T. Maitland Cates was only authorized to sign on Advanced Aviation's account. K. P. Turnquest required F. Kaiser's signature for amounts that exceeded his limit of \$10,000.
1-Jun-16	1863	\$100,000.00	Aviation Oversight	K. Peter Turnquest	Approval limit was \$10,000 for K. P. Turnquest when signing alone. Amounts that exceeded the limit required the signature of F. Kaiser.
23-Jun-16	1866	\$ 11,016.60	Insurance Management (Bahamas) Ltd.	K. Peter Turnquest Ellison Delva	E. Delva was not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva was only authorized to sign on Advanced Aviation's account. K. P. Turnquest required F. Kaiser's signature for amounts that exceeded his limit of \$10,000.
28-Jun-16	1868	\$ 752.50	Port Group Ltd.	Ellison Delva T. Maitland Cates	E. Delva & T. Cates were not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva & T. Cates were only authorized to sign on Advanced Aviation's account.
28-Jun-16	1869	\$ 30.80	G.B. Utilities Co. Ltd	Ellison Delva T. Maitland Cates	E. Delva & T. Cates were not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva & T. Cates were only authorized to sign on Advanced Aviation's account.
28-Jun-16	1870	\$ 806.59	Cable Bahamas	Ellison Delva T. Maitland Cates	E. Delva & T. Cates were not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva & T. Cates were only authorized to sign on Advanced Aviation's account.

Forensic Scope: Issue 1 (cont'd)

Alpha Aviation: Finding (cont'd)

Date	Check #	Amount	Payee	Signature on Checks	Per the FCIB mandate
28-Jun-16	1871	\$ 1,729.66	G.B. Power Co. Ltd	Ellison Delva T. Maitland Cates	E. Delva & T. Cates were not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva & T. Cates were only authorized to sign on Advanced Aviation's account.
28-Jun-16	1872	\$ 151.75	Batelco	Ellison Delva T. Maitland Cates	E. Delva & T. Cates were not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva & T. Cates were only authorized to sign on Advanced Aviation's account.
28-Jun-16	1873	\$ 162.67	G.B. Power Co. Ltd	Ellison Delva T. Maitland Cates	E. Delva & T. Cates were not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva & T. Cates were only authorized to sign on Advanced Aviation's account.
29-Jun-16	1874	\$ 68.61	Batelco	Ellison Delva T. Maitland Cates	E. Delva & T. Cates were not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva & T. Cates were only authorized to sign on Advanced Aviation's account.
18-Jul-16	1880	\$250,000.00	Sky Bahamas	K. Peter Turnquest Ellison Delva	E. Delva was not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva was only authorized to sign on Advanced Aviation's account. K. P. Turnquest required F. Kaiser's signature for amounts that exceeded his limit of \$10,000.
29-Jul-16	1882	\$ 19,142.50	Oceanview Owners Association	K. Peter Turnquest	Approval limit was \$10,000 for K. P. Turnquest when signing alone. Amounts exceeding the limit required the signature of F. Kaiser.

Forensic Scope: Issue 1 (cont'd)

Alpha Aviation: Finding (cont'd)

Date	Check #	Amount	Payee	Signature on Checks	Per the FCIB mandate
12-Aug-16	1886	\$200,000.00	Aviation Oversight	K. Peter Turnquest Ellison Delva	E. Delva was not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva was only authorized to sign on Advanced Aviation's account. K. P. Turnquest required F. Kaiser's signature for amounts that exceeded his limit of \$10,000.
25-Aug-16	1892	\$100,000.00	Aviation Oversight	K. Peter Turnquest Ellison Delva	E. Delva was not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva was only authorized to sign on Advanced Aviation's account. K. P. Turnquest required F. Kaiser's signature for amounts that exceeded his limit of \$10,000.
22-Sep-16	1898	\$ 19,142.50	Oceanview Owners Association	K. Peter Turnquest	Approval limit was \$10,000 for K. P. Turnquest when signing alone. Amounts that exceeded the limit required the signature of F. Kaiser.
24-Oct-16	1906	\$ 30,000.00	Aviation Oversight	K. Peter Turnquest Ellison Delva	E. Delva was not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva was only authorized to sign on Advanced Aviation's account. K. P. Turnquest required F. Kaiser's signature for amounts that exceeded his limit of \$10,000.
24-Oct-16	1907	\$ 17,135.50	ABC Construction	K. Peter Turnquest T. Maitland Cates	T. Maitland Cates was not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, T. Maitland Cates was only authorized to sign on Advanced Aviation's account. K. P. Turnquest required F. Kaiser's signature for amounts that exceeded his limit of \$10,000.

Forensic Scope: Issue 1 (cont'd)

Alpha Aviation: Finding (cont'd)

Date	Check #	Amount	Payee	Signature on Checks	Per the FCIB mandate
10-Nov-16	1922	\$ 146,000.00	Aviation Oversight	Ellison Delva T. Maitland Cates	E. Delva & T. Cates were not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva & T. Cates were only authorized to sign on Advanced Aviation's account.
15-Nov-16	1925	\$ 798.00	Gaylord Taylor	Ellison Delva T. Maitland Cates	E. Delva & T. Cates were not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva & T. Cates were only authorized to sign on Advanced Aviation's account.
5-Dec-16	1938	\$ 40,000.00	Aviation Oversight	K. Peter Turnquest Ellison Delva	E. Delva was not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva was only authorized to sign on Advanced Aviation's account. K. P. Turnquest required F. Kaiser's signature for amounts that exceeded his limit of \$10,000.
20-Dec-16	1945	\$ 19,142.50	Oceanview Owners Association	K. Peter Turnquest Ellison Delva	E. Delva was not authorized to sign on Alpha Aviation's account until June 6, 2017. During this period, E. Delva was only authorized to sign on Advanced Aviation's account. K. P. Turnquest required F. Kaiser's signature for amounts that exceeded his limit of \$10,000.

Total non-compliant checks = \$1,854,897.68

Forensic Scope: Issue 1 (cont'd)

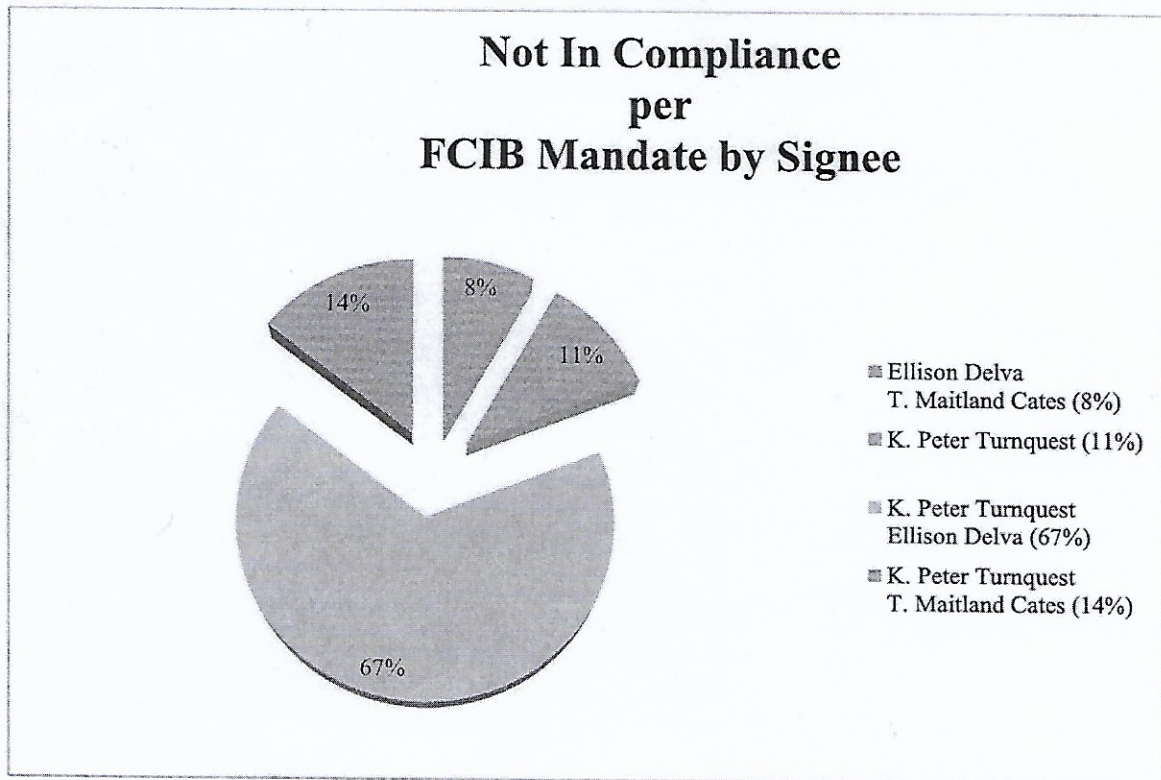
Alpha Aviation: Finding (cont'd)

The table below and corresponding graph highlights the non-compliant amounts by the signatures on the checks. The check dates range from September 2010 to December 2016.

Signature on Checks	Not In Compliance per FCIB Mandate
Ellison Delva T. Maitland Cates	\$ 151,000.58
K Peter Turnquest	\$ 201,602.50
K Peter Turnquest Ellison Delva	\$ 1,235,159.10
K Peter Turnquest T. Maitland Cates	\$ 267,135.50
TOTAL	\$ 1,854,897.68

Graph Illustrating

Non-Compliance by Signee



Forensic Scope: Issue 1 (cont'd)

Alpha Aviation: Finding (cont'd)

Exhibit of August 19th, 2015 FCIB Mandate (Mandate enforce at the time 95% of non-compliant checks were processed)



FirstCaribbean
International Bank

8719-FC-12-10

Appointment of Bankers
and Mandate to Bank

FOR BANK USE

Account Number:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Name of company: ALPHA AVIATION LTD

Company's registered number: 45171

Country of Incorporation: BAHAMAS

At the meeting of the Board of Directors:

Held on the day of: 19th month: August year: 2015

It was resolved:

1. that FirstCaribbean International Bank (please tick)
 - (a) be appointed as the Company's bankers; or ☐
 - (b) cancel all existing mandates to FirstCaribbean given on behalf of the Company and substitute this mandate except in relation to items and instructions given before FirstCaribbean's receipt of this resolution. ☒
2. the signatories named below and in the combination specified below be authorised on behalf of the Company:
 - (a) to sign this Agreement (which includes the Corporate Account Application, FirstCaribbean International Corporate Banking Account Conditions and this Mandate);
 - (b) to enter into any other agreements with FirstCaribbean for banking products or services which they consider to be in the interests of the Company from time to time; and
 - (c) to give instructions to FirstCaribbean and set up security procedures for giving instructions by telephone.
3. to agree and accept on behalf of the Company:
 - (a) this Agreement including the FirstCaribbean International Corporate Banking Account Conditions (copies of such Account Conditions having been exhibited to and approved by the Board) upon which FirstCaribbean provides accounts and services from time-to-time; and
 - (b) that requests for new accounts shall be in accordance with the Company's mandate held with FirstCaribbean; and
 - (c) that any additional Conditions applicable to such additional accounts will automatically apply at the time of receipt by FirstCaribbean of the request from the Company for such additional accounts.

We confirm that the above to be an accurate statement of what was agreed at the meeting.

Signature of the Director:

F. Hanks

Signature of the Company Secretary/Director:

[Signature]

The CIBC logo is a trademark of Canadian Imperial Bank of Commerce, used by FirstCaribbean International Bank under license

Forensic Scope: Issue 1 (cont'd)

Alpha Aviation: Finding (cont'd)



FirstCaribbean
International Bank

8719-FC-12-10

CUSTOMER AGREEMENT

By signing below you:

- agree and accept this Agreement;
- agree that FirstCaribbean can make credit reference and other enquiries about the Company and you personally now and at any time in the future for the purpose of considering any request for services or credit facilities from us;
- agree that other FirstCaribbean Group companies can bring to your attention products and services which they think may be of interest to you. (If you do not wish to receive details of products and services, please write to your branch quoting your account number(s));
- agree to notify FirstCaribbean of any change to beneficial ownership and/or financial control of the Company as soon as possible following such change but in any event within 14 days.

The combination of individuals authorised to give instructions to FirstCaribbean is:
(please tick relevant box)

Any one of the following ☐

All of the following ☐

Any two of the following ☒

The first named person below and one other ☐

Specify any other combination: *EXCEPT FOR F. KAISER WHO MAY SIGN ALONE*
K. PETER TURNQUEST MAY SIGN ALONE UP TO \$10,000.00 LIMIT.

Name: K. PETER TURNQUEST

Position: GENERAL MANAGER

Signature: *[Signature]*

Date: 19/8/15

Name: FREDRICK KAISER

Position: PRESIDENT

Signature: *[Signature]*

Date: 19-08-2015

Name:

Position:

Signature:

Date:

Name:

Position:

Signature:

Date:

Name:

Position:

Signature:

Date:

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Forensic Scope: Issue 1 (cont'd)

Alpha Aviation: Finding (cont'd)

Points Noted

- Check#1635 dated October 22nd, 2014 in the amount of \$80,000.00 made payable to AOG Maintenance was signed by both K. Peter Turnquest and Ellison Delva. This check was included in the compliant total even though Ellison Delva was not authorized as a signatory until June 6th, 2017. K. Peter Turnquest had full signing authority at that time with an unlimited approval amount. As a result, this transaction was noted to be compliant.
- BDO did not receive copies off all cancelled checks processed to review. Hence the possibility of a higher non-compliant total could exist.

Forensic Scope: Issue 1 (cont'd)

Advanced Aviation

Finding:

Test Results Inconclusive - Compliance with the FCIB Mandates

In March 2020, BDO received two binders titled "Advanced Aviation Loans to Sky Bahamas (2008 - 2017)" from Advanced Aviation's current management. The binders contained company documents which included a Transaction by Account Listing as of January 5th, 2019, copies of wire transfer requisition forms and available support for payments made from Advanced Aviation to various vendors. The wire transfer forms received were not copies of the original forms which included a copy of the signatures issued to FCIB, therefore copies of the wire transfer requisition forms were requested directly from FCIB by Advanced Aviation's current management. Samples of 12 wire transfer requisition forms were subsequently received. The forms were copies of the original documents sent directly to FCIB for processing. All of the samples subsequently submitted were in compliance as they contained the authorized signatures. BDO requested an additional sample of 23 random entries with a broader date range in June 2020 to further test as the 12 samples received were not chosen by BDO and the date range was narrow. We have received a total of 6 samples and were advised by Advanced Aviation's current management that FCIB was unable to retrieve the 17 samples not received. The 6 samples received complied with the FCIB mandates as it related to the authorized signatory issue. The testing of the samples was incomplete as BDO did not receive all the information requested. Hence, we are unable to give a breakdown of transactions that are compliant and non-compliant due to insufficient information.

Forensic Scope: Issue 1 (cont'd)

AOG Maintenance

Finding:

BDO did not receive any documentation from the client regarding this company related to policies and procedures. Therefore, we were unable to determine whether management, directors and external agents were in compliance due to the lack of information.

Forensic Scope:**Issue 2**

Whether the proceeds of the remittances, advances, payments and loans were utilized in accordance with the intended purpose.

The Companies' current management confirmed the non-existence of company policies, procedures and loan agreements. Board meeting minutes were also not available. All of which are vitally important in determining purpose and intent for the payment of funds. BDO utilized the information that was available such as payment memos noted on some of the cancelled checks, reasons listed in the QuickBooks accounting system and support where available.

Alpha Aviation**Finding:****No. 1 – Insufficient Supporting Documentation**

BDO was not provided with supporting documentation for Alpha Aviation's financial transactions. Alpha Aviation had a total of 1,472 check transactions with a combined total of **\$14,182,544.84**. Supporting documentation in the form of invoices or expense reports were not provided for any of the transactions. A sample of transactions with amounts greater than \$5,000 was reviewed. It was noted that 45 of these transactions in addition to having no payment support, also did not indicate a reason for payment. The only indication of a reason for payment was derived from the general ledger where the transactions were posted. Below are the 45 transactions identified with a total amount of \$4,246,108.35. This sample represented 30% of the combined check total per the QuickBooks check register.

Table highlighting payees with no support or reason for payment

Date	Check #	Amount	Payee	Signature on Checks	Description/ Memo	QuickBooks Account/ General Ledger
7-Jul-08	1060	\$ 100,000.00	Sky Bahamas	K. Peter Turnquest	None	Sky Bahamas G/L
15-Jul-08	1065	\$ 28,500.00	Randy Butler	K. Peter Turnquest	None	Sky Bahamas G/L
31-Jul-08	1080	\$ 5,905.83	Barefoot Marketing	K. Peter Turnquest	None	Sky Bahamas G/L
22-Dec-09	1039	\$ 75,000.00	Sky Bahamas	K. Peter Turnquest	None	Sky Bahamas G/L
28-Jan-10	1057	\$ 45,000.00	Sky Bahamas	K. Peter Turnquest	None	Sky Bahamas G/L
12-Aug-10	1126	\$ 30,000.00	Telecom Trading & Consulting Inc.	K. Peter Turnquest	None	Administrative Support G/L

Forensic Scope: Issue 2 (cont'd)**Alpha Aviation: Finding No. 1 (cont'd)**

Date	Check #	Amount	Payee	Signature on Checks	Description/ Memo	QuickBooks Account/ General Ledger
16-Sep-10	1142	\$ 100,000.00	Sky Bahamas	K. Peter Turnquest	None	Sky Bahamas G/L
28-Oct-10	1156	\$ 12,000.00	Sky Bahamas	K. Peter Turnquest	None	Sky Bahamas G/L
8-Dec-10	1177	\$ 18,000.00	Sky Bahamas	K. Peter Turnquest	None	Sky Bahamas G/L
21-Dec-10	1181	\$ 32,875.95	Sky Bahamas	K. Peter Turnquest	None	Sky Bahamas G/L
13-Jan-11	1190	\$ 10,000.00	Randy Butler	K. Peter Turnquest	None	Sky Bahamas G/L
19-Jan-11	1193	\$ 13,000.00	Randy Butler	K. Peter Turnquest	None	Sky Bahamas G/L
10-Mar-11	1222	\$ 50,000.00	Randy Butler	K. Peter Turnquest	None	Sky Bahamas G/L
1-Apr-11	1230	\$ 11,200.00	Randy Butler	K. Peter Turnquest	None	Sky Bahamas G/L
20-May-11	1248	\$ 8,400.00	Kevin Roberts	K. Peter Turnquest	None	None
				Fred Kaiser		
6-Jul-12	1369	\$ 150,000.00	AOG Maintenance	K. Peter Turnquest	None	Sky Bahamas G/L
				Fred Kaiser		
4-Sep-12	1387	\$ 50,000.00	Scott Ferguson	K. Peter Turnquest	None	Loan to S. Ferguson G/L
20-Dec-12	1434	\$ 50,000.00	Telecom Trading & Consulting Inc.	K. Peter Turnquest	None	Administrative Support G/L
				K. Peter Turnquest		
8-Jan-13	1442	\$ 50,000.00	Telecom Trading & Consulting Inc.	Ellison Delva	None	Administrative Support G/L
7-Feb-13	1457	\$ 5,000.00	Anton Forde	K. Peter Turnquest	None	Petty Cash G/L
4-Apr-13	1473	\$ 17,500.00	Sky Bahamas	K. Peter Turnquest	None	Sky Bahamas G/L
10-Oct-13	1533	\$ 80,000.00	AOG Maintenance	K. Peter Turnquest	None	Loan to AOG Maintenance G/L
21-Oct-13	1534	\$ 200,000.00	Aviation Oversight	K. Peter Turnquest	None	Loan to AOG Maintenance G/L

Forensic Scope: Issue 2 (cont'd)**Alpha Aviation: Finding No. 1 (cont'd)**

Date	Check #	Amount	Payee	Signature on Checks	Description/ Memo	QuickBooks Account/ General Ledger
28-Aug-14	1619	\$ 80,000.00	Aviation Oversight	K. Peter Turnquest	None	Sky Bahamas G/L
				K. Peter Turnquest		
22-Oct-14	1635	\$ 80,000.00	AOG Maintenance	Ellison Delva	None	Sky Bahamas G/L
2-Dec-14	1649	\$ 230,000.00	Aviation Oversight	K. Peter Turnquest	None	Sky Bahamas G/L
16-Dec-14	1655	\$ 200,000.00	Aviation Oversight	K. Peter Turnquest	None	Sky Bahamas G/L
19-Jan-15	1664	\$ 50,000.00	Aviation Oversight	K. Peter Turnquest	None	Sky Bahamas G/L
				Fred Kaiser		
7-Apr-15	1702	\$ 600,000.00	Sky Bahamas	K. Peter Turnquest	None	Sky Bahamas G/L
5-May-15	1716	\$ 150,000.00	Aviation Oversight	K. Peter Turnquest	None	Sky Bahamas G/L
				K. Peter Turnquest		
2-Feb-16	1813	\$ 145,000.00	AOG Maintenance	Ellison Delva	None	Loan to AOG Maintenance G/L
9-Feb-16	1820	\$ 6,013.24	G.B. Airport Co. Ltd.	K. Peter Turnquest	None	Pilot Landing & Land Lease Hangar G/L
				K. Peter Turnquest		
11-Feb-16	1821	\$ 90,000.00	AOG Maintenance	Ellison Delva	None	Loan to AOG Maintenance G/L
				K. Peter Turnquest		
25-Feb-16	1825	\$ 150,000.00	Aviation Oversight	Ellison Delva	None	Loan to AOG Maintenance G/L
				K. Peter Turnquest		
25-Feb-16	1826	\$ 50,000.00	AOG Maintenance	Ellison Delva	None	Loan to AOG Maintenance G/L

Forensic Scope: Issue 2 (cont'd)

Alpha Aviation: Finding No. 1 (cont'd)

Date	Check #	Amount	Payee	Signature on Checks	Description/ Memo	QuickBooks Account/ General Ledger
7-Apr-16	1844	\$ 150,000.00	Aviation Oversight	K. Peter Turnquest Ellison Delva	None	Loan to AOG Maintenance G/L
22-Apr-16	1853	\$ 250,000.00	Sky Bahamas	K. Peter Turnquest T. Maitland Cates	None	Sky Bahamas G/L
1-Jun-16	1863	\$ 100,000.00	Aviation Oversight	K. Peter Turnquest	None	Loan to AOG Maintenance G/L
18-Jul-16	1880	\$ 250,000.00	Sky Bahamas	K. Peter Turnquest Ellison Delva	None	Loan to AOG Maintenance G/L
4-Aug-16	1885	\$ 6,713.33	G.B. Airport Co. Ltd.	K. Peter Turnquest	None	Pilot Landing & Land Lease Hangar G/L
12-Aug-16	1886	\$ 200,000.00	Aviation Oversight	K. Peter Turnquest Ellison Delva	None	Loan to AOG Maintenance G/L
25-Aug-16	1892	\$ 100,000.00	Aviation Oversight	K. Peter Turnquest Ellison Delva	None	Loan to AOG Maintenance G/L
24-Oct-16	1906	\$ 30,000.00	Aviation Oversight	K. Peter Turnquest Ellison Delva	None	Sky Bahamas G/L

Forensic Scope: Issue 2 (cont'd)

Alpha Aviation: Finding No. 1 (cont'd)

Date	Check #	Amount	Payee	Signature on Checks	Description/ Memo	QuickBooks Account/ General Ledger
10-Nov-16	1922	\$ 146,000.00	Aviation Oversight	Ellison Delva T. Maitland Cates	None	Loan to AOG Maintenance G/L
5-Dec-16	1938	\$ 40,000.00	Aviation Oversight	K. Peter Turnquest Ellison Delva	None	Loan to AOG Maintenance G/L