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FORM 1

General Form of Writ of Summons

(O.3, r.4)

IN THE FEDERAL HIGH COURT OF NIGERIA
IN THE LAGOS JUDICIAL DIVISION
HOLDEN AT LAGOS

Fidelis/588/2019
SUIT NO: _____

BETWEEN

- 1. SMOOTH PROMOTIONS LIMITED }
2. MR. AYODELE ANIMASHAUN }...PLAINTIFFS

AND

HERITAGE BANK PLC }...DEFENDANT

TO: The Defendant of 292B, Ajose Adeogun Street, Victoria Island, Lagos State

You are hereby commanded that within 30 days after the service of this writ on you, inclusive of the day of such service, you do cause an appearance to be entered for you in the Lagos Judicial Division of the Federal High Court in an action at the suit of the Plaintiff; and take notice that in default of your so doing, the Plaintiff may proceed therein and judgment may be given in your absence.

Dated this *10th* day of *April* 2019

[Signature]
Registrar

Memorandum to be subscribed on the writ

NB: This Writ is to be served within twelve (12) months from the date thereof or, if renewed, within six (6) months from the date of the last renewal, including the day of such date and not afterwards.

The Defendant may enter appearance personally or by legal practitioner either by handing in the appropriate forms, duly completed, at the Registry of the Federal High Court in the judicial division in which the action is brought or by sending them to the Registrar by registered post.

INDORSEMENTS

WHEREOF the Plaintiffs claims against the Defendant as follows:

1. **A DECLARATION** that as a banking institution duly registered by the Central bank of Nigeria (CBN), the Defendant is duly obligated to comply with and give effect to the CBN monetary policies, circulars, guidelines and regulations issued by the Central Bank of Nigeria (CBN) from time to time.
2. **A DECLARATION** that all the credit facilities granted to the 1st Plaintiff by the Defendant vide the offer letters dated **12th August, 2013, 5th September, 2013, 23rd October, 2013, and 29th September, 2015** are for all intents and purposes subject to and regulated by the terms stipulated, and conditions in offer letters, the monetary policy circular issued by the Central Bank of Nigeria, and the Central Bank of Nigeria Monetary Guidelines issued from time to time.
3. **A DECLARATION** that all the charges imputed by the Defendant into the accounts of the 1st Plaintiff which are inconsistent with and or at variance with the terms/stipulations and conditions contained in the offer letters of **12th August, 2013, 5th September, 2013, 23rd October, 2013, and 29th September, 2015**, and or the Central Bank of Nigeria Monetary Guidelines and Directives issued from time to time are illegal, fraudulent, null and void.
4. **A DECLARATION** that the imputations of the following sums

S/N	DESCRIPTION	AMOUNT (N)
1	Excess Overdraft Interest	3,208,927.86
2	Excess Management Fee	1,155,000.00
3	Excess commitment Fee	315,000.00
4	Excess Processing Fee	840,000.00
5	Illegal professional Fee	650,000.00
6	Excess Loan Interests	90,833,953.33
	Sum of excess and illegal charges	97,002,881.18

	Interest on excess charges in line with CBN Regulations	88,720,294.19
	<u>Total Excess/Illegal charges + Interest on excess charges refundable</u>	<u>185,723,175.37</u>

totaling **₦185,723,175.37 (One Hundred and Eighty Five Million, Seven Hundred and Twenty Three Thousand, One Hundred and Seventy Five Naira, Thirty Seven Kobo Only)**, into the 1st Plaintiff's account number: 5100021479 as contained in the audit report of 15th May, 2017, is illegal, unjustifiable and contrary to the terms of the offer letters dated 12th August, 2013, 5th September, 2013, 23rd October, 2013, and 29th September, 2015, and or the CBN monetary policies, circulars, guidelines and regulations issued by the Central Bank of Nigeria (CBN) from time to time.

5. Further to (4) above, A **DECLARATION** that the Plaintiffs are entitled to the immediate refund of the sum of **₦185,723,175.37 (One Hundred and Eighty Five Million, Seven Hundred and Twenty Three Thousand, One Hundred and Seventy Five Naira, Thirty Seven Kobo Only)** from the Defendant, being the total sum of illegal and unjustifiable charges imputed into the 1st Plaintiff's account number: 5100021479 by the Defendant.
6. Further to (5) above, A **DECLARATION** that the Plaintiffs are entitled to a 100% surcharge and or penalty from the Defendant on the sum of **₦185,723,175.37 (One Hundred and Eighty Five Million, Seven Hundred and Twenty Three Thousand, One Hundred and Seventy Five Naira, Thirty Seven Kobo Only)** being the illegal and unjustifiable charges imputed into the 1st Plaintiff's account number: 5100021479 by the Defendant Bank.
7. A **DECLARATION** that the purported and alleged debit balances in the sum of **₦668,087,443.74 (Six Hundred and Sixty Eight Million, Eighty Seven Thousand, Four Hundred and Forty Three Naira, Seventy Four Kobo)** as contained in the Defendant's

letter of 13th February, 2017 is inaccurate, erroneous, bogus, untenable, a hoax and is not a true and fair reflection of the state of affairs of the 1st Plaintiff's account number: 5100021479 maintained with the 1st Defendant Bank.

8. Further to the above, **A DECLARATION** that the Plaintiffs whether jointly and or severally are not indebted to the Defendant in the sum of **₦668,087,443.74 (Six Hundred and Sixty Eight Million, Eighty Seven Thousand, Four Hundred and Forty Three Naira, Seventy Four Kobo)** and or any other sum whatsoever arising from, and or pertaining to the 1st Plaintiff's account with the Defendant.
9. Further to (8) above, **A DECLARATION** that it is illegal, unjustifiable, and a breach of the Defendant's fiduciary duties to the Plaintiffs, for the Defendant to retain the names of the Plaintiffs whether jointly and or severally as a debtor of the Defendant on any credit information to be provided by the Defendant to any Credit Bureau or any third parties.
10. **A DECLARATION** that the Defendant's default in paying the balance of the purchase price of the OBV timeously occasioned the delay in the arrival of the OBV, and constitutes a breach of the Equipment Finance Facility granted vide the offer letter of 23rd October, 2013 by the 1st Plaintiff.
11. **A DECLARATION** that the Defendant's default in its obligations to pay the balance of the amount for the development of the real time application to the developers of the application constitutes a breach of the loan agreement vide the offer letter of **29th September, 2015**.
12. **A DECLARATION** that having defaulted in its obligations under the loan agreements vide the offer letters of 23rd October, 2013, and 29th September, 2015, granting facilities to the 1st Plaintiff for the purchase of an OBV and the development of a real time application, the Defendant has breached the loan agreements and is not entitled to charge interests and or penalties on the entire approved loan amount.

13. Further to (12) above, **A DECLARATION** that any interests and or default charged on the entire loan facilities granted vide the offer letters of 23rd October, 2013, and 29th September, 2015 respectively, for the purchase of the OBV and the Development of the real time application, are illegal and unjustifiable.
14. **A DECLARATION** that it is illegal and unlawful for the Defendant to charge interests and or default on the overdraft facility of **₦35,000,000.00 (Thirty Five Million Naira Only)** granted vide the offer letter of 29th September, 2015, which said facility was neither disbursed to the 1st Plaintiff's account nor drawn down by the 1st Plaintiff;
15. **A DECLARATION** that the conditions for the appointment of a Receiver/Manager over the assets of the 1st Plaintiff under the Deed of All Assets Debenture dated the 11th day of December, 2014 has not arisen/crystalized.
16. **A DECLARATION** that by Clause 13 under the column of '**Conditions Precedent To Drawdown**' in the loan agreement vide offer letters of 23rd October, 2013 and 29th September, 2015, the Defendant is obligated to procure insurance policies for the assets of the 1st Plaintiff pledged as security for the credit facilities including the property at No. 4 Ogundana Street, Off Allen Avenue, Ikeja, Lagos State, which was engulfed by fire together with the equipment thereon.
17. **A DECLARATION** that the failure and or refusal of the Defendant to insure the property and or provide details of the insurance policy to the Plaintiffs is a breach of its obligations under the loan agreements vide the offer letters of 23rd October, 2013 and 29th September, 2015.
18. Flowing from (17) above, **A DECLARATION** that the Plaintiffs are entitled to the sum of **₦538,927,562.93 (Five Hundred and Thirty Eight Million Nine Hundred and Twenty Seven Thousand Five Hundred and Sixty Two Naira Ninety Three Kobo),**

being the value of the building and equipment lost to the fire incident on the 1st Plaintiff's property and for which a claim could not be made on any insurance company owing to the failure and or refusal of the Defendant to insure the property and or provide details of the insurance policy to the Plaintiffs.

Alternatively to (15-18) above

19. **A DECLARATION** that the Defendant having made necessary deductions from the 1st Plaintiff's account for the payment of insurance premiums owed a duty of care to the 1st Plaintiff to ensure that the premium is paid and the 1st Plaintiff's property is insured.
20. Flowing from (19) above, **A DECLARATION** that the failure of the Defendant to pay the insurance premium on the 1st Plaintiff's property, and or provide the Plaintiffs with an insurance policy on request, is a breach of the duty of care owed to the 1st Plaintiff.

Flowing from all of the above:

21. **AN ORDER** for the immediate refund of the sum of **₦185,723,175.37 (One Hundred and Eighty Five Million, Seven Hundred and Twenty Three Thousand, One Hundred and Seventy Five Naira, Thirty Seven Kobo Only)**, being the total sum of illegal and unjustifiable charges imputed into the 1st Plaintiff's account by the Defendant, and interest at the rate of 32% from the date of judgment until final liquidation.
22. **AN ORDER** for the payment to the Plaintiffs by the Defendant of a 100% surcharge and or penalty on the **₦185,723,175.37 (One Hundred and Eighty Five Million, Seven Hundred and Twenty Three Thousand, One Hundred and Seventy Five Naira, Thirty Seven Kobo Only)** illegal and unjustifiable charges imputed into the 1st Plaintiff's account by the Defendant Bank in line with the CBN Monetary Policy Circular No: 39 dated January 1, 2012.

23. **AN ORDER** that the Plaintiffs whether jointly and or severally are not indebted to the Defendant in the sum of **₦668,087,443.74 (Six Hundred and Sixty Eight Million, Eighty Seven Thousand, Four Hundred and Forty Three Naira, Seventy Four Kobo)** and or any other sum whatsoever arising from, and or pertaining to the 1st Plaintiff's account with the Defendant.
24. **A MANDATORY ORDER** directing the Defendant to immediately cause to be issued to all Credit Bureaus, a letter reflecting the non-indebtedness of the 1st and 2nd Plaintiffs as may be declared by this Honourable Court.
25. **AN ORDER** directing that any appointment of a Receiver/Manager over the assets of the 1st Plaintiff under the Deed of All Assets Debenture dated the 11th day of December, 2014 in realization of the purported indebtedness of the 1st Plaintiff is null and void, the conditions for appointment having not arisen/crystalized.
26. **AN ORDER** directing the Defendant to immediately surrender, release and deliver to the Plaintiff all the documents and or assets of the 1st and 2nd Plaintiff's obtained as security for the aforesaid facilities, including but not limited to:
 - a. **The purchased OBV and other equipment;**
 - b. **All Assets Debenture on the 1st Plaintiff's fixed and floating assets dated the 11th day of December, 2014;**
 - c. **Personal Guarantee of the 2nd Plaintiff;**
27. **AN ORDER** directing the Defendant to immediately surrender, release and deliver to the 2nd Plaintiff all the documents and or assets of the 2nd Plaintiff's obtained as security for the aforesaid facilities.

28. The sum of **₦1,500,000,000 (One Billion Five Hundred Million Naira)** being special damages for the loss of expected earnings of the Plaintiffs from the use of the OBV and other equipment during the general elections of 2015, and the use of the real time application owing to the Defendant's breach, together with interest at the rate of 21% per annum from the date of commencement of this action until judgment and at the rate of 10% per annum from judgment till final liquidation of same.

OR

General damages in the sum of **₦2,000,000,000 (Two Billion Naira)** flowing from the Defendant's breach of the Equipment Finance Facility granted vide the offer letter of 23rd October, 2013 by the Defendant, and the facility granted for the development of the real time application vide the offer letter of **29th September, 2015**, together with interest at the rate of 21% per annum from the date of commencement of this action until judgment and at the rate of 10% per annum from judgment till final liquidation of same.

29. Special damages in the sum of **₦538,927,562.93 (Five Hundred and Thirty Eight Million Nine Hundred and Twenty Seven Thousand Five Hundred and Sixty Two Naira Ninety Three Kobo)**, being the value of the building and equipment lost to the fire incident on the property at No. 4 Ogundana Street, Off Allen Avenue, Ikeja, Lagos State, and for which a claim could not be made on any insurance company owing to the failure and or refusal of the Defendant to insure the property and or provide details of the insurance policy to the Plaintiffs, together with interest at the rate of 21% per annum from the date of commencement of this action until judgment and at the rate of 10% per annum from judgment till final liquidation of same.

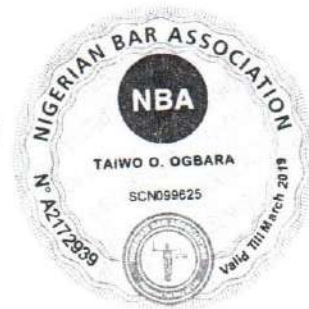
OR

General damages in the sum of **₦1,000,000,000.00 (One Billion Naira)** flowing from the breach of the Defendant's obligation to insure the Plaintiff's

property at No. 4 Ogundana Street, Off Allen Avenue, Ikeja, Lagos State, which property and equipment thereon were completely razed down in a fire, together with interest at the rate of 21% per annum from the date of commencement of this action until judgment and at the rate of 10% per annum from judgment till final liquidation of same.

30. **AN ORDER OF PERPETUAL INJUNCTION** restraining the Defendant either by itself, servants, agents or privies howsoever called from exercising any right whatsoever purportedly conferred by various charges, guarantees offered as securities for the loan facilities, or otherwise taking any steps in any manner whatsoever inconsistent with the Plaintiffs rights of ownership and possession of the said properties.
31. **AN ORDER OF PERPETUAL INJUNCTION** restraining the Defendant whether by itself, directors, officers, servants, agents or privies or such other person acting on their behalf from selling or otherwise disposing of or dealing in any way whatsoever with the Plaintiffs assets and properties offered to the Defendant as securities for the facilities advanced to the 1st Plaintiff by the Defendant.
32. **AN ORDER OF PERPETUAL INJUNCTION** restraining the Defendant, its agents or privies howsoever called from harassing, disturbing or otherwise interfering howsoever with the proper running of the operations of the 1st Plaintiff.
33. **AN ORDER OF PERPETUAL INJUNCTION** restraining the Defendant whether by itself, directors, officers, servants, agents or privies from taking any steps howsoever against the 2nd Plaintiff including but not limited to institution of bankruptcy and/or insolvency proceedings or such other steps or actions connected with or arising out of the deed of personal guarantee executed by the 2nd Plaintiff in favour of the Defendant in relation to the credit facilities advanced to the 2nd Plaintiff by the 1st Defendant.

34. **₦100,000,000 (One Hundred Million Naira)** as solicitors cost of this action.



This writ was issued by **KEMI PINHEIRO, SAN, FCI Arb., CHUKWUDI ENEBELI, MCI Arb., KEHINDE DANIEL, ESQ., TAIWO OGBARA, ESQ.** of PINHEIRO LP whose address for service is 5/7 Fodayemi Street, Off Coker Road, Ilupeju, Lagos, Legal Practitioners for the **Plaintiffs** who resides at.....andLagos State.

This writ was served by me on the Defendant (describe mode of service).....on.....theday of 2019.

Indorsed the day of 2019.

Signed

Address:

**IN THE FEDERAL HIGH COURT OF NIGERIA
IN THE LAGOS JUDICIAL DIVISION
HOLDEN AT LAGOS**

SUIT NO: _____

BETWEEN

1. SMOOTH PROMOTIONS LIMITED	}	
2. MR. AYODELE ANIMASHAUN	}	
		}...PLAINTIFFS

AND

HERITAGE BANK PLC	}	
		}...DEFENDANT

STATEMENT OF CLAIM

Introduction

1. The 1st Plaintiff is a company duly incorporated under the laws of the Federal Republic of Nigeria, carrying on the business of broadcasting, event planning and management, and is the owner and pioneer of the first full entertainment channel in Nigeria - "HIP TV", as well as the organizer of the biggest music award ceremony in Nigeria - "the HEADIES", having its registered office address at No 4, Ogundana Street, Off Allen Avenue, Ikeja, Lagos State, and is at all material times to this suit, a customer of the Defendant Bank.
2. The 2nd Plaintiff is the alter ego, Managing Director and Chief Executive Officer of the 1st Plaintiff Company and the alleged guarantor of the credit facilities granted to the 1st Plaintiff.
3. The Defendant is a company registered under the laws of the Federal Republic of Nigeria engaged in the business of commercial banking, having its registered office at 292B, Ajose Adeogun Street, Victoria Island, Lagos.

The Credit Facilities Granted to the 1st Plaintiff

4. The Plaintiffs aver that having maintained a robust credit relationship with the Defendant, the Defendant granted several credit facilities to the 1st Plaintiff, which were duly liquidated by the 1st Plaintiff, enabling the Defendant to avail the 1st Plaintiff further credit facilities when

requested. The facilities were granted to the 1st Plaintiff from time to time to enable it finance and expand its business coverage (which businesses, the 1st Plaintiff avers, are now under serious imminent threat of collapse owing to the defaults and mismanagement of its account by the Defendant), and sometimes to provide needed working capital for the 1st Plaintiff.

5. In furtherance of the above, the 1st Plaintiff states that the Defendant vide several offer letters, granted the following credit facilities to the 1st Plaintiff, namely:

- a. An overdraft facility of **₦20,000,000.00 (Twenty Million Naira Only)** vide a letter dated 12th day of August, 2013;
- b. Enhancement of the **₦20,000,000.00 (Twenty Million Naira Only)** to **₦60,000,000.00 (Sixty Million Naira Only)** vide an offer letter of 5th September, 2013;
- c. An overdraft facility in the sum of **₦40,000,000.00 (Forty Million Naira Only)** to augment its working capital, together with an Equipment Lease Finance Facility in the sum of **₦250,000,000.00 (Two Hundred and Fifty Million Naira Only)** to finance the purchase of an Outdoor Broadcasting Vehicle ("OBV") valued at 3.5 Million Pounds, vide an offer letter of 23rd October, 2013;
- d. An overdraft facility of **₦35,000,000.00 (Thirty Five Million Naira Only)** to augment its working capital, and a purported consolidated term loan facility amounting to **₦601,000,000.00 (Six Hundred and One Million Naira Only)** out of which only the sum of **₦176,000,000.00 (One Hundred and Seventy Six Million Naira Only)** was designated as disbursable vide an offer letter of 29th September, 2015.

The Plaintiffs shall at the trial of this suit found upon the aforementioned offer letters dated 12th August, 2013; 5th September, 2013; 23rd October, 2013; and 29th September, 2015 respectively.

6. The aforesaid offer letters stipulated the charges and interests chargeable on the facilities. In addition to the express terms of the offer letter, the Monetary Policy Circular issued by the Central Bank of Nigeria (CBN) and the CBN's Monetary Guidelines regulate the charges allowable on the facilities. The Plaintiffs pleads the CBN Guide to Bank Charges of April 1, 2004, The CBN Revised Guide to Bank Charges of April 1, 2013, The CBN Monetary Credit, Foreign Trade & Exchange Policy Circular No. 37 of January 2, 2004, No. 38 of January 5, 2010, No. 39 of January 1, 2012 and No. 40 of February 1, 2014.

Security for the Credit Facilities

7. By the aforesaid offer letters it was agreed that the securities for the aforesaid facility shall include:
- a. The purchased Outdoor Broadcasting Vehicle {"OB' Van"};
 - b. All Assets Debenture on the 1st Plaintiff's Company fixed and floating assets;
 - c. Insurance on the OB' Van with the defendant as First Loss Payee;
 - d. Personal Guarantee of the 2nd Plaintiff;
 - e. Assignment of all rights of ownership to all programs on the HIP TV as well as the *Headies* Event to the Defendant;
 - f. Instrument of irrevocable domiciliation of the proceeds of all invoices, LPOs and other events to the Defendant;
8. The Plaintiffs avers that the Defendant failed to perform its obligations as it relates to the facilities granted vide the offer letters of 23rd October, 2013 and 29th September, 2015, and thus freely breached the terms of loan agreement, as well as its fiduciary duties to the 1st Plaintiff in the management of the 1st Plaintiff's account, giving rise to the causes of action stated hereunder.

CAUSES OF ACTION

-
- A. Defendant's Breach of the Equipment Finance Facility in offer letter of 23rd October, 2013
-

9. The 1st Plaintiff avers that by a letter of offer dated 23rd October, 2013, it was offered an overdraft facility for **₦40,000,000.00 (Forty Million Naira)** and an equipment finance facility in the sum of **₦250,000,000 (Two Hundred and Fifty Million Naira)** tenured for 36 Months at an interest rate of 22% p.a., for the purpose of acquiring/purchasing an Outdoor broadcasting Van and other equipment valued at the sum of **Three Million Five Hundred Thousand UK Pounds Sterling (£3,500,000.00)**.
10. The Plaintiff shall lead evidence to show that the repayment source for the said facility was to the knowledge of the defendant expected from the sponsorship and advertisement sales proceed available to the 1st Plaintiff in the normal course of its business, as this was also a term of the loan agreement.
11. Further to the above, the Plaintiffs avers that when making a case to the Defendant for the favorable consideration of its application for the aforesaid facility, it submitted to the Defendant a 5 year financial projection, which indicated amongst others the projected sum of over **₦140,000,000 (One Hundred and Forty Thousand Naira Only)** from services to be rendered on potential projects from the use of the OBV during the general elections of 2015 alone. The Plaintiffs shall found upon the aforesaid financial projection for the years 2014 - 2018.
12. The 1st Plaintiff avers that upon acceptance of the Equipment Finance Facility of **₦250,000,000 (Two Hundred and Fifty Million Naira)** as stated in the offer letter of 23rd October, 2013 by the 1st Plaintiff and the fulfilment of its equity contribution in compliance with the conditions of payment as contained in the said letter of offer, the 1st Plaintiff made requests to the Defendant to credit its account with sums required for the payment of the purchase price for the various equipment to the respective equipment manufacturers.
13. The Plaintiff avers that out of the aforesaid approved sum for the purchase of the Equipment, the Defendant at the request of the 1st Plaintiff only paid a cumulative sum of **₦134,700,000 (Ninety Nine Million Naira)** as deposit towards the purchase price of the OBV and other equipment in four tranches as follows:
 - i. **₦35,700,000 (Thirty Five Million Seven Hundred Thousand Naira Only)** to X10tion Limited on 19-11-2013,

- ii. **₦40,000,000 (Forty Million Naira Only)** to Topupnigeria.Com Limited on 19-11-2013;
 - iii. **₦47,000,000 (Forty Seven Million Naira Only)** to Topupnigeria.Com Limited on 26-11-2013
 - iv. **₦12,000,000 (Twelve Million Naira Only)** to Topupnigeria.Com Limited on 13-12-2013.
14. The Plaintiffs avers that it was part of the understanding of parties that the remaining unutilized facility as approved and contained in the offer letter of 23rd October, 2013, shall become payable by the Defendant upon further request for subsequent payments to the equipment manufacturers/retailers in fulfilment of the full payment for the purchase price for the OB Van and other equipment.
15. However, upon request for further payments to be made to the Equipment Manufacturers/retailers the Defendant unjustifiably failed, refused and or neglected to pay any further sum contrary to the terms of the offer letter of 23rd October, 2013, causing the equipment manufacturers/retailers threat to the 1st Plaintiff that it could lose the deposit paid on account towards the OBV and the equipment if payment of the balance is not made timeously for the equipment to be shipped to Nigeria.
16. Notwithstanding the above threat from the manufacturers/retailers of the OBV and other equipment, and the likelihood of loss of sums in excess of **₦140,000,000 (One Forty Million Naira)** being projected earnings from the use of the OBV and other equipment particularly during the Nigerian general elections of 2015, the Defendant failed and or refused to make the required payments resulting in the late arrival of the OBV and other equipment in Nigeria only sometime in 2015.

Alternative funding arrangement

17. In a bid not to lose the OBV, the other equipment, and the deposits paid on account towards the purchase price of the equipment (upon which the 1st Plaintiff was set to pay interests), the Plaintiffs were constrained to seek alternative funding from a United Kingdom (UK) based finance firm vide the assistance of its technical partner, WTS Group of Companies WTS UK.

18. Further to the above, the Plaintiffs avers that to meet its outstanding obligations to the equipment manufacturers/retailers the 1st Plaintiff secured funding in the sum of **£327,000 UK Pounds** which sum accrues interests.
19. As a result of the involvement of WTS UK as above, the OB Van and other equipment were completely paid for and shipped to Nigeria in the name of C2S Nigeria - the local subsidiary of WTS UK in Nigeria.
20. The Plaintiffs shall contend at the trial of this suit, and lead evidence to demonstrate that it is entitled to recover the additional interest, costs and necessary expenses incurred by the Plaintiffs in arranging another loan in the United Kingdom.
21. The Plaintiffs shall contend at the trial of this suit, and lead evidence to demonstrate that the alternative fund of **£327,000 UK Pounds Sterling** secured by the 1st Plaintiff for the payment of the balance of the OBV and other equipment, is a direct consequence of the failure and or refusal of the Defendant to pay the balance of the approved facility sum to the manufacturers/retailers of the OBV and other equipment, and further that the 1st Plaintiff is entitled to recover from the Defendant, all the interests and costs expended in securing the said alternative funding.
22. Further to the above, the Plaintiffs continue to pay interests on the aforesaid alternative funding and remains indebted to the UK Finance Company - WTS Group of Companies. In fact, sequel to the 1st Plaintiff inability to fully repay the indebtedness emanating from the alternative funding, the representatives of the WTS Group of Companies, has served letters of demand dated 22nd November, 2018 and 9th January, 2019 upon the Plaintiffs. The Plaintiffs shall found upon the aforesaid letters of 22nd November, 2018 and 9th January, 2019 at trial.
23. The Plaintiffs avers that the Defendant's eventual payment of the sum of **₦75,000,000.00 (Seventy Five Million Naira)** on 07-10-2015 as balance for the purchase of the OBV and **₦10,860,000 (Ten Million Eight Hundred and Sixty Thousand Naira)** on 05-11-2015 for the clearing of the OB Van and other equipment, did little to end the misery of the 1st Plaintiff other than to reduce the amount of its exposure to the WTS Group of Companies.

24. The Plaintiffs shall contend and lead evidence at the trial of this suit to demonstrate that the default of the Defendant to pay the balance of the purchase price of the OBV and other equipment as stated above, had the effect of rendering it impossible to utilize the OBV before and or during the general elections of 2015, as the 1st Plaintiff could only take delivery of the OBV and other equipment after the conclusion of the general elections of 2015, which led to the loss of the identified projected income.
25. Resultantly, the Plaintiffs shall contend at the trial of this suit, and lead evidence to demonstrate that the delay in the arrival of the OBV and the loss of the expected receivables from deployment of the OBV during the General Elections of 2015, were a direct consequence of the default of the Defendant to perform its obligation under the loan agreement to pay the balance of the purchase price of the OB Van and other equipment as at when due, and constitutes a breach of the Equipment Finance Facility Agreement, for which breach, the 1st Plaintiff is entitled to damages.
26. Notwithstanding the above, the 1st Plaintiff discovered from its internal preliminary examination, that the Defendant charged interests and or default fees on the entire approved facility of **₦250,000,000 (Two Hundred and Fifty Million Naira)** for the purchase of the OBV from the inception of the facility and even after the aforesaid breach by the Defendant.
27. Nevertheless all these purported and unjustifiable interest and defaults charges were imputed into the 1st Plaintiff's account no: **5100021479** thereby making the debit balance bloated and unjustifiable as would be demonstrated in paragraphs 54 to 61 below.
28. Consequently, the Plaintiffs shall contend at the trial of this suit and lead evidence to demonstrate that the charge of interests and or default fees on the entire loan facility for the purchase of the OBV is illegal and further that the Defendant is estopped from charging interests.
29. Having made the loan objective unachievable for the 1st Plaintiff the Plaintiffs shall contend at the trial of this suit, that the Defendant has breached the loan agreement, and is therefore not entitled to receive any benefits in the form of interests and or default fees therefrom, and the Plaintiffs shall therefore assert that the Defendant ought not to be allowed to profit from its own wrong by relying on the principle - *Ex turpi causa non oritur actio*.

B. Defendant's Breach of the Loan Agreement Vide offer letter of 29th September, 2015

30. Again, the Plaintiffs aver that by virtue of the offer letter dated the 29th September, 2015, the Defendant approved **₦90,000,000.00 (Ninety Million Naira Only)** for the for the development of a real time application to broadcast television contents/events live on mobile devices (Android/IOS) for the 1st Plaintiff by Purple Talk (X-Cube), an innovation pioneered by the 1st Plaintiff in the broadcasting sector in Nigeria.
31. It was the agreement of parties that payment shall be made to the app developers in three tranches in the following percentage - 45% advance payment, 35% as second instalment and 20% as balance payment.
32. However, after the disbursement of the first tranche of **₦22,770,000.00 (Twenty Two Million Seven Hundred and Seventy Thousand Naira Only)** representing 45% advance payment as agreed, the Defendant failed and or refused to disburse the 2nd and 3rd tranches for no justifiable reason, despite the 1st Plaintiff's request for same vide its letter of 15th February, 2016, ultimately leading to work being suspended on the application. The Plaintiffs shall at the trial of this suit found upon the 1st Plaintiff's letter of 15th February, 2016.
33. Shortly after the suspension of work on the real time application by the Developers, the 1st Plaintiffs competitors immediately seized the opportunity to develop their real time application, and have raked in torrential profits from the use of same since then, which profits the 1st Plaintiff could also have made had the Defendant not defaulted as stated above.
34. Meanwhile, the Plaintiffs avers that had the Defendant paid the app developers the app would have been completed, and the 1st Plaintiff would have been able to realize in excess of the sum of **₦128,000,000 (One Hundred and twenty eight Million Thousand Naira Only)** alone, from the numerous services to be rendered in respect of the real time application as the financial projection submitted by the 1st Plaintiff to the Defendant when applying for the said facility also suggests. The Plaintiffs shall found upon the aforesaid financial projection as presented to the bank.

35. Nevertheless, the Plaintiffs states that the Defendant charged interests and or defaults on the entire loan sum of **₦90,000,000.00 (Ninety Million Naira Only)** granted under the offer letter of 29th September, 2015 for the development of the real time application.
36. Accordingly, the Plaintiffs shall contend and lead evidence at the trial of this suit to demonstrate that the charge of interests and or default on the entire facility for the development of the real time application is unjustifiable, and further that the Defendant is estopped from charging any interests and or default having breached the loan agreement and made the objective unachievable and the Plaintiffs shall therefore assert that the Defendant ought not to be allowed to profit from its own wrong. Again, reliance will be placed on the principle laced in the maxim *Ex turpi causa non oritur action*.
37. Additionally, the Plaintiffs shall contend and lead evidence to demonstrate that the failure and or refusal of the Defendant to pay the balance of the approved facility for the development of the realtime application constitutes a breach of the loan facility agreement entitling the Plaintiffs to damages.
38. The Plaintiffs shall assert that having not dutifully performed its obligations under the loan agreements vide the offer letters dated 23rd October, 2013 and 29th September, 2015 and the extant banking regulations to ensure that the loan achieved its purpose, the Defendant is in breach of the loan agreement, which breach entitles the 1st Plaintiff to repudiation of the said loan agreements, the consequence of which curtails the rights of the Defendant to receive any benefits in the form of interests and or default fees therefrom.

C. Illegal, Excess and Unwholesome Charges Imputed into the 1st Plaintiff Account by the Defendant

Liquidation of the Credit Facilities by the 1st Plaintiff

39. The 1st Plaintiff avers that it operated its **account number: 5100021479** with the Defendant in the normal and ordinary course of business, making sundry withdrawals, deposits and credit lodgements into its account, particularly from the proceeds of the 1st Plaintiff's business as is apparent from the Statement of Account of the 1st Plaintiff as presented to it by the Defendant Bank. The Plaintiff shall at the trial of this suit found upon the aforesaid Statement of Account and hereby puts the Defendant on notice to produce the original of same from inception of the account to the time of filing of this suit, at the trial.

40. Further to the above, the Plaintiffs shall at the trial of this suit lead evidence to establish significant lodgements and inflows into the account of the 1st Plaintiff (**account number: 5100021479**) with the Defendant Bank in excess of **₦1,000,000,000.00 (One Billion Naira)** as discernible from the Statement of Account of the 1st Plaintiff.
41. Asides from the above lodgements into the 1st Plaintiff's account as aforesaid, the Plaintiffs avers that the 1st Plaintiff made several deposits into its account which did not reflect in the statement of account as presented to it by the Defendant. Some of the said lodgements include the following:
- a. The payment of **₦30,000,000.00 (Thirty Million Naira Only)** to the Defendant vide an Heritage Bank Cheque No 03387448 dated 16-10-2016;
 - b. The payment of **₦10,000,000.00 (Ten Million Naira Only)** to the Defendant vide an Heritage Bank Cheque No 03387450 dated 01-11-2016;
 - c. The payment of **₦17,000,000.00 (Seventeen Million Naira Only)** to the Defendant vide an Heritage Bank Cheque No 03387469 dated 17-12-2016;
 - d. The payment of **₦8,000,000.00 (Eight Million Naira Only)** to the Defendant vide an Heritage Bank Cheque No 03387482 dated 21-12-2016;

The Plaintiffs shall at the trial of this suit found upon the aforesaid Heritage Bank cheques - Cheque No 03387448 dated 16-10-2016; Cheque No 03387450 dated 01-11-2016; Cheque No 03387482 dated 17-12-2016; Cheque No 03387482 dated 21-12-2016 to establish further lodgments into the 1st Plaintiff's account. The Defendant is hereby put on notice to produce the original of these cheques at trial.

42. Consequent upon the above, the Plaintiff shall lead evidence at the trial of this suit to demonstrate all the lodgements and or deposits into the 1st Plaintiff's accounts with the Defendant, and additionally that the 1st Plaintiff always liquidated the various facilities by paying the principal and interests charged thereto, which led to the Defendant granting the 1st Plaintiff more facilities whenever the need arose.

Defendant's Notification of the 1st Plaintiff's Purported Indebtedness

43. Despite the liquidation of the facilities by the 1st Plaintiff as aforesaid, the 1st Plaintiff were perplexed when it received a Letter of Demand dated 13th February, 2017, from the Defendant through its Solicitors (Messrs Ogunsanya & Ogunsanya), purportedly quoting the 1st Plaintiff's indebtedness to the Defendant as **₦668, 087,443.74 (Six Hundred and Sixty Eight Million, Eighty Seven Thousand, Four Hundred and Forty Three Naira, Seventy Four Kobo Only)**. The Plaintiffs shall at the trial of this suit found upon the said Defendant's letter of 13th of February, 2017.
44. Further to the above, convinced that the alleged indebtedness as stated in the Defendant's letter above could not have been accurate in view of the enormous deposits and credit lodgements into its accounts preceding the said letter, the Plaintiffs by their own letter dated 22nd February, 2017, demanded for their statement of account from inception and sought for an all-parties meeting to allow a proper reconciliation to be carried out on the 1st Plaintiff's account. The Plaintiffs shall at the trial of this suit found upon the said Plaintiffs letter of 22nd of February, 2017.
45. The Plaintiffs state that disturbingly, the said meeting did not hold as suggested by the 1st Plaintiff, which situation led the 1st Plaintiff to be more resolute in its conviction that the sum quoted in the Defendant's letter of 13th February, 2017, was bogus and cannot be a true and accurate reflection of the balance going by the significant movements in and out of the account.

1st Plaintiff's Preliminary Investigation

46. The Plaintiffs took steps to ascertain the correctness or otherwise of the sum of indebtedness quoted by the Defendant, which step included an internal preliminary examination of its Statement of Account by its accounts department.
47. Sequel to paragraph 46 above, the Plaintiffs aver that after an internal preliminary examination of the 1st Plaintiff's statement of account, it was duly observed that the statement did not reflect the true, fair and accurate state of affairs and transactions on its account, and the alleged quoted sum of indebtedness of **₦668,087,443.74 (Six Hundred and Sixty Eight Million, Eighty Seven Thousand, Four Hundred and Forty Three Naira, Seventy Four Kobo Only)** as stated in the Defendant's letter of 13th February, 2017, was bogus, bloated and inaccurate.

48. Further to the above, the internal preliminary examination also revealed that unjustifiable and unexplainable entries were imputed into the 1st Plaintiff's account, inconsistent with and in violation of the terms of the offer letters and the CBN's Monetary Policy Circulars, Guidelines and Regulations.
49. In addition to paragraph (48) above, the Plaintiffs shall lead evidence to demonstrate that the Statements of Account of the 1st Plaintiff were not regularly issued to the 1st Plaintiff by the Defendant as obligated under **Article 3.2.5.c of the CBN Monetary, Credit, Foreign Trade and Exchange Policy Circular No. 40 of January 1, 2014** on account of which the 1st Plaintiff has been prevented from accurately and appropriately monitoring the entries on its account.

Need for Detailed Audit of the 1st Plaintiff's Account

50. The Plaintiffs aver that having been persuaded by the report of its internal preliminary examination that there were unjustifiable and unexplainable entries in its account by the Defendant, it became necessary for its account to be properly investigated and audited by a good and reputable audit firm.
51. Further to the above, the Plaintiffs aver that the engagement of auditors also became necessary to ensure that the picture of its account is clearer and if the exercise is successful, the true figure of indebtedness revealed (if any).

Appointment of Forensic Auditors

52. In this regard the Plaintiffs engaged the services of a reputable accounting and investigative firm - **Messrs. SMD Consulting ("the Auditors")** principally to undertake a forensic audit of the 1st Plaintiff's statement of account in respect of **account number: 5100021479** for the purpose of isolating any unverifiable, bogus, undue, illegal and unjustifiable entry or imputation into the account, and ascertaining the total amount of such wrongly imputed sums.
53. By a Letter dated 6th of April, 2017, the Plaintiffs informed the Defendant of the ongoing process, by notifying it of the appointment of an independent auditor to audit the 1st Plaintiff's account. The Plaintiffs shall at the trial of this suit found upon the said Letter dated 6th of April, 2017.

Report of the Audit of the 1st Plaintiff's Account

54. The Plaintiffs aver that after a painstaking and detailed audit of the 1st Plaintiff's account - account number: 5100021479, the audit firm of SMD Consulting released its report dated the 15th day of May, 2017, covering the period beginning 8th June, 2013 and ending 28th February, 2017, which report was also submitted to the Defendant and confirmed in the 1st Plaintiff's letter of 12th day of June, 2017. The Plaintiffs shall found upon the audit report and the letter of 12th June, 2017 at trial of this suit.
55. The Plaintiffs aver that the report revealed that the auditors were guided in the preparation of the audit report by the terms of the offer letters, and all applicable regulations of the Central Bank of Nigeria including but not limited to **CBN Monetary Credit, Foreign Trade and Exchange Policy Circular No. 41 of January, 2016, Monetary, Credit, Foreign Trade and Exchange Policy Guidelines for Fiscal years 2012/2013 (Monetary Policy Circular No. 39), Monetary, Credit, Foreign Trade and Exchange Policy Guidelines for Fiscal years 2011/2012 (Monetary Policy Circular No. 38), Monetary, Credit, Foreign Trade and Exchange Policy Guidelines for Fiscal years 2014/2015 (Monetary Policy Circular No. 40), CBN Revised Guide to Bank Charges of April 1 2013, CBN Guide to Bank Charges, January 1st 2004, CBN Circular Ref: FPR/DIR/GEN/CIR/03/002 of March 27, 2013, CBN Circular Ref: FPR/DIR/GEN/CIR/01/008 of June 11, 2014, CBN Circular Ref: FPR/DIR/GEN/CIR/05/011 of August 21, 2015 & CBN Circular Ref: FPR/DIR/GEN/CIR/01/003 of January 20, 2016**, all of which the Plaintiffs shall rely upon at trial.
56. The Audit report as published by the auditors in the summary of findings noted that:
- "...we observe serial breaches of CBN regulations in the management of your account, which led to purported various debit balances in the aforementioned account"**
57. Having duly observed the above, the audit report went further to identify that between 8th June, 2013 and 28th February, 2017, the following illegal charges were imputed into the 1st Plaintiff's account, in breach of the of the CBN regulations by the Defendant:

S/N	DESCRIPTION	AMOUNT (N)
1	Excess Overdraft Interest	3,208,927.86
2	Excess Management Fee	1,155,000.00
3	Excess commitment Fee	315,000.00
4	Excess Processing Fee	840,000.00
5	Illegal professional Fee	650,000.00
6	Excess Loan Interests	90,833,953.33
	Sum of excess and illegal charges	97,002,881.18
	Interest on excess charges in line with CBN Regulations	88,720,294.19
	Total Excess/Illegal charges + Interest on excess charges refundable	185,723,175.37

58. The audit report further revealed that:

- (a.) The Defendant had been mismanaging the 1st Plaintiff's Accounts by applying interest rates over and above the agreed interest rate for the facility which resulted in excess overdraft interest in the sum of **₦2,705,564.25 (Two Million Seven Hundred and Five Thousand, Five Hundred and Sixty Four Naira Twenty Five Kobo)** between 8th June, 2013 and 28th February, 2017, the period the audit covered.
- (b.) The Defendant also charged into the 1st Plaintiff's account Management Fees in excess of the agreed fee as contained in the Letter of offer which total excess Management Fee stood at **₦1,155,000.00 (One Million One Hundred and Fifty Five Thousand Naira)** as at 28th February, 2017, the period ending when the audit report was concluded.
- (c.) Commitment Fee in excess of the fee agreed in the Offer Letter was also imputed or charged into the account of the 1st Plaintiff which total excess Commitment Fee is the sum of **₦315,000.00 (Three Hundred and Fifteen Thousand Naira)** as at 28th February, 2017.

- (d.) The Defendant imputed into the 1st Plaintiff's account spurious, illegal, unverifiable, unwholesome, and unjustifiable Loan Interest not supported by the Offer Letters to the tune of **₦90,833,953.33 (Ninety Million Eight Hundred and Thirty Three Thousand Nine Hundred and Fifty Three Naira Thirty Three Kobo)** as at 28th February, 2017, when the audit report was published.
- (e.) Excess processing fee which of **₦840,000.00 (Eight Hundred and Forty Thousand Naira)** was charged into the 1st Plaintiff's account notwithstanding that by the CBN Revised Guide to Bank Charges of 1st April, 2013, processing fees is not chargeable separately as a lending fee.
- (f.) Illegal Professional fee to the tune of **₦650,000.00 (Six Hundred and Fifty Thousand Naira)** was also charged into the 1st Plaintiff's account.
- (g.) All the foregoing sums had consistently formed the bogus balances in the Statement of Account attracting purported and unsustainable interests over the currency of the facility and running of the account.
- (h.) The cumulative effect of paragraphs (a-g), above, is such that the balances have become irreconcilable and those debit balances in the 1st Plaintiff's account cannot represent a true, fair and accurate state of the account.
59. The Plaintiffs aver and shall contend at the trial of this suit the 1st Plaintiff is entitled on account of the excess interest charges to the total sum of **₦88,720,294,19 (Eighty-Eight Million, Seven Hundred and Twenty Thousand, Two Hundred and Ninety-Four Naira, Nineteen Kobo)** along with a Letter of Apology from the Defendant, in line with the provisions of section 3.2.4g of the CBN Monetary Credit, Foreign Trade and Exchange Policy Circular No. 39 of January, 2012, and section 3.2.5g of the CBN Monetary Credit, Foreign Trade and Exchange Policy Circulars Nos. 40 and 41 of January, 2014 and January, 2016, respectively.

60. The Plaintiffs shall further contend at the trial of this suit that the unwholesome, spurious, unjustifiable and illegal entries imputed into the 1st Plaintiff's account amounting to **₦185,723,175.37 (One Hundred and Eighty Five Million, Seven Hundred and Twenty Three Thousand, One Hundred and Seventy Five Naira, Thirty Seven Kobo Only)** as at 28th February, 2017, and as contained in the audit report of 15th May, 2017, are fraudulent and constitute a breach of the Defendant's fiduciary duties to the 1st Plaintiff.

Particulars of Fraud

- a. The entries were unsupportable by the terms and conditions in the offer letters. For instance, as is apparent from the audit report, the Defendant applied interest rates over and above the agreed interest rates in the offer letter. While in the offer letter of 23rd October, 2013, the agreed interest rate was 22%, the Defendant at regular intervals charged between 30% - 46.43%, which led to the bloated sum of **₦3,208,927.86 (Three)** imputed into the 1st Plaintiff's account as overdraft interests, now identified as Excess Overdraft Interest in the audit report.
- b. The entries were disguised under various unknown and out-rightly unlawful names such as "*professional fees*" which paragraph 4 of the CBN Revised Guide to Bank Charges of 1st April, 2013 and CBN Circular Ref: FPR/DIR/GEN/CIR/01/008 of 11 June, 2014 expressly forbids passage to the accounts of customers by Banks such as the Defendant Bank, as signposted in the audit report.
- c. Some deductions and charges were deliberately concealed and were not reflected in the day to day statement of accounts.
- d. The entries were unjustifiable by virtue of the various CBN directives and guidelines issued from time to time.

- e. The Defendant continued to charge compound interests on the illegal charges; for instance, the Defendant illegally charged over ₦90,000,000 as interest.
- f. The illegal entries/charges and interest thereon were designed to make the facilities unrepayable and the 1st Plaintiff a perpetual debtor to the Defendant as it is apparent from the 1st Plaintiff's statement of account that despite the significant credit lodgments and deposits reflected therein, the 1st Plaintiff is still alleged to be indebted to the Defendant Bank in the sum of **₦668,087,443.74 (Six Hundred and Sixty Eight Million, Eighty Seven Thousand, Four Hundred and Forty Three Naira, Seventy Four Kobo Only)**.
- g. The entries or charges were calculated to earn undue income and advantage to the Defendant.

61. The Plaintiffs aver that on account of the findings of the audit report dated 15th May, 2017 by the firm of SMD Consulting as contained in paragraphs 57 - 61 above, the Plaintiffs are entitled to a refund of the total sum of **₦185,723,175.37 (One Hundred and Eighty Five Million, Seven Hundred and Twenty Three Thousand, One Hundred and Seventy Five Naira, Thirty Seven Kobo Only)** plus interests from that date at the prevailing market rate to be demonstrated in court, representing the wrongful, illegal and unjustifiable imputations into the 1st Plaintiff's account by the Defendant as at the time of the report in May, 2017 contrary to the terms of the offer letters and in gross violation of the extant laws and regulations regulating commercial banking in Nigeria.

D. Illegal Charges on Overdraft of ₦35,000,000.00 (Thirty Five Million Naira Only) not Drawdown and or Disbursed

62. Furthermore, it was discovered that the Defendant charged interests and or default fees on the sum of **₦35,000,000.00 (Thirty Five Million Naira Only)** granted as overdraft facility vide the offer letter 29th September, 2015, which said facility was neither disbursed to the 1st Plaintiff's account nor drawn down by the 1st Plaintiff; rather the defendant unilaterally applied the said overdraft towards the purported outstanding balance on the 1st Plaintiff's account.

63. Consequently, the Plaintiffs shall lead evidence to demonstrate that the charge of any interests and or penalties for default on the **₦35,000,000.00 (Thirty Five Million Naira Only)** overdraft facility is illegal and unjustifiable.

Purported Consolidation of the Indebtedness of the 1st Plaintiff

64. Having plunged the 1st Plaintiff into massive bogus debit balance owing to the imputation of illegal and unjustifiable charges into its account, breaches of the loan agreement for the purchase of the OBV and the real time application, and the charge of interest and or default on the aforesaid facilities, the Defendant purportedly consolidated the loan to a total sum of **₦425,000,000.00 (Four Hundred and Twenty Five Million Naira Only)** which it termed as "*running exposure*" in the offer letter of 29th September, 2015.
65. The Plaintiff shall contend at trial and lead evidence to demonstrate that in so far as the purported running exposure of **₦425,000,000.00 (Four Hundred and Twenty Five Million Naira Only)** and or the debit balance on the 1st Plaintiff's account number: 5100021479 consists of -
- (a.) the facilities which have been either fully repaid by the Plaintiffs; and or
 - (b.) illegal and unjustifiable charges imputed into the 1st Plaintiff's account; and or
 - (c.) interest charges and or default on the entire facilities under loan agreements vide offer letters 23rd October, 2013 and 29th September, 2015 granted respectively, specifically -
 - i. for the purchase of the OBV and other equipment; and
 - ii. the development of the real time application;

the sum referred to as running exposure and or the debit balance on the 1st Plaintiff's account number: 5100021479 and any other sum emanating therefrom cannot be correct and accurate, and the true indebtedness (if any) of the 1st Plaintiff account **cannot be correctly determined in the absence of a proper deconstruction and reconstruction of the entries into the 1st Plaintiff's account.**

E. Negative/Incorrect Credit Report

66. The Plaintiffs aver that on the basis of the bogus debit balance on the 1st Plaintiff's account which emanated from the illegal and unjustifiable entries into the 1st Plaintiff's account number: 5100021479 as revealed above, the Defendant provided negative credit information in respect of the 1st Plaintiff to Credit Bureaus.
67. Further to the negative credit information stated above, the Plaintiffs states that they were prevented from accessing finance from any other financial institution in Nigeria who were always concerned about the credit report on the Plaintiff's acquired from the Credit Bureaus, unbeknownst to them the true circumstances surrounding the alleged indebtedness as stated above.
68. The Plaintiffs shall therefore contend and lead evidence at trial to demonstrate that the credit information supplied by the Defendant on the Plaintiffs, in so far as it relates to the debit balance on the 1st Plaintiff's account number: 5100021479, is inaccurate, invalid, incomplete, and a calculated attempt by the Defendant to restrict the 1st Plaintiff's access to funding from other well-meaning financial institutions in Nigeria, ensuring that the Plaintiffs remain perpetually indebted to the Defendant.
69. Accordingly, the Plaintiff shall contend and lead evidence at the trial of this suit to demonstrate that it is incumbent upon the Defendant to provide the Credit Bureaus with an updated credit information on the Plaintiffs, accurately displaying the true state of the 1st Plaintiff's account number: 5100021479.

F. Impact on the Plaintiff's business

70. The 1st Plaintiff avers that its business operations have been negatively affected by the false and fraudulent manipulations of its accounts by the Defendant and the breach of the loan agreements granted vide offer letters dated 23rd October, 2013 and 29th September, 2015 as stated in the preceding paragraphs.
71. The imputation of excessive, wrongful and illegal debits into the accounts of the Plaintiff by the Defendant, and the breaches of the loan agreements for the purchase of the OBV and the development of the real time application by the Defendant, has impacted negatively on the Plaintiffs' business in the manner below:

- a. Loss of sums in excess of ₦1,500,000,000 (One Billion Five Hundred Million Naira) being the expected earnings from the use of the OBV and the real time application had the Defendant not defaulted, as is apparent from the 5 year financial projection submitted to the Defendant prior to the approval of the loan which is hereby pleaded and shall be relied upon at trial;
- b. Loss of sums in excess of ₦200,000,000 (Two Hundred Million Naira) paid as interests and or defaults on the entire facility for the purchase of the OBV and the development of the real time applications as discernable from the audit report (on the 1st Plaintiff's account number: 5100021479) dated 15th May, 2017, which does not represent any value to the 1st Plaintiff owing to the defaults of the Defendant as stated above;
- c. Reduction in the 1st Plaintiff's available working capital at every material time prior to the institution of this suit.
- d. The ability of the 1st Plaintiff to do business and earn expected and or adequate profit was impeded by the defaults of the Defendant and its breach of the loan agreements as stated above.
- e. The 1st Plaintiff was unduly exposed to financial losses due to the fact that it had to seek for foreign loans for its business owing largely to the defaults of the Defendant on the loan agreement as stated above;
- f. The cumulative effect of sub paragraphs (a - e) ensured that the 1st Plaintiff's businesses became severely distressed and suffered consistent financial hemorrhages;
- g. The 1st Plaintiff has been prevented from access to any credit facility from another financial institution in Nigeria based on the false credit

information supplied by the Defendant to Credit bureaus in Nigeria, comprising the bogus, illegal, and unjustifiable charges imputed into the 1st Plaintiff's account.

F. Claims for the Failure of the Defendant to Insure the Plaintiffs Assets against Fire Incident

72. While still grappling with the losses stated above, the Plaintiffs avers that it was further plunged into monumental and unprecedented loss and threat of possible extinction when unfortunately sometime in November of 2017, its studio at No. 4 Ogundana Street, Off Allen Avenue, Ikeja, Lagos State, and the equipment therein (all forming part of the assets in the All Assets Debenture executed by the 1st Plaintiff and the Defendant used as security for the various facilities) {"the Property"} was entirely engulfed in a fire incident.
73. The Plaintiffs despite this ordeal were confident of a recovery particularly in the knowledge that fire was an insurable risk which ought to be covered by the insurance policy as may have been arranged by the Defendant over the property keeping with its obligations in clause 13 under the column of 'CONDITIONS PRECEDENT TO DRAWDOWN' in the loan agreement vide offer letters of 23rd October, 2013 and 29th September, 2015, which obligated the Defendant to arrange insurance policies on the assets pledged as securities for the facilities. For the avoidance of any doubt, the clause reads:
- "The Lender's (Defendant's) insurance desk shall arrange all relevant insurance policies while the Borrower (1st Plaintiff) shall pay all premium and the fees, as assessed by the insurance company".**
74. Keeping in line with the stipulations of the Clause as above, the Defendant passed sundry entries into the 1st Plaintiff's account, describing the entries as being for the purpose of payment of insurance premiums, which entries the Plaintiffs had no need to query because of the purpose the provision was stated to have been made for. Some of the entries made into the 1st Plaintiff's account in this regard are **₦1,296,000.00 (One Million Two Hundred and Ninety Six Thousand Naira Only)** on 26-11-2015, and **₦450,000.00 (Four Hundred and Fifty Thousand Naira Only)** on 25-02-2016, all in favour of FBN General Insurance Ltd.

75. The Plaintiffs avers that following this unfortunate fire incident which crippled the entire business activities of the 1st Plaintiff, the 1st Plaintiff informed the Defendant of the incident and requested for the insurance policy and evidence of payment of premiums on the property for it make the necessary claims on the insurance company.
76. When the Defendant did not respond to the initial informal communications on the fire incident, the Plaintiffs were constrained to send a letter dated 22nd February, 2018, to the Defendant with the subject "REQUEST: INSURANCE POLICY DOCUMENT". The Plaintiffs shall found upon the said letter at the trial of this suit.
77. In the body of the Plaintiff's letter mentioned in the preceding paragraph, the Plaintiffs requested the Defendant to provide all insurance policy documents, which request the Defendant failed, refused and or neglected to accede to till date.
78. Owing to the lack of response from the Defendant in this regard, the Plaintiffs have been unable to make any insurance claims, and have been compelled to source for funds to reinstate the building and the equipment thereon, all of which were engulfed by fire, despite the Plaintiff's emergency call to the Fire Service on the day of the incident, and the Plaintiffs attempt at reducing the extent of damages altogether by pouring water to reduce the potency of the fire before the arrival of the fire fighters, all of which efforts turned out to be futile.
79. From the initial valuation report prepared by Messrs John Zedomi & Associates on the instruction of the Defendant sometimes in 2013, sequel to the grant of the facilities vide the offer letters of 23rd October, 2013 and 29th September, 2015, after an inspection of the property and the equipment thereon on the 18th and 19th day of October, 2013, the open market value of the items of furniture, fittings and Equipment contained in schedule 1 to the valuation report was put at a total sum of **₦12,245,625.00 (Twelve Million Two Hundred and Forty Five Thousand Six Hundred and Twenty Five Naira)**, while that of the items of Machinery, Media Equipment and Motor vehicles contained in schedule 2 of the same report was put at **₦34,470,304.00 (Thirty Four Million Four Hundred and Seventy Thousand Three Hundred and Four Naira Five Naira)**. The Plaintiff shall found upon the valuation report at trial.

80. Further to the above paragraph, the Plaintiffs avers that after the valuation report which coincided with the commencement of proper broadcasting by the Plaintiffs, several other equipment were purchased reflecting the Plaintiffs rapid growth in the broadcast industry, which could not have been reflected in the valuation report. In fact at the time of the fire incident, the equipment lost to fire was computed as **₦538,927,562.93 (Five Hundred and Thirty Eight Million Nine Hundred and Twenty Seven Thousand Five Hundred and Sixty Two Naira Ninety Three Kobo)** as shown in a composite table of the assets on the property prepared by the 1st Plaintiff sometimes in April, 2017, prior to the fire incident. The Plaintiffs shall at the trial of this suit, rely on the aforesaid composite table.
81. Following the Defendant's inability to provide any documentation of the insurance policy as requested, the Plaintiffs were constrained to take steps to reinstate the building and the studio and repurchase the necessary equipment to recommence broadcasting therefrom as is apparent from the pictures of the building showing same after the fire incident, then later the pictures showing when the Plaintiffs had begun to reinstate the property and the equipment thereon. The Plaintiffs pleads and shall at the trial of this suit rely on the pictures showing when the Plaintiffs had begun to reinstate the property and the equipment thereon.
82. The Plaintiffs shall contend and lead evidence at the trial of this suit to demonstrate that the failure of the Defendant to insure the property as stipulated by the loan agreements is a breach of its covenant under the loan agreement vide the offer letters of 23rd October, 2013 and 29th September, 2015, which breach entitles the Plaintiffs to damages inclusive of the sum of **₦538,927,562.93 (Five Hundred and Thirty Eight Million Nine Hundred and Twenty Seven Thousand Five Hundred and Sixty Two Naira Ninety Three Kobo)**, being the sum of the building and equipment on the property as at April, 2017, all of which were lost to the fire incident and for which the Plaintiffs loss could have been mitigated had the Defendant duly insured the property.
83. In the alternative to paragraph (73) above, the Plaintiffs shall contend and lead evidence at the trial of this suit to demonstrate that the failure of the Defendant to pay the insurance premium on the property as aforesaid despite having passed entries into the 1st Plaintiff's account

for that purpose, and or furnish the Plaintiffs with information in this regard, is negligent and reckless and or constitutes a fraud on the part of the Defendant, which negligence and or recklessness has occasioned monumental loss to the Plaintiffs, entitling the Plaintiffs to damages from the Defendant.

Particulars of Negligence

- a. The Defendant owed a duty to the 1st Plaintiff to ensure that it paid the premium for the insurance of the 1st Plaintiff's property against risk like fire, being part of its obligations under the loan agreements and having made deductions from the 1st Plaintiff's account in this regard;
- b. The Defendant breached this duty of care by failing and or refusing to insure the property and or provide necessary information as to the insurance policy on the property if any.
- c. As a bank the Defendant should know or ought to know with reasonable diligence, the implications of not insuring a property against risk like fire.
- d. The Plaintiffs have suffered losses in excess of ₦538,927,562.93 (Five Hundred and Thirty Eight Million Nine Hundred and Twenty Seven Thousand Five Hundred and Sixty Two Naira Ninety Three Kobo) owing to the failure and or refusal of the Defendant to insure the property against risk like fire, and or provide information to the Plaintiffs as to the insurance policy on the property.

And or Particulars of Fraud

- a. The Plaintiffs where deprived the use of moneys deducted from its account number: 5100021479, by the Defendant for the purpose of payment of premiums on insurance policies.

- b. Despite making the sundry withdrawals, the Defendant never engaged any insurance company nor procured any insurance policy on the 1st plaintiff's assets;
- c. Rather, the Defendant bank having deducted the said sums from the 1st Plaintiff's account, utilized same solely for the Bank's purpose.

Discharge from obligations

- 84. The Plaintiffs avers that owing to all the foregoing paragraphs and as a result of the spurious, punitive, illegal, unjustifiable and unwholesome entries together with the breaches of the loan agreements granted vide the offer letters of 23rd October, 2013 and 29th September, 2015, as well as the mismanagement of the accounts of the 1st Plaintiff by the Defendant and or the breach of its fiduciary obligation to the 1st Plaintiff, the 1st Plaintiff is discharged from any obligation whatsoever to the Defendant.
- 85. Flowing from the entirety of the foregoing, the Plaintiffs shall contend and lead evidence at the trial of this suit to demonstrate that the conditions for the appointment of a receiver/ manager over the assets of the 1st Plaintiff under the Deed of All Assets Debenture dated the 11th day of December, 2014, and or sale of any of the said assets in realization of the purported indebtedness of the Plaintiffs has not arisen and further that any exercise in that regard is null and void.
- 86. The Plaintiffs shall establish by oral and documentary evidence that the Defendant did not observe the CBN Guidelines and Directives in the management of its accounts and imputed all the spurious and illegal entries into the 1st Plaintiff's accounts to increase its profits, at the detriment of the Plaintiffs.
- 87. The Plaintiffs shall also contend at the trial of this suit that the Plaintiff are not in any way whatsoever indebted to the Defendant whether on any alleged principal sums or interests thereon.
- 88. By the CBN Monetary Policy Circular No: 39 dated January 1, 2012 any unsustainable, unjustifiable and or illegal entries or excessive charges results in a 100% surcharge or penalty against the Bank. The Plaintiffs shall at the trial lead evidence to claim full advantage of these directives.

89. The Plaintiffs shall also contend at the trial of the suit that following the breach of the CBN circular, guidelines and regulations in the management of the 1st Plaintiff's account particularly in respect of the illegal, excessive and unjustifiable entries, the 1st Plaintiff is entitled to interest on the entries at the maximum lending rate of the Defendant Bank which was 32% per annum as published in the Vanguard Newspaper of 5th April, 2017 and indicated in the audit report.
90. Further to the above, from the audit report, as at 15th May, 2017 the 1st Plaintiff is entitled to interest refund of **₦88,720,294.19 (Eighty Eight Million Seven Hundred and Twenty Thousand Two Hundred and Ninety Four Naira Nineteen Kobo)** calculated at the rate of 32% per annum.
91. The Plaintiffs shall rely on all documents, statements, exchange of correspondences between the Plaintiffs and the Defendant as well as on all legal and equitable principles applicable and available to the Plaintiff and related to the instant suit. Notice to Produce is hereby given to the Defendant as required by law.

RELIEFS SOUGHT:

92. **WHEREOF** the Plaintiffs Claims against the Defendant as follows:
1. **A DECLARATION** that as a banking institution duly registered by the Central bank of Nigeria (CBN), the Defendant is duly obligated to comply with and give effect to the CBN monetary policies, circulars, guidelines and regulations issued by the Central Bank of Nigeria (CBN) from time to time.
 2. **A DECLARATION** that all the credit facilities granted to the 1st Plaintiff by the Defendant vide the offer letters dated **12th August, 2013, 5th September, 2013, 23rd October, 2013, and 29th September, 2015** are for all intents and purposes subject to and regulated by the terms stipulated, and conditions in offer letters, the monetary policy circular issued by the Central Bank of Nigeria, and the Central Bank of Nigeria Monetary Guidelines issued from time to time.

3. A DECLARATION that all the charges imputed by the Defendant into the accounts of the 1st Plaintiff which are inconsistent with and or at variance with the terms/stipulations and conditions contained in the offer letters of 12th August, 2013, 5th September, 2013, 23rd October, 2013, and 29th September, 2015, and or the Central Bank of Nigeria Monetary Guidelines and Directives issued from time to time are illegal, fraudulent, null and void.
4. A DECLARATION that the imputations of the following sums

S/N	DESCRIPTION	AMOUNT (N)
1	Excess Overdraft Interest	3,208,927.86
2	Excess Management Fee	1,155,000.00
3	Excess commitment Fee	315,000.00
4	Excess Processing Fee	840,000.00
5	Illegal professional Fee	650,000.00
6	Excess Loan Interests	90,833,953.33
	Sum of excess and illegal charges	97,002,881.18
	Interest on excess charges in line with CBN Regulations	88,720,294.19
	<u>Total Excess/Illegal charges + Interest on excess charges refundable</u>	<u>185,723,175.37</u>

totaling ₦185,723,175.37 (One Hundred and Eighty Five Million, Seven Hundred and Twenty Three Thousand, One Hundred and Seventy Five Naira, Thirty Seven Kobo Only), into the 1st Plaintiff's account number: 5100021479 as contained in the audit report of 15th May, 2017, is illegal, unjustifiable and contrary to the terms of the offer letters dated 12th August, 2013, 5th September, 2013, 23rd October, 2013, and 29th September, 2015, and or the CBN monetary

policies, circulars, guidelines and regulations issued by the Central Bank of Nigeria (CBN) from time to time.

5. Further to (4) above, **A DECLARATION** that the Plaintiffs are entitled to the immediate refund of the sum of **₦185,723,175.37 (One Hundred and Eighty Five Million, Seven Hundred and Twenty Three Thousand, One Hundred and Seventy Five Naira, Thirty Seven Kobo Only)** from the Defendant, being the total sum of illegal and unjustifiable charges imputed into the 1st Plaintiff's account number: 5100021479 by the Defendant.
6. Further to (5) above, **A DECLARATION** that the Plaintiffs are entitled to a 100% surcharge and or penalty from the Defendant on the sum of **₦185,723,175.37 (One Hundred and Eighty Five Million, Seven Hundred and Twenty Three Thousand, One Hundred and Seventy Five Naira, Thirty Seven Kobo Only)** being the illegal and unjustifiable charges imputed into the 1st Plaintiff's account number: 5100021479 by the Defendant Bank.
7. **A DECLARATION** that the purported and alleged debit balances in the sum of **₦668,087,443.74 (Six Hundred and Sixty Eight Million, Eighty Seven Thousand, Four Hundred and Forty Three Naira, Seventy Four Kobo)** as contained in the Defendant's letter of 13th February, 2017 is inaccurate, erroneous, bogus, untenable, a hoax and is not a true and fair reflection of the state of affairs of the 1st Plaintiff's account number: 5100021479 maintained with the 1st Defendant Bank.
8. Further to the above, **A DECLARATION** that the Plaintiffs whether jointly and or severally are not indebted to the Defendant in the sum of **₦668,087,443.74 (Six Hundred and Sixty Eight Million, Eighty Seven Thousand, Four Hundred**

- and **Forty Three Naira, Seventy Four Kobo**) and or any other sum whatsoever arising from, and or pertaining to the 1st Plaintiff's account with the Defendant.
9. Further to (8) above, **A DECLARATION** that it is illegal, unjustifiable, and a breach of the Defendant's fiduciary duties to the Plaintiffs, for the Defendant to retain the names of the Plaintiffs whether jointly and or severally as a debtor of the Defendant on any credit information to be provided by the Defendant to any Credit Bureau or any third parties.
 10. **A DECLARATION** that the Defendant's default in paying the balance of the purchase price of the OBV timeously occasioned the delay in the arrival of the OBV, and constitutes a breach of the Equipment Finance Facility granted vide the offer letter of 23rd October, 2013 by the 1st Plaintiff.
 11. **A DECLARATION** that the Defendant's default in its obligations to pay the balance of the amount for the development of the real time application to the developers of the application constitutes a breach of the loan agreement vide the offer letter of 29th September, 2015.
 12. **A DECLARATION** that having defaulted in its obligations under the loan agreements vide the offer letters of 23rd October, 2013, and 29th September, 2015, granting facilities to the 1st Plaintiff for the purchase of an OBV and the development of a real time application, the Defendant has breached the loan agreement s and is not entitled to charge interests and or penalties on the entire approved loan amount.
 13. Further to (12) above, **A DECLARATION** that any interests and or default charged on the entire loan facilities granted vide the offer letters of 23rd October, 2013, and 29th September, 2015

respectively, for the purchase of the OBV and the Development of the real time application, are illegal and unjustifiable.

14. **A DECLARATION** that it is illegal and unlawful for the Defendant to charge interests and or default on the overdraft facility of **₦35,000,000.00 (Thirty Five Million Naira Only)** granted vide the offer letter of 29th September, 2015, which said facility was neither disbursed to the 1st Plaintiff's account nor drawn down by the 1st Plaintiff;
15. **A DECLARATION** that the conditions for the appointment of a Receiver/Manager over the assets of the 1st Plaintiff under the Deed of All Assets Debenture dated the 11th day of December, 2014 has not arisen/crystalized.
16. **A DECLARATION** that by Clause 13 under the column of '**Conditions Precedent To Drawdown**' in the loan agreement vide offer letters of 23rd October, 2013 and 29th September, 2015, the Defendant is obligated to procure insurance policies for the assets of the 1st Plaintiff pledged as security for the credit facilities including the property at No. 4 Ogundana Street, Off Allen Avenue, Ikeja, Lagos State, which was engulfed by fire together with the equipment thereon.
17. **A DECLARATION** that the failure and or refusal of the Defendant to insure the property and or provide details of the insurance policy to the Plaintiffs is a breach of its obligations under the loan agreements vide the offer letters of 23rd October, 2013 and 29th September, 2015.
18. Flowing from (17) above, **A DECLARATION** that the Plaintiffs are entitled to the sum of **₦538,927,562.93 (Five Hundred and Thirty Eight Million Nine Hundred and Twenty Seven Thousand Five Hundred and Sixty Two Naira**

Ninety Three Kobo), being the value of the building and equipment lost to the fire incident on the 1st Plaintiff's property and for which a claim could not be made on any insurance company owing to the failure and or refusal of the Defendant to insure the property and or provide details of the insurance policy to the Plaintiffs.

Alternatively to (15-18) above

19. **A DECLARATION** that the Defendant having made necessary deductions from the 1st Plaintiff's account for the payment of insurance premiums owed a duty of care to the 1st Plaintiff to ensure that the premium is paid and the 1st Plaintiff's property is insured.
20. Flowing from (19) above, **A DECLARATION** that the failure of the Defendant to pay the insurance premium on the 1st Plaintiff's property, and or provide the Plaintiffs with an insurance policy on request, is a breach of the duty of care owed to the 1st Plaintiff.

Flowing from all of the above:

21. **AN ORDER** for the immediate refund of the sum of **₦185,723,175.37 (One Hundred and Eighty Five Million, Seven Hundred and Twenty Three Thousand, One Hundred and Seventy Five Naira, Thirty Seven Kobo Only)**, being the total sum of illegal and unjustifiable charges imputed into the 1st Plaintiff's account by the Defendant, and interest at the rate of 32% from the date of judgment until final liquidation.
22. **AN ORDER** for the payment to the Plaintiffs by the Defendant of a 100% surcharge and or penalty on the **₦185,723,175.37 (One Hundred and Eighty Five Million, Seven Hundred and Twenty Three Thousand, One Hundred and Seventy Five Naira, Thirty Seven Kobo Only)** illegal and unjustifiable

charges imputed into the 1st Plaintiff's account by the Defendant Bank in line with the CBN Monetary Policy Circular No: 39 dated January 1, 2012.

23. **AN ORDER** that the Plaintiffs whether jointly and or severally are not indebted to the Defendant in the sum of **₦668,087,443.74 (Six Hundred and Sixty Eight Million, Eighty Seven Thousand, Four Hundred and Forty Three Naira, Seventy Four Kobo)** and or any other sum whatsoever arising from, and or pertaining to the 1st Plaintiff's account with the Defendant.
24. **A MANDATORY ORDER** directing the Defendant to immediately cause to be issued to all Credit Bureaus, a letter reflecting the non-indebtedness of the 1st and 2nd Plaintiffs as may be declared by this Honourable Court.
25. **AN ORDER** directing that any appointment of a Receiver/Manager over the assets of the 1st Plaintiff under the Deed of All Assets Debenture dated the 11th day of December, 2014 in realization of the purported indebtedness of the 1st Plaintiff is null and void, the conditions for appointment having not arisen/crystalized.
26. **AN ORDER** directing the Defendant to immediately surrender, release and deliver to the Plaintiff all the documents and or assets of the 1st and 2nd Plaintiff's obtained as security for the aforesaid facilities, including but not limited to:
 - a. **The purchased OBV and other equipment;**
 - b. **All Assets Debenture on the 1st Plaintiff's fixed and floating assets dated the 11th day of December, 2014;**
 - c. **Personal Guarantee of the 2nd Plaintiff;**

27. **AN ORDER** directing the Defendant to immediately surrender, release and deliver to the 2nd Plaintiff all the documents and or assets of the 2nd Plaintiff's obtained as security for the aforesaid facilities.
28. The sum of **₦1,500,000,000 (One Billion Five Hundred Million Naira)** being special damages for the loss of expected earnings of the Plaintiffs from the use of the OBV and other equipment during the general elections of 2015, and the use of the real time application owing to the Defendant's breach, together with interest at the rate of 21% per annum from the date of commencement of this action until judgment and at the rate of 10% per annum from judgment till final liquidation of same.

OR

General damages in the sum of **₦2,000,000,000 (Two Billion Naira)** flowing from the Defendant's breach of the Equipment Finance Facility granted vide the offer letter of 23rd October, 2013 by the Defendant, and the facility granted for the development of the real time application vide the offer letter of 29th September, 2015, together with interest at the rate of 21% per annum from the date of commencement of this action until judgment and at the rate of 10% per annum from judgment till final liquidation of same.

29. Special damages in the sum of **₦538,927,562.93 (Five Hundred and Thirty Eight Million Nine Hundred and Twenty Seven Thousand Five Hundred and Sixty Two Naira Ninety Three Kobo)**, being the value of the building and equipment lost to the fire incident on the property at No. 4 Ogundana Street, Off Allen Avenue, Ikeja, Lagos State, and for which a claim could not be made on any insurance company owing to the

failure and or refusal of the Defendant to insure the property and or provide details of the insurance policy to the Plaintiffs, together with interest at the rate of 21% per annum from the date of commencement of this action until judgment and at the rate of 10% per annum from judgment till final liquidation of same.

OR

General damages in the sum of **₦1,000,000,000.00 (One Billion Naira)** flowing from the breach of the Defendant's obligation to insure the Plaintiff's property at No. 4 Ogundana Street, Off Allen Avenue, Ikeja, Lagos State, which property and equipment thereon were completely razed down in a fire, together with interest at the rate of 21% per annum from the date of commencement of this action until judgment and at the rate of 10% per annum from judgment till final liquidation of same.

30. **AN ORDER OF PERPETUAL INJUNCTION** restraining the Defendant either by itself, servants, agents or privies howsoever called from exercising any right whatsoever purportedly conferred by various charges, guarantees offered as securities for the loan facilities, or otherwise taking any steps in any manner whatsoever inconsistent with the Plaintiffs rights of ownership and possession of the said properties.
31. **AN ORDER OF PERPETUAL INJUNCTION** restraining the Defendant whether by itself, directors, officers, servants, agents or privies or such other person acting on their behalf from selling or otherwise disposing of or dealing in any way whatsoever with the Plaintiffs assets and properties offered to the Defendant as securities for the facilities advanced to the 1st Plaintiff by the Defendant.

- 32. **AN ORDER OF PERPETUAL INJUNCTION** restraining the Defendant, its agents or privies howsoever called from harassing, disturbing or otherwise interfering howsoever with the proper running of the operations of the 1st Plaintiff.
- 33. **AN ORDER OF PERPETUAL INJUNCTION** restraining the Defendant whether by itself, directors, officers, servants, agents or privies from taking any steps howsoever against the 2nd Plaintiff including but not limited to institution of bankruptcy and/or insolvency proceedings or such other steps or actions connected with or arising out of the deed of personal guarantee executed by the 2nd Plaintiff in favour of the Defendant in relation to the credit facilities advanced to the 2nd Plaintiff by the 1st Defendant.
- 34. **₦100,000,000 (One Hundred Million Naira)** as solicitors cost of this action.

Dated this 10th day of April, 2019

*'Keni Pinheiro, SAN, FCI Arb.,
Kehinde Daniel, Esq.,*

SIGNED BY: Taiwo Ogbara, Esq.
Farid Giwa, Esq.,
PINHEIRO LP,
Plaintiffs Solicitors

**5/7, Folayemi Street,
Off Coker Road, Ilupeju, Lagos.**

Tel: 234-1-7752444, 08022259872, 08143233555

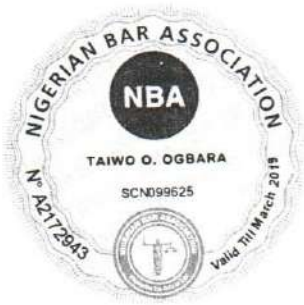
E-mail: pinogun@metrong.com; admin@pinheirolp.com;

www.pinheirolp.com

FOR SERVICE ON

**The Defendant,
292B, Ajoye Adeogun Street,
Victoria Island,
Lagcs.**

OR
2202-9357-4982
10/4/19



*W/Summons ₦50,000
Filing ₦60,000
Arresting ₦320
Evidences ₦100
List of witnesses ₦100
Statement of costs ₦350
List of documents ₦200
→ 50,920*

HIGH COURT
10/4/19

IN THE FEDERAL HIGH COURT OF NIGERIA
IN THE LAGOS JUDICIAL DIVISION
HOLDEN AT LAGOS

SUIT NO: _____

BETWEEN

1. SMOOTH PROMOTIONS LIMITED }
2. MR. AYODELE ANIMASHAUN }...PLAINTIFFS

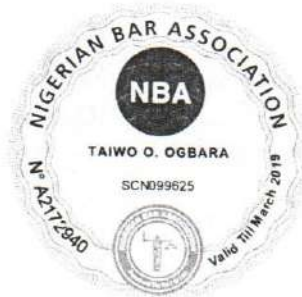
AND


HERITAGE BANK PLC }...DEFENDANT

PLAINTIFFS' LIST OF WITNESSES

1. ADESEUN OYENEYE.
2. Representative of Central Bank of Nigeria (CBN) on subpoena.
3. Such other persons as may be necessary at trial.

Dated this 10th day of April, 2019




*'Kemi Pinheiro, SAN, FCI Arb.,
Kehinde Daniel, Esq.,
SIGNED BY: Taiwo Ogbara, Esq.,
Farid Giwa, Esq.,
PINHEIRO LP,
Plaintiffs Solicitors
5/7, Folayemi Street,
Off Coker Road, Ilupeju, Lagos.
Tel: 234-1-7752444, 08022259872, 08143233555
E-mail: pinogun@metrong.com; admin@pinheirolp.com;
www.pinheirolp.com*

FOR SERVICE ON

The Defendant,
292B, Ajose Adeogun Street,
Victoria Island,
Lagos.


 10/4/19

**IN THE FEDERAL HIGH COURT OF NIGERIA
IN THE LAGOS JUDICIAL DIVISION
HOLDEN AT LAGOS**

SUIT NO: _____

BETWEEN

1. SMOOTH PROMOTIONS LIMITED	}	
2. MR. AYODELE ANIMASHAUN	}	...PLAINTIFFS

AND

HERITAGE BANK PLC	}	...DEFENDANT
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WITNESS STATEMENT ON OATH OF ADESEUN OYENEYE

I, **Adeseun Oyeneye**, Female, Christian of 4, Ogundana Street, Off Allen Anevue, Ikeja, Lagos, do state on oath as follows:

1. I am the General Manager of the 1st Plaintiff and by virtue of my position I am conversant with the facts of deposed to herein.
2. I have the consent and authority of my employer to depose to this witness Statement on Oath.
3. Except as otherwise indicated, the facts stated herein are based on my personal knowledge, information and documents available to me in the course of my duties.

Introduction

4. The 1st Plaintiff is a company duly incorporated under the laws of the Federal Republic of Nigeria, carrying on the business of broadcasting, event planning and management, and is the owner and pioneer of the first full entertainment channel in Nigeria - "**HIP TV**", as well as the organizer of the biggest music award ceremony in Nigeria - "**the HEADIES**", having its registered office address at No 4, Ogundana Street, Off Allen Avenue, Ikeja, Lagos State, and is at all material times to this suit, a customer of the Defendant Bank.

[
5. The 2nd Plaintiff is the alter ego, Managing Director and Chief Executive Officer of the 1st Plaintiff Company and the alleged guarantor of the credit facilities granted to the 1st Plaintiff.

6. The Defendant is a company registered under the laws of the Federal Republic of Nigeria engaged in the business of commercial banking, having its registered office at 292B, Ajose Adeogun Street, Victoria Island, Lagos.

The Credit Facilities Granted to the 1st Plaintiff

7. The Plaintiffs maintained a robust credit relationship with the Defendant pursuant to which the Defendant granted several credit facilities to the 1st Plaintiff, which were duly liquidated by the 1st Plaintiff, enabling the Defendant to avail the 1st Plaintiff further credit facilities when requested. The facilities were granted to the 1st Plaintiff from time to time to enable it finance and expand its business coverage (which businesses, the 1st Plaintiff avers, are now under serious imminent threat of collapse owing to the defaults and mismanagement of its account by the Defendant), and sometimes to provide needed working capital for the 1st Plaintiff.
8. In furtherance of the above, the Defendant vide several offer letters, granted the following credit facilities to the 1st Plaintiff, namely:
- a. An overdraft facility of **₦20,000,000.00 (Twenty Million Naira Only)** vide a letter dated 12th day of August, 2013;
 - b. Enhancement of the **₦20,000,000.00 (Twenty Million Naira Only)** to **₦60,000,000.00 (Sixty Million Naira Only)** vide an offer letter of 5th September, 2013;
 - c. An overdraft facility in the sum of **₦40,000,000.00 (Forty Million Naira Only)** to augment its working capital, together with an Equipment Lease Finance Facility in the sum of **₦250,000,000.00 (Two Hundred and Fifty Million Naira Only)** to finance the purchase of an Outdoor Broadcasting Vehicle ('OBV') valued at 3.5 Million Pounds, vide an offer letter of 23rd October, 2013;
 - d. An overdraft facility of **₦35,000,000.00 (Thirty Five Million Naira Only)** to augment its working capital, and a purported consolidated term loan facility amounting to **₦601,000,000.00 (Six**

Hundred and One Million Naira Only) out of which only the sum of **₦176,000,000.00 (One Hundred and Seventy Six Million Naira Only)** was designated as disburseable vide an offer letter of 29th September, 2015.

9. The aforesaid offer letters stipulated the charges and interests chargeable on the facilities. In addition to the express terms of the offer letter, the Monetary Policy Circular issued by the Central Bank of Nigeria (CBN) and the CBN's Monetary Guidelines regulate the charges allowable on the facilities. The Plaintiffs pleads the CBN Guide to Bank Charges of April 1, 2004, The CBN Revised Guide to Bank Charges of April 1, 2013, The CBN Monetary Credit, Foreign Trade & Exchange Policy Circular No. 37 of January 2, 2004, No. 38 of January 5, 2010, No. 39 of January 1, 2012 and No. 40 of February 1, 2014.

Security for the Credit Facilities

10. By the aforesaid offer letters it was agreed that the securities for the aforesaid facility shall include:
- a. **The purchased Outdoor Broadcasting Vehicle ("OB' Van");**
 - b. **All Assets Debenture on the 1st Plaintiff's Company fixed and floating assets;**
 - c. **Insurance on the OB' Van with the defendant as First Loss Payee;**
 - d. **Personal Guarantee of the 2nd Plaintiff;**
 - e. **Assignment of all rights of ownership to all programs on the HIP TV as well as the *Headies* Event to the Defendant;**
 - f. **Instrument of irrevocable domiciliation of the proceeds of all invoices, LPOs and other events to the Defendant;**
11. The Defendant failed to perform its obligations as it relates to the facilities granted vide the offer letters of 23rd October, 2013 and 29th September, 2015, and thus freely breached the terms of loan agreement,

as well as its fiduciary duties to the 1st Plaintiff in the management of the 1st Plaintiff's account, giving rise to the causes of action stated hereunder.

A. Defendant's Breach of the Equipment Finance Facility in offer letter of 23rd October, 2013

12. By the letter of offer dated 23rd October, 2013, the Plaintiff was offered an overdraft facility for **₦40,000,000.00 (Forty Million Naira)** and an equipment finance facility in the sum of **₦250,000,000 (Two Hundred and Fifty Million Naira)** tenured for 36 Months at an interest rate of 22% p.a., for the purpose of acquiring/purchasing an Outdoor broadcasting Van and other equipment valued at the sum of **Three Million Five Hundred Thousand UK Pounds Sterling (£3,500,000.00)**.
13. The repayment source for the said facility was to the knowledge of the defendant expected from the sponsorship and advertisement sales proceed available to the 1st Plaintiff in the normal course of its business, as this was also a term of the loan agreement.
14. Further to the above, when the 1st Plaintiff was making a case to the Defendant for the favourable consideration of its application for the aforesaid facility, it submitted to the Defendant a 5 year financial projection, which indicated amongst others the projected sum of over **₦140,000,000 (One Hundred and Forty Thousand Naira Only)** from services to be rendered on potential projects from the use of the OBV during the general elections of 2015 alone.
15. Upon acceptance of the Equipment Finance Facility of **₦250,000,000 (Two Hundred and Fifty Million Naira)** as stated in the offer letter of 23rd October, 2013 by the 1st Plaintiff and the fulfilment of its equity contribution in compliance with the conditions of payment as contained in the said letter of offer, the 1st Plaintiff made requests to the Defendant to credit its account with sums required for the payment of the purchase price for the various equipment to the respective equipment manufacturers.
16. Out of the aforesaid approved sum for the purchase of the Equipment, the Defendant at the request of the 1st Plaintiff only paid a cumulative sum of **₦134,700,000 (Ninety Nine Million Naira)** as deposit towards the purchase price of the OBV and other equipment in four tranches as follows:

- i. **₦35,700,000 (Thirty Five Million Seven Hundred Thousand Naira Only)** to X10tion Limited on 19-11-2013,
 - ii. **₦40,000,000 (Forty Million Naira Only)** to Topupnigeria.Com Limited on 19-11-2013;
 - iii. **₦47,000,000 (Forty Seven Million Naira Only)** to Topupnigeria.Com Limited on 26-11-2013
 - iv. **₦12,000,000 (Twelve Million Naira Only)** to Topupnigeria.Com Limited on 13-12-2013.
17. It was part of the understanding of parties that the remaining unutilized facility as approved and contained in the offer letter of 23rd October, 2013, shall become payable by the Defendant upon further request for subsequent payments to the equipment manufacturers/retailers in fulfilment of the full payment for the purchase price for the OB Van and other equipment.
 18. However, upon request for further payments to be made to the Equipment Manufacturers/retailers the Defendant unjustifiably failed, refused and or neglected to pay any further sum contrary to the terms of the offer letter of 23rd October, 2013, causing the equipment manufacturers/retailers threat to the 1st Plaintiff that it could lose the deposit paid on account towards the OBV and the equipment if payment of the balance is not made timeously for the equipment to be shipped to Nigeria.
 19. Notwithstanding the above threat from the manufacturers/retailers of the OBV and other equipment, and the likelihood of loss of sums in excess of **₦140,000,000 (One Forty Million Naira)** being projected earnings from the use of the OBV and other equipment particularly during the Nigerian general elections of 2015, the Defendant failed and or refused to make the required payments resulting in the late arrival of the OBV and other equipment in Nigeria only sometime in 2015.

Alternative funding arrangement

20. In a bid not to lose the OBV, the other equipment, and the deposits paid on account towards the purchase price of the equipment (upon which the 1st Plaintiff was set to pay interests), the Plaintiffs were constrained

to seek alternative funding from a United Kingdom (UK) based finance firm vide the assistance of its technical partner, WTS Group of Companies WTS UK.

21. Further to the above, in order to meet its outstanding obligations to the equipment manufacturers/retailers the 1st Plaintiff secured funding in the sum of **£327,000 UK Pounds** which sum accrues interests.
22. As a result of the involvement of WTS UK as above, the OB Van and other equipment were completely paid for and shipped to Nigeria in the name of C2S Nigeria - the local subsidiary of WTS UK in Nigeria.
23. The alternative fund of **£327,000 UK Pounds Sterling** secured by the 1st Plaintiff for the payment of the balance of the OBV and other equipment, is a direct consequence of the failure and or refusal of the Defendant to pay the balance of the approved facility sum to the manufacturers/retailers of the OBV and other equipment, and the 1st Plaintiff is entitled to recover from the Defendant, all the interests and costs expended in securing the said alternative funding.
24. Further to the above, the Plaintiffs continue to pay interests on the aforesaid alternative funding and remains indebted to the UK Finance Company - WTS Group of Companies. In fact, sequel to the 1st Plaintiff inability to fully repay the indebtedness emanating from the alternative funding, the representatives of the WTS Group of Companies, has served letters of demand dated 22nd November, 2018 and 9th January, 2019 upon the Plaintiffs.
25. The Defendant's eventual payment of the sum of **₦75,000,000.00 (Seventy Five Million Naira)** on 07-10-2015 as balance for the purchase of the OBV and **₦10,860,000 (Ten Million Eight Hundred and Sixty Thousand Naira)** on 05-11-2015 for the clearing of the OB Van and other equipment, did little to end the misery of the 1st Plaintiff other than to reduce the amount of its exposure to the WTS Group of Companies.
26. The default of the Defendant to pay the balance of the purchase price of the OBV and other equipment as stated above, had the effect of rendering it impossible to utilize the OBV before and or during the general elections of 2015, as the 1st Plaintiff could only take delivery of the OBV and other equipment after the conclusion of the general elections of 2015, which led to the loss of the identified projected income.

27. Notwithstanding the above, the 1st Plaintiff discovered from its internal preliminary examination, that the Defendant charged interests and or default fees on the entire approved facility of **₦250,000,000 (Two Hundred and Fifty Million Naira)** for the purchase of the OBV from the inception of the facility and even after the aforesaid breach by the Defendant.
28. Nevertheless all these purported and unjustifiable interest and defaults charges were imputed into the 1st Plaintiff's account no: **5100021479** thereby making the debit balance bloated and unjustifiable.

B. Defendant's Breach of the Loan Agreement Vide offer letter of 29th September, 2015

29. Again, by virtue of the offer letter dated the 29th September, 2015, the Defendant approved **₦90,000,000.00 (Ninety Million Naira Only)** for the development of a real time application to broadcast television contents/events live on mobile devices (Android/IOS) for the 1st Plaintiff by Purple Talk (X-Cube), an innovation pioneered by the 1st Plaintiff in the broadcasting sector in Nigeria.
30. It was the agreement of parties that payment shall be made to the app developers in three tranches in the following percentage - 45% advance payment, 35% as second instalment and 20% as balance payment.
31. However, after the disbursement of the first tranche of **₦22,770,000.00 (Twenty Two Million Seven Hundred and Seventy Thousand Naira Only)** representing 45% advance payment as agreed, the Defendant failed and or refused to disburse the 2nd and 3rd tranches for no justifiable reason, despite the 1st Plaintiff's request for same vide its letter of 15th February, 2016, ultimately leading to work being suspended on the application.
32. Shortly after the suspension of work on the real time application by the Developers, the 1st Plaintiffs competitors immediately seized the opportunity to develop their real time application, and have raked in torrential profits from the use of same since then, which profits the 1st Plaintiff could also have made had the Defendant not defaulted as stated above.
33. Meanwhile, the 1st Plaintiff would have been able to realize in excess of the sum of **₦128,000,000 (One Hundred and twenty eight Million Thousand Naira Only)** alone from the numerous services to be

rendered in respect of the real time application, as the financial projection submitted by the 1st Plaintiff to the Defendant when applying for the said facility also suggests.

34. Nevertheless, the Defendant charged interests and or defaults on the entire loan sum of **₦90,000,000.00 (Ninety Million Naira Only)** granted under the offer letter of 29th September, 2015 for the development of the real time application.

C. Illegal, Excess and Unwholesome Charges Imputed into the 1st Plaintiff Account by the Defendant

Liquidation of the Credit Facilities by the 1st Plaintiff

35. The 1st Plaintiff operated its **account number: 5100021479** with the Defendant in the normal and ordinary course of business, making sundry withdrawals, deposits and credit lodgements into its account, particularly from the proceeds of the 1st Plaintiff's business as is apparent from the Statement of Account of the 1st Plaintiff.
36. Further to the above, the Plaintiffs made significant lodgements and inflows into the account of the 1st Plaintiff (**account number: 5100021479**) with the Defendant Bank in excess of **₦1,000,000,000.00 (One Billion Naira)** as discernible from the Statement of Account of the 1st Plaintiff.
37. Asides from the above lodgements into the 1st Plaintiff's account as aforesaid, several deposits were made into its account which did not reflect in the statement of account as presented to it by the Defendant. Some of the said lodgements include the following:
- a. The payment of **₦30,000,000.00 (Thirty Million Naira Only)** to the Defendant vide an Heritage Bank Cheque No 03387448 dated 16-10-2016;
 - b. The payment of **₦10,000,000.00 (Ten Million Naira Only)** to the Defendant vide an Heritage Bank Cheque No 03387450 dated 01-11-2016;
 - c. The payment of **₦17,000,000.00 (Seventeen Million Naira Only)** to the Defendant vide an Heritage Bank Cheque No 03387482 dated 17-12-2016;

- d. The payment of ~~₦~~8,000,000.00 (Eight Million Naira Only) to the Defendant vide an Heritage Bank Cheque No 03387482 dated 21-12-2016;

Defendant's Notification of the 1st Plaintiff's Purported Indebtedness

38. Despite the liquidation of the facilities by the 1st Plaintiff as aforesaid, the 1st Plaintiff were perplexed when it received a Letter of Demand dated 13th February, 2017, from the Defendant through its Solicitors (Messrs Ogunsanya & Ogunsanya), purportedly quoting the 1st Plaintiff's indebtedness to the Defendant as ~~₦~~668, 087,443.74 (Six Hundred and Sixty Eight Million, Eighty Seven Thousand, Four Hundred and Forty Three Naira, Seventy Four Kobo Only).
39. Further to the above, convinced that the alleged indebtedness as stated in the Defendant's letter above could not have been accurate in view of the enormous deposits and credit lodgements into its accounts preceding the said letter, the Plaintiffs by their own letter dated 22nd February, 2017, demanded for their statement of account from inception and sought for an all-parties meeting to allow a proper reconciliation to be carried out on the 1st Plaintiff's account.
40. Disturbingly, the said meeting did not hold as suggested by the 1st Plaintiff, which situation led the 1st Plaintiff to be more resolute in its conviction that the sum quoted in the Defendant's letter of 13th February, 2017, was bogus and cannot be a true and accurate reflection of the balance going by the significant movements in and out of the account.

1st Plaintiff's Preliminary Investigation

41. The Plaintiffs took steps to ascertain the correctness or otherwise of the sum of indebtedness quoted by the Defendant, which step included an internal preliminary examination of its Statement of Account by its accounts department.
42. Sequel to the above paragraph, after an internal preliminary examination of the 1st Plaintiff's statement of account, it was duly observed that the statement did not reflect the true, fair and accurate state of affairs and transactions on its account, and the alleged quoted sum of indebtedness of ~~₦~~668,087,443.74 (Six Hundred and Sixty Eight

Million, Eighty Seven Thousand, Four Hundred and Forty Three Naira, Seventy Four Kobo Only) as stated in the Defendant's letter of 13th February, 2017, was bogus, bloated and inaccurate.

43. Further to the above, the internal preliminary examination also revealed that unjustifiable and unexplainable entries were imputed into the 1st Plaintiff's account, inconsistent with and in violation of the terms of the offer letters and the CBN's Monetary Policy Circulars, Guidelines and Regulations.
44. In addition to paragraph above, the Statements of Account of the 1st Plaintiff were not regularly issued to the 1st Plaintiff by the Defendant as obligated under **Article 3.2.5.c of the CBN Monetary, Credit, Foreign Trade and Exchange Policy Circular No. 40 of January 1, 2014** on account of which the 1st Plaintiff has been prevented from accurately and appropriately monitoring the entries on its account.

Need for Detailed Audit of the 1st Plaintiff's Account

45. Having been persuaded by the report of its internal preliminary examination that there were unjustifiable and unexplainable entries in its account by the Defendant, it became necessary for its account to be properly investigated and audited by a good and reputable audit firm.
46. Further to the above, the engagement of auditors also became necessary to ensure that the picture of the 1st Plaintiffs account is clearer and if the exercise is successful, the true figure of indebtedness revealed (if any).

Appointment of Forensic Auditors

47. In this regard the Plaintiffs engaged the services of a reputable accounting and investigative firm -**Messrs. SMD Consulting ("the Auditors")** principally to undertake a forensic audit of the 1st Plaintiff's statement of account in respect of **account number: 5100021479** for the purpose of isolating any unverifiable, bogus, undue, illegal and unjustifiable entry or imputation into the account, and ascertaining the total amount of such wrongly imputed sums.
48. By a Letter dated 6th of April, 2017, the Plaintiffs informed the Defendant of the ongoing process, by notifying it of the appointment of an independent auditor to audit the 1st Plaintiff's account.

Report of the Audit of the 1st Plaintiff's Account

49. After a painstaking and detailed audit of the 1st Plaintiff's account – account number: 5100021479, the audit firm of SMD Consulting released its report dated the 15th day of May, 2017, covering the period beginning 8th June, 2013 and ending 28th February, 2017, which report was also submitted to the Defendant and confirmed in the 1st Plaintiff's letter of 12th day of June, 2017.
50. The report revealed that the auditors were guided in the preparation of the audit report by the terms of the offer letters, and all applicable regulations of the Central Bank of Nigeria including but not limited to CBN Monetary Credit, Foreign Trade and Exchange Policy Circular No. 41 of January, 2016, Monetary, Credit, Foreign Trade and Exchange Policy Guidelines for Fiscal years 2012/2013 (Monetary Policy Circular No. 39), Monetary, Credit, Foreign Trade and Exchange Policy Guidelines for Fiscal years 2011/2012 (Monetary Policy Circular No. 38), Monetary, Credit, Foreign Trade and Exchange Policy Guidelines for Fiscal years 2014/2015 (Monetary Policy Circular No. 40), CBN Revised Guide to Bank Charges of April 1 2013, CBN Guide to Bank Charges, January 1st 2004, CBN Circular Ref: FPR/DIR/GEN/CIR/03/002 of March 27, 2013, CBN Circular Ref: FPR/DIR/GEN/CIR/01/008 of June 11, 2014, CBN Circular Ref: FPR/DIR/GEN/CIR/05/011 of August 21, 2015 & CBN Circular Ref: FPR/DIR/GEN/CIR/01/003 of January 20, 2016.
51. The Audit report as published by the auditors in the summary of findings noted that:
- “...we observe serial breaches of CBN regulations in the management of your account, which led to purported various debit balances in the aforementioned account”**
52. Having duly observed the above, the audit report went further to identify that between 8th June, 2013 and 28th February, 2017, the following illegal charges were imputed into the 1st Plaintiff's account, in breach of the of the CBN regulations by the Defendant:

S/N	DESCRIPTION	AMOUNT (N)
1	Excess Overdraft Interest	3,208,927.86
2	Excess Management Fee	1,155,000.00
3	Excess commitment Fee	315,000.00
4	Excess Processing Fee	840,000.00
5	Illegal professional Fee	650,000.00
6	Excess Loan Interests	90,833,953.33
	Sum of excess and illegal charges	97,002,881.18
	Interest on excess charges in line with CBN Regulations	88,720,294.19
	Total Excess/Illegal charges + Interest on excess charges refundable	185,723,175.37

53. The audit report further revealed that:

- (a.) The Defendant had been mismanaging the 1st Plaintiff's Accounts by applying interest rates over and above the agreed interest rate for the facility which resulted in excess overdraft interest in the sum of **₦2,705,564.25 (Two Million Seven Hundred and Five Thousand, Five Hundred and Sixty Four Naira Twenty Five Kobo)** between 8th June, 2013 and 28th February, 2017, the period the audit covered.
- (b.) The Defendant also charged into the 1st Plaintiff's account Management Fees in excess of the agreed fee as contained in the Letter of offer which total excess Management Fee stood at **₦1,155,000.00 (One Million One Hundred and Fifty Five Thousand Naira)** as at 28th February, 2017, the period ending when the audit report was concluded.
- (c.) Commitment Fee in excess of the fee agreed in the Offer Letter was also imputed or charged into the account of the 1st Plaintiff which total excess Commitment Fee is the sum of **₦315,000.00 (Three Hundred and Fifteen Thousand Naira)** as at 28th February, 2017.

- (d.) The Defendant imputed into the 1st Plaintiff's account spurious, illegal, unverifiable, unwholesome, and unjustifiable Loan Interest not supported by the Offer Letters to the tune of **₦90,833,953.33 (Ninety Million Eight Hundred and Thirty Three Thousand Nine Hundred and Fifty Three Naira Thirty Three Kobo)** as at 28th February, 2017, when the audit report was published.
- (e.) Excess processing fee which of **₦840,000.00 (Eight Hundred and Forty Thousand Naira)** was charged into the 1st Plaintiff's account notwithstanding that by the CBN Revised Guide to Bank Charges of 1st April, 2013, processing fees is not chargeable separately as a lending fee.
- (f.) Illegal Professional fee to the tune of **₦650,000.00 (Six Hundred and Fifty Thousand Naira)** was also charged into the 1st Plaintiff's account.
- (g.) All the foregoing sums had consistently formed the bogus balances in the Statement of Account attracting purported and unsustainable interests over the currency of the facility and running of the account.
- (h.) The cumulative effect of paragraphs (a-g), above, is such that the balances have become irreconcilable and those debit balances in the 1st Plaintiff's account cannot represent a true, fair and accurate state of the account.
54. The 1st Plaintiff is entitled on account of the excess interest charges to the total sum of **₦88,720,294,19 (Eighty-Eight Million, Seven Hundred and Twenty Thousand, Two Hundred and Ninety-Four Naira, Nineteen Kobo)** along with a Letter of Apology from the Defendant, in line with the provisions of section 3.2.4g of the CBN Monetary Credit, Foreign Trade and Exchange Policy Circular No. 39 of January, 2012, and section 3.2.5g of the CBN Monetary Credit, Foreign Trade and Exchange Policy Circulars Nos. 40 and 41 of January, 2014 and January, 2016, respectively.

55. The unwholesome, spurious, unjustifiable and illegal entries imputed into the 1st Plaintiff's account amounting to **₦185,723,175.37 (One Hundred and Eighty Five Million, Seven Hundred and Twenty Three Thousand, One Hundred and Seventy Five Naira, Thirty Seven Kobo Only)** as at 28th February, 2017, and as contained in the audit report of 15th May, 2017, are fraudulent and constitute a breach of the Defendant's fiduciary duties to the 1st Plaintiff.
56. On account of the findings of the audit report dated 15th May, 2017 by the firm of SMD Consulting as contained in paragraphs 57 - 61 above, the Plaintiffs are entitled to a refund of the total sum of **₦185,723,175.37 (One Hundred and Eighty Five Million, Seven Hundred and Twenty Three Thousand, One Hundred and Seventy Five Naira, Thirty Seven Kobo Only)** plus interests from that date at the prevailing market rate to be demonstrated in court, representing the wrongful, illegal and unjustifiable imputations into the 1st Plaintiff's account by the Defendant as at the time of the report in May, 2017 contrary to the terms of the offer letters and in gross violation of the extant laws and regulations regulating commercial banking in Nigeria.

D. Illegal Charges on Overdraft of ₦35,000,000.00 (Thirty Five Million Naira Only) not Drawdown and or Disbursed

57. Furthermore, it was discovered that the Defendant charged interests and or default fees on the sum of **₦35,000,000.00 (Thirty Five Million Naira Only)** granted as overdraft facility vide the offer letter 29th September, 2015, which said facility was neither disbursed to the 1st Plaintiff's account nor drawn down by the 1st Plaintiff; rather the defendant unilaterally applied the said overdraft towards the purported outstanding balance on the 1st Plaintiff's account.
58. Consequently, the charge of any interests and or penalties for default on the **₦35,000,000.00 (Thirty Five Million Naira Only)** overdraft facility is illegal and unjustifiable.

Purported Consolidation of the Indebtedness of the 1st Plaintiff

59. Having plunged the 1st Plaintiff into massive bogus debit balance owing to the imputation of illegal and unjustifiable charges into its account, breaches of the loan agreement for the purchase of the OBV and the real time application, and the charge of interest and or default on the

aforesaid facilities, the Defendant purportedly consolidated the loan to a total sum of **₦425,000,000.00 (Four Hundred and Twenty Five Million Naira Only)** which it termed as *"running exposure"* in the offer letter of 29th September, 2015.

60. The purported running exposure of **₦425,000,000.00 (Four Hundred and Twenty Five Million Naira Only)** and or the debit balance on the 1st Plaintiff's account number: 5100021479 consists of -
- (a.) the facilities which have been either fully repaid by the Plaintiffs; and or
 - (b.) illegal and unjustifiable charges imputed into the 1st Plaintiff's account; and or
 - (c.) interest charges and or default on the entire facilities under loan agreements vide offer letters 23rd October, 2013 and 29th September, 2015 granted respectively, specifically -
 - i. for the purchase of the OBV and other equipment; and
 - ii. the development of the real time application;

61. Further to the above, the sum referred to as running exposure and or the debit balance on the 1st Plaintiff's account number: 5100021479 and any other sum emanating therefrom cannot be correct and accurate, and the true indebtedness (if any) of the 1st Plaintiff account **cannot be correctly determined in the absence of a proper deconstruction and reconstruction of the entries into the 1st Plaintiff's account.**

E. Negative/Incorrect Credit Report

62. On the basis of the bogus debit balance on the 1st Plaintiff's account which emanated from the illegal and unjustifiable entries into the 1st Plaintiff's account number: 5100021479 as revealed above, the Defendant provided negative credit information in respect of the 1st Plaintiff to Credit Bureaus.
63. Further to the negative credit information stated above, the Plaintiffs were prevented from accessing finance from any other financial institution in Nigeria who were always concerned about the credit

report the Plaintiff's acquired from the Credit Bureaus, unbeknownst to the Plaintiffs the true circumstances surrounding the alleged indebtedness as stated above.

64. The credit information supplied by the Defendant on the Plaintiffs, in so far as it relates to the debit balance on the 1st Plaintiff's account number: 5100021479, is inaccurate, invalid, incomplete, and a calculated attempt by the Defendant to restrict the 1st Plaintiff's access to funding from other well-meaning financial institutions in Nigeria, ensuring that the Plaintiffs remain perpetually indebted to the Defendant.

F. Impact on the Plaintiff's business

65. The 1st Plaintiff business operations have been negatively affected by the false and fraudulent manipulations of its accounts by the Defendant and the breach of the loan agreements granted vide offer letters dated 23rd October, 2013 and 29th September, 2015 as stated in the preceding paragraphs.
66. The imputation of excessive, wrongful and illegal debits into the accounts of the Plaintiff by the Defendant, and the breaches of the loan agreements for the purchase of the OBV and the development of the real time application by the Defendant, has impacted negatively on the Plaintiffs' business in the manner below:
- a. **Loss of sums in excess of ₦1,500,000,000 (One Billion Five Hundred Million Naira) being the expected earnings from the use of the OBV and the real time application had the Defendant not defaulted, as is apparent from the 5 year financial projection submitted to the Defendant prior to the approval of the loan which is hereby pleaded and shall be relied upon at trial;**
 - b. **Loss of sums in excess of ₦200,000,000 (Two Hundred Million Naira) paid as interests and or defaults on the entire facility for the purchase of the OBV and the development of the real time applications, which does not represent any value to the 1st Plaintiff owing to the defaults of the Defendant as stated above;**

55. The unwholesome, spurious, unjustifiable and illegal entries imputed into the 1st Plaintiff's account amounting to **₦185,723,175.37 (One Hundred and Eighty Five Million, Seven Hundred and Twenty Three Thousand, One Hundred and Seventy Five Naira, Thirty Seven Kobo Only)** as at 28th February, 2017, and as contained in the audit report of 15th May, 2017, are fraudulent and constitute a breach of the Defendant's fiduciary duties to the 1st Plaintiff.
56. On account of the findings of the audit report dated 15th May, 2017 by the firm of SMD Consulting as contained in paragraphs 57 - 61 above, the Plaintiffs are entitled to a refund of the total sum of **₦185,723,175.37 (One Hundred and Eighty Five Million, Seven Hundred and Twenty Three Thousand, One Hundred and Seventy Five Naira, Thirty Seven Kobo Only)** plus interests from that date at the prevailing market rate to be demonstrated in court, representing the wrongful, illegal and unjustifiable imputations into the 1st Plaintiff's account by the Defendant as at the time of the report in May, 2017 contrary to the terms of the offer letters and in gross violation of the extant laws and regulations regulating commercial banking in Nigeria.

D. Illegal Charges on Overdraft of ₦35,000,000.00 (Thirty Five Million Naira Only) not Drawdown and or Disbursed

57. Furthermore, it was discovered that the Defendant charged interests and or default fees on the sum of **₦35,000,000.00 (Thirty Five Million Naira Only)** granted as overdraft facility vide the offer letter 29th September, 2015, which said facility was neither disbursed to the 1st Plaintiff's account nor drawn down by the 1st Plaintiff; rather the defendant unilaterally applied the said overdraft towards the purported outstanding balance on the 1st Plaintiff's account.
58. Consequently, the charge of any interests and or penalties for default on the **₦35,000,000.00 (Thirty Five Million Naira Only)** overdraft facility is illegal and unjustifiable.

Purported Consolidation of the Indebtedness of the 1st Plaintiff

59. Having plunged the 1st Plaintiff into massive bogus debit balance owing to the imputation of illegal and unjustifiable charges into its account, breaches of the loan agreement for the purchase of the OBV and the real time application, and the charge of interest and or default on the

- c. Reduction in the 1st Plaintiff's available working capital at every material time prior to the institution of this suit.
- d. The ability of the 1st Plaintiff to do business and earn expected and or adequate profit was impeded by the defaults of the Defendant and its breach of the loan agreements as stated above.
- e. The 1st Plaintiff was unduly exposed to financial losses due to the fact that it had to seek for foreign loans for its business owing largely to the defaults of the Defendant on the loan agreement as stated above;
- f. The cumulative effect of sub paragraphs (a - e) ensured that the 1st Plaintiff's businesses became severely distressed and suffered consistent financial hemorrhages;
- g. The 1st Plaintiff has been prevented from access to any credit facility from another financial institution in Nigeria based on the false credit information supplied by the Defendant to Credit bureaus in Nigeria, comprising the bogus, illegal, and unjustifiable charges imputed into the 1st Plaintiff's account.

G. Claims for the Failure of the Defendant to Insure the Plaintiffs Assets against Fire Incident

67. While still grappling with the losses stated above, the Plaintiffs were further plunged into monumental and unprecedented loss and threat of possible extinction when unfortunately sometime in November of 2017, its studio at No. 4 Ogundana Street, Off Allen Avenue, Ikeja, Lagos State, and the equipment therein (all forming part of the assets in the All Assets Debenture executed by the 1st Plaintiff and the Defendant used as security for the various facilities) {"**the Property**"} was entirely engulfed in a fire incident.

68. Despite this ordeal, the Plaintiffs were confident of a recovery particularly in the knowledge that fire was an insurable risk which ought to be covered by the insurance policy as indicated to have been arranged by the Defendant over the property keeping with its obligations in clause 13 under the column of 'CONDITIONS PRECEDENT TO DRAWDOWN' in the loan agreement vide offer letters of 23rd October, 2013 and 29th September, 2015, which obligated the Defendant to arrange insurance policies on the assets pledged as securities for the facilities. For the avoidance of any doubt, the clause reads:

"The Lender's (Defendant's) insurance desk shall arrange all relevant insurance policies while the Borrower (1st Plaintiff) shall pay all premium and the fees, as assessed by the insurance company"

69. Keeping in line with the stipulations of the Clause as above, the Defendant passed sundry entries into the 1st Plaintiff's account, describing the entries as being for the purpose of payment of insurance premiums, which entries the Plaintiffs had no need to query because of the purpose the provision was stated to have been made for. Some of the entries made into the 1st Plaintiff's account in this regard are **₦1,296,000.00 (One Million Two Hundred and Ninety Six Thousand Naira Only)** on 26-11-2015, and **₦450,000.00 (Four Hundred and Fifty Thousand Naira Only)** on 25-02-2016, all in favour of FBN General Insurance Ltd.

70. Following this unfortunate fire incident which crippled the entire business activities of the 1st Plaintiff, the 1st Plaintiff informed the Defendant of the incident and requested for the insurance policy and evidence of payment of premiums on the property for it make the necessary claims on the insurance company.

71. When the Defendant did not respond to the initial informal communications on the fire incident, the Plaintiffs were constrained to send a letter dated 22nd February, 2018, to the Defendant with the subject "REQUEST: INSURANCE POLICY DOCUMENT".

72. In the body of the Plaintiff's letter mentioned in the preceding paragraph, the Plaintiffs requested the Defendant to provide all insurance policy documents, which request the Defendant failed, refused and or neglected to accede to till date.

73. Owing to the lack of response from the Defendant in this regard, the Plaintiffs have been unable to make any insurance claims, and have been compelled to source for funds to reinstate the building and the equipment thereon, all of which were engulfed by fire, despite the Plaintiff's emergency call to the Fire Service on the day of the incident, and the Plaintiffs attempt at reducing the extent of damages altogether by pouring water to reduce the potency of the fire before the arrival of the fire fighters, all of which efforts turned out to be futile.
74. From the initial valuation report prepared by Messrs John Zedomi & Associates on the instruction of the Defendant sometimes in 2013, sequel to the grant of the facilities vide the offer letters of 23rd October, 2013 and 29th September, 2015, after an inspection of the property and the equipment thereon on the 18th and 19th day of October, 2013, the open market value of the items of furniture, fittings and Equipment contained in schedule 1 to the valuation report was put at a total sum of **₦12,245,625.00 (Twelve Million Two Hundred and Forty Five Thousand Six Hundred and Twenty Five Naira)**, while that of the items of Machinery, Media Equipment and Motor vehicles contained in schedule 2 of the same report was put at **₦34,470,304.00 (Thirty Four Million Four Hundred and Seventy Thousand Three Hundred and Four Naira Five Naira)**.
75. Further to the above paragraph, the Plaintiffs avers that after the valuation report which coincided with the commencement of proper broadcasting by the Plaintiffs, several other equipment were purchased reflecting the Plaintiffs rapid growth in the broadcast industry, which could not have been reflected in the valuation report. In fact at the time of the fire incident, the equipment lost to fire was computed as **₦538,927,562.93 (Five Hundred and Thirty Eight Million Nine Hundred and Twenty Seven Thousand Five Hundred and Sixty Two Naira Ninety Three Kobo)** as shown in a composite table of the assets on the property prepared by the 1st Plaintiff sometimes in April, 2017, prior to the fire incident.
76. Following the Defendant's inability to provide any documentation of the insurance policy as requested, the Plaintiffs were constrained to take steps to reinstate the building and the studio and repurchase the necessary equipment to recommence broadcasting therefrom as is apparent from the pictures of the building showing same after the fire incident, then later the pictures showing when the Plaintiffs had begun to reinstate the property and the equipment thereon.

77. The failure and or refusal of the Defendant to pay the insurance premium on the property as aforesaid despite having passed entries into the 1st Plaintiff's account for that purpose, has occasioned monumental loss to the Plaintiffs.
78. The Defendant did not observe the CBN Guidelines and Directives in the management of its accounts and imputed all the spurious and illegal entries into the 1st Plaintiff's accounts to increase its profits, at the detriment of the Plaintiffs.
79. By the CBN Monetary Policy Circular No: 39 dated January 1, 2012 any unsustainable, unjustifiable and or illegal entries or excessive charges results in a 100% surcharge or penalty against the Bank and the Plaintiffs is entitled to claim full advantage of these directives.
80. Following the breach of the CBN circular, guidelines and regulations in the management of the 1st Plaintiff's account particularly in respect of the illegal, excessive and unjustifiable entries, the 1st Plaintiff is entitled to interest on the entries at the maximum lending rate of the Defendant Bank which was 32% per annum as published in the Vanguard Newspaper of 5th April, 2017 and indicated in the audit report.
81. Further to the above, from the audit report, as at 15th May, 2017 the 1st Plaintiff is entitled to interest refund of **₦88,720,294.19 (Eighty Eight Million Seven Hundred and Twenty Thousand Two Hundred and Ninety Four Naira Nineteen Kobo)** calculated at the rate of 32% per annum.
82. From the entirety of the foregoing, the Plaintiffs are entitled to the grant of the reliefs as per the writ of summons and statement of claim.
83. I make this witness statement on oath in good faith, conscientiously believing same to be true and correct, and in accordance with the Oaths Act currently in force.



DEPONENT

SWORN TO at the Federal High Court Registry, Lagos,
this 10th day of April 2019

BEFORE ME
Original Signed
M. J. BUSARI (MRS)
COMMISSIONER FOR OATHS
PINHEIRO LP

FEDERAL HIGH COURT
Lagos
Senior's Office
10/4/19

**IN THE FEDERAL HIGH COURT OF NIGERIA
IN THE LAGOS JUDICIAL DIVISION
HOLDEN AT LAGOS**

SUIT NO: _____

BETWEEN

1. SMOOTH PROMOTIONS LIMITED	}	
2. MR. AYODELE ANIMASHAUN	}	...PLAINTIFFS

AND

HERITAGE BANK PLC	}	...DEFENDANT
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**LIST OF DOCUMENTS TO BE RELIED ON BY THE
PLAINTIFFS AT TRIAL**

The Plaintiffs shall at the trial of this suit rely on the following documents:

1. The offer letters dated 12th August, 2013; 5th September, 2013; 23rd October, 2013; and 29th September, 2015.
2. CBN Guide to Bank Charges of April 1, 2004, The CBN Revised Guide to Bank Charges of April 1, 2013, The CBN Monetary Credit, Foreign Trade & Exchange Policy Circular No. 37 of January 2, 2004, No. 38 of January 5, 2010, No. 39 of January 1, 2012 and No. 40 of February 1, 2014.
3. A copy of the 1st Plaintiff's financial projection for the years 2014 - 2018.
4. Letter dated the 22nd day of November, 2018 and 9th day of January, 2019 from representatives of WTS Group of Companies;
5. The 1st Plaintiff's letter of 15th February, 2016.
6. The 1st Plaintiff's financial projection as presented to the Defendant;
7. Heritage Bank cheques - Cheque No 03387448 dated 16-10-2016; Cheque No 03387450 dated 01-11-2016; Cheque No 03387469 dated 17-12-2016; Cheque No 03387482 dated 21-12-2016.
8. The Defendant's letter of 13th of February, 2017;

9. The Plaintiffs letter of 22nd of February, 2017.
10. The 1st Plaintiff's Letter dated 6th of April, 2017, and 12th day of June, 2017.
11. The audit report dated the 15th day of May, 2017
12. CBN Monetary Credit, Foreign Trade and Exchange Policy Circular No. 41 of January, 2016, Monetary, Credit, Foreign Trade and Exchange Policy Guidelines for Fiscal years 2012/2013 (Monetary Policy Circular No. 39), Monetary, Credit, Foreign Trade and Exchange Policy Guidelines for Fiscal years 2011/2012 (Monetary Policy Circular No. 38), Monetary, Credit, Foreign Trade and Exchange Policy Guidelines for Fiscal years 2014/2015 (Monetary Policy Circular No. 40), CBN Revised Guide to Bank Charges of April 1 2013, CBN Guide to Bank Charges, January 1st 2004, CBN Circular Ref: FPR/DIR/GEN/CIR/03/002 of March 27, 2013, CBN Circular Ref: FPR/DIR/GEN/CIR/01/008 of June 11, 2014, CBN Circular Ref: FPR/DIR/GEN/CIR/05/011 of August 21, 2015 & CBN Circular Ref: FPR/DIR/GEN/CIR/01/003 of January 20, 2016.
13. The Plaintiff's letter dated 22nd February, 2018.
14. Valuation report prepared by Messrs John Zedomi & Associates on the instruction of the Defendant sometimes in 2013;
15. Composite table of the assets on the 1st Plaintiff's property sometime in April, 2017.
16. Pictures showing when the Plaintiffs had begun to reinstate the property.

Dated this 10th day of April, 2019



*'Kemi Pinheiro, SAN, FCI Arb.,
Kehinde Daniel, Esq.,*

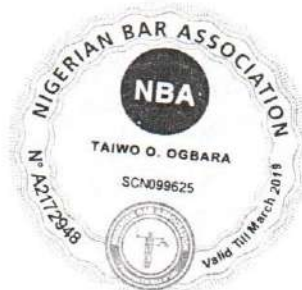
SIGNED BY: Taiwo Ogbara, Esq.

*Farid Giwa, Esq.,
PINHEIRO LP,
Plaintiffs Solicitors*

**5/7, Folayemi Street,
Off Coker Road,
Ilupeju, Lagos.**

Tel: 234-1-7752444, 08022259872, 08143233555

**E-mail: pinogun@metrong.com; admin@pinheirolp.com;
www.pinheirolp.com**



Heritage Banking Company Limited
Plot 292B, Ajose Adeogun Street, Victoria Island, Lagos

August 12th, 2013.

The Managing Director,
Smooth Promotions Limited,
No 4 Ogundana Street,
Off Allen Avenue,
Ikeja, Lagos.

FEDERAL RESERVE BANK OF NIGERIA
Cashier's Office
10/4/13

Dear Sir,

LETTER OF OFFER FOR N20,000,000.00 OVERDRAFT FACILITY.

Further to your application for N20,000,000.00 Overdraft Facility and our subsequent discussions, we are pleased to inform you that Heritage Banking Company Limited ("the Lender") is pleased to offer you the facility, subject to the following terms and conditions:

- Borrower: Smooth Promotions Limited.
- Facility: Overdraft.
- Amount: N20, 000,000.00 (Twenty Million Naira Only).
- Purpose: To enable the Borrower meet some urgent needs and augment its working capital.
- Tenor: 14 (Fourteen) days.
- Interest Rate: 20% per annum, which shall be subject to review from time to time in line with the prevailing money market condition. Any change in pricing of the facility notified by the Lender to Borrower shall be binding on the parties. However, any excess over the approved limit or any unliquidated expired facility shall attract an interest at a default rate of 1% flat on unpaid instalment per month in addition to the charging current rate of interest until payment is received.
- Management fee: 1% flat payable upfront
- Disbursement: Directly to Customer's account with the Lender.
- Repayment Source: Repayment shall be made from sponsorship and advertisement sales proceeds.

SECURITY:

Personal Guarantee of the Managing Director of the Borrower supported by a notarized statement of financial net worth and evidence of network.

Heritage Banking Company Limited RC No: 19868
Plot 292B, Ajose Adeogun Street, Victoria Island, Lagos
01 2369500, 01 6329500

Akinsola Akinfemiwa Ife Sekibo Robert Mbonu, Mary Akpibome, Niyi Adaseun
Tola Atekoja, Joyce Amanambu, Francesco Guzzocrea (Swiss), Jami Ibrahim, Tony Madojemu

AD

COMMENCEMENT DATE:

This facility shall commence upon draw down or on the date of disbursement notwithstanding the date on the offer letter

AVAILABILITY/UTILIZATION:

This facility shall be available for utilization only upon satisfactory compliance with the conditions precedent to draw down.

CONDITIONS PRECEDENT TO DRAW DOWN

This facility shall become available for utilization upon satisfying the following conditions:

1. Submission of the duly accepted offer letter by the authorised signatories of the Borrower.
2. Submission of duly executed and sealed Board Resolution of the Borrower accepting the terms and conditions of the offer letter and providing signatory mandate to the facility.
3. Submission of the Borrower's application for the overdraft facility duly signed by the authorized signatories.
4. Submission of duly executed personal guarantee of the Managing Director Ayodele Animashaun, supported with notarised statement of his net worth and evidence of network.
5. Submission of a satisfactory CRMS check from CBN accredited credit.
6. Execution of a loan agreement in respect of the facility by the Borrower.
7. Upfront Payment of all applicable fees.

OTHER CONDITIONS:

The Lender reserves the right to withhold further disbursement, recall or cancel the facility for reasons of default or non-compliance with the Covenants hereunder and the occurrence of any or all of the following events:

1. If the Borrower fails to utilize the facility for the purpose for which it was granted.
2. If the Borrower diverts any lodgement meant for the Borrower's account with the Lender to another Bank.
3. If the Borrower shall commit any breach or fail to observe or perform the other obligations on its part as contained in this offer letter or fails to keep to the agreed repayment terms consistently for two months/quarters or more.
4. If it is discovered that there was a material misrepresentation of facts by the Borrower with regards to the purpose, utilization of the facility and the collateral.

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5. If the value of the collateral has depreciated disproportionately relative to the facility amount at any material time.
6. The Lender may appoint a professional valuer to conduct annual re-evaluation of any collateral pledged by the Borrower. The cost of such re-evaluation shall be debited to the Borrower's account with the Lender. Where the re-evaluation reveals a diminution on the value of the asset leading to under collateralisation of the facility, the Lender may issue the Borrower a demand notice to provide additional collateral to cover the facility. Failure by the Borrower to provide such additional collateral as requested by the Lender shall constitute an event of default under this facility entitling the Lender to call in the facility notwithstanding the tenor stated herein.
7. All cost incurred by the Lender to perfect documentation and in the enforcement of the agreement and recovery in the event of default by the Borrower shall be to the account of the Borrower.
8. The Lender may vary some or all the terms and conditions of the offer to reflect the prevailing conditions in the financial markets or monetary authorities' regulations
9. If any interest due on the facility is not paid on the date thereof, same shall immediately be added to the principal sum outstanding and shall accordingly attract interest at the rate herein stated.
10. Availability of funds is subject to the Lender's ability to accommodate this facility within its legal lending limits and subject further to regulations as may be imposed by regulatory authorities.
11. The renewal of the facility shall be subject to the Lender being satisfied that the facility was properly utilized and liquidated or the balance paid down by 50%.

Events of Default:

Notwithstanding anything herein before contained, the facility or balance thereof and other monies herein covenanted to be paid whether by way of interest or otherwise shall become immediately due and payable on the demand being made in respect of such on the occurrence of any of the following events:

- i) If the Borrower shall fail to pay any sum outstanding as and when due.
- ii) If the Borrower commits any breach or fail to observe or perform the other obligations on its part contained in this offer letter.
- iii) If any representation or warranty given or made by the Borrower in this Agreement or in any notice or certificate or statement, delivered or made pursuant herein is inaccurate in any respect when made or delivered.
- iv) If the Borrower stops or suspends or is deemed to be unable to pay its debt or admits in writing its inability to discharge its obligations as they fall due.

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- v) If the Borrower proposes or declares any moratorium on the Borrower's debt in respect of the facility.
 - vi) If any extra-ordinary situation arises such that the continuance of the transaction in the opinion of the lender makes it impossible for the Borrower to discharge its obligations.
 - vii) If any execution or distress is levied upon or against the properties of the Borrower and not discharged within 7 (seven) days.
 - viii) If the Lender shall be compelled by any Central Bank of Nigeria's rules, regulations or directives to call the loan;
 - ix) If there should in the opinion of the Lender be a material adverse change in the financial condition of the Borrower;
 - x) If any government consent required by law for the validity, enforceability or legality of this offer letter or the performance of the terms thereof ceases to be or is not for any reason in full force and effect. In any such event and at any time thereafter if any such event shall be continuing, the Lender shall by written notice to the Borrower, declare that, that portion of the facility outstanding has become immediately payable whereupon the same shall become so payable together with interest accrued thereon.

RIGHT OF SET-OFF:


The Borrower covenants that in addition to any general lien or similar right to which the Lender as a banker may be entitled by law, the Lender may at any time and without notice to the Borrower combine or consolidate all or any of the Borrower's accounts with any liabilities to the Lender and set off or transfer any sum or sums standing to the credit of anyone or more of such accounts in or towards satisfaction of the Borrower's liabilities to the Lender or any other respect whether such liabilities be actual or contingent, primary or collateral and several or joint.

COVENANT:

1. The Borrower undertakes that whilst any amount is outstanding under this facility, it shall provide the Lender with a copy of its audited financials, management accounts and any other information as regards its business affairs as the Lender may from time to time require.
2. That the facility account/current account would be sufficiently funded up-front to absorb interest, commission and other charges.

LEGAL AND OTHER EXPENSES:

The Borrower shall reimburse the Lender for all reasonable out of pocket expenses, costs, and charges incurred by the Lender in connection with the preparation, execution, administration and enforcement of the terms of this offer letter, including but not limited to

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Solicitors fees, Stamp Duties and Registration fees. Such charges and costs shall in the event of non-payment by the Borrower on demand be added to the facility and other moneys owing under the terms of this offer letter and shall bear interest accordingly.

INSURANCE:

The Borrower shall maintain a comprehensive insurance against loss or damage by fire and such other risks as the Lender may from time to time consider necessary with an Insurance Company approved by the Lender in the name of the Lender and the Borrower shall duly pay all premiums for keeping such insurance. The Lender's interest as first loss payee must be duly endorsed on the insurance policy.

TAXES:

All payments whether of principal, interest or otherwise shall be made free and clear of and without deduction of any taxes, duties, charges, fees, deductions, withholdings, set-offs, counterclaims, restrictions or conditions of any nature. If at any time, provision of the law or any taxing authority shall require the Borrower to make any such deduction or withholding from any such payment, then the sum due from the Borrower in respect of such payment shall be increased to the extent necessary to ensure that after making of such deductions or withholding, the Lender receives a net equal to the sum which it would have received had no such deduction or withholding been required to be made.

REPRESENTATIONS AND WARRANTIES:

The Borrower represents and warrants that:

- 1 The Borrower has the right to accept these facility and has taken all necessary actions to authorise same upon the terms and conditions herein.
- 2 The Borrower is not in default or under any obligation in respect of any borrowed money that the acceptance of these facility will not be or result in a breach of or default under any provisions of any other agreement to which the Borrower is a party.
- 3 All consents, licenses, approvals, authorisations of any governmental authority, bureaux or agency, etc. required in connection with the execution, delivery, performance, validity or enforceability of these loan facility shall be obtained by the Borrower and the originals thereof delivered to the Lender and the conditions contained therein or otherwise applicable thereto shall at the appropriate time be complied with or fulfilled by the Borrower. The cost of obtaining such approvals etc. shall be borne by the Borrower.
4. It is agreed that this facility herein granted shall be cancelled and the outstanding sums shall become payable forthwith upon demand thereof if any event or series of events (including without limitation, any material adverse change in the business, assets or financial condition of the Borrower) occurs, which in the opinion of the Lender may affect the ability or willingness of the Borrower to repay this facility.
5. No legal action or suit shall be instituted howsoever, instigated and/or sustained

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by the Borrower against the Lender jointly or severally without first giving the Lender a ninety (90)-day prior written pre-action notice of the Borrower's intention to so proceed against the Lender, such notice to be served at the Lender's registered office address".

CHANGE IN CIRCUMSTANCE:

If the Lender has determined that the introduction of or change in any applicable law or government or other regulatory authority charged with the administration thereof or court of competent jurisdiction makes it apparent that it is unlawful or illegal for the Borrower or the Lender to fund or maintain or perform their obligations as contemplated by the terms of this Offer Letter, the Lender shall forthwith give notice of such occurrence to the Borrower and the commitment shall forthwith be cancelled or discharged and the Borrower shall on the next succeeding payment date or such earlier date as may be required repay to the Lender the principal amount so disbursed together with accrued interest, if any, and other amount due to the Lender hereunder.

REMEDIES AND WAIVERS:

Failure or delay by the Lender in exercising any remedy, power or right as a Lender shall not be considered as a waiver or impairment thereof nor shall it affect or impair any such remedies, powers or rights in respect of any default.

CROSS DEFAULT CAUSE:

A default on this facility will constitute a default on all other facilities granted the obligor and related parties and all facility shall become due and payable immediately

GRACE PERIOD:

- a. Seven (7) days shall be allowed within which there will be no penal charge on late repayment.
- b. Seven (7) days from the date of execution shall be allowed within which loan contracts can be rescinded.

VALIDITY:

This offer elapses if not accepted within 14 (fourteen) days from the date of the offer.

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If the terms and conditions stated above are acceptable to you, kindly indicate your acceptance by executing this offer letter as provided hereunder and return same.

Yours faithfully,

For: **HERITAGE BANKING COMPANY LIMITED**



ABISOLA ATAT
EXPERIENCE ASSOCIATE



OGUNNUSI ADEBAYO
GROUP HEAD, SME

ACCEPTED FOR AND ON BEHALF OF **SMOOTH PROMOTIONS LIMITED** AND HOLD OURSELVES BOUND BY THE TERMS AND CONDITIONS STATED IN THIS OFFER LETTER.

NAME: *Ayo Animaslan*

DESIGNATION: *CEO*

SIGNATURE: *[Signature]*

DATE: *12/08/13*

NAME: *Adesun Kolawole*

DESIGNATION: *Secretary*

SIGNATURE: *[Signature]*

DATE: *12/08/13*

October 23, 2013.

The Managing Director,
Smooth Promotions Limited,
No. 4, Ogundana Street,
Off Allen Avenue,
Ikeja, Lagos.

Dear Sir,

**OFFER LETTER FOR N40,000,000.00 OVERDRAFT FACILITY AND
N250,000,000.00 EQUIPMENT LEASE FINANCE FACILITY.**

Further to your application for N40, 000,000.00 Overdraft facility and N250,000,000.00 Equipment Lease Finance Facility (hereinafter called the facility) and our subsequent discussions, we are pleased to inform you that Heritage Banking Company Limited ("the Lender") is pleased to offer to you these facilities subject to the following terms and conditions

Borrower:	Smooth Promotions Limited
Lender:	Heritage Banking Company Limited
Facility 1:	Overdraft Facility
Facility Amount	N40,000,000.00 (Forty Million Naira) Only.
Purpose:	To augment working capital.
Commitment fee:	1% flat payable upfront.
Management fee:	1% flat payable upfront.
Tenor:	365 (Three Hundred and Sixty Five) days with (90 days clean up cycle)
Mode of Disbursement:	Directly to the Borrower.
Repayment Source:	Sponsorship and advertisement sales proceeds available to the Borrower.
Facility 2:	Equipment Lease Finance Facility
Facility Amount	N250,000,000.00 (Two Hundred and Fifty Million Naira) Only.
Purpose:	To part finance the purchase of a broadcasting equipment Valued at £3.5m for the DSTV License.
Commitment fee:	1% flat payable upfront.
Management fee:	1% flat payable upfront.

Heritage Banking Company Limited RC No: 19868
Plot 292B, Ajose Adeogun Street, Victoria Island, Lagos
01 2369500, 01 6329500

www.hbng.com
info@hbng.com

Chairman: Akinsola Akintemiwa MD/CEO: Ife Sekibo Executive Directors: Robert Mbonu, Mary Akpobome, Niyi Adesun
Directors: Tola Atekoja, Joyce Amanambu, Francesco Cuzzocrea (Swiss), Jani Ibrahim, Tony Madojemu

Tenor:	36 (Thirty Six) Months
Moratorium:	90 (Ninety) days
Equity Contribution:	10% equity contribution of N25,000,000.00
Mode of Disbursement:	Directly to the Supplier.
Repayment Source:	Sponsorship and advertisement sales proceeds available to the Borrower.
Interest Rate:	22% per annum, which shall be subject to review from time to time in line with the prevailing money market condition. Any change in pricing of the facility notified by the Lender to Borrower shall be binding on the parties. However, any excess over the approved limit or any unliquidated expired facility amount shall attract an interest at a default rate of 1% flat on unpaid instalment per month in addition to the current rate of interest until payment is received.

SECURITY:

1. Asset financed (to be purchased in the name of the Lender)
2. All asset debenture on the company's fixed and floating existing
3. Comprehensive insurance on the Asset financed with Lender noted as first loss payee.
4. Personal Guarantee of the MD/CEO of the Borrower (Mr. Ayodele Animashaun) supported by His notarized statement of financial net worth and evidence of networth.
5. Assignment of all rights of ownership to all programs on the HIP HOP TV as well as the HEADIES EVENT to the Lender.
6. Irrevocable domiciliation of the proceeds from all Invoices, LPOs and other events to the Lender
7. Tripartite Legal Mortgage over the property of Mr. Ayodele Animashaun, situated at No 19A Babatunde Ladega Street, Omole Phase 1, Ikeja, Lagos

COMMENCEMENT DATE:

This facility shall commence upon draw down or on the date of disbursement notwithstanding the date on the offer letter

AVAILABILITY/UTILIZATION:

This facility shall be available for utilization only upon satisfactory compliance with the conditions precedent to draw down.

CONDITIONS PRECEDENT TO DRAW DOWN

This facility shall become available for utilization upon satisfying the following conditions:

1. Submission of the Borrower's application letter requesting for the facility and signed by the authorized signatories.
2. Submission of the duly accepted offer letter by the authorised signatories of the Borrower.
3. Submission of the Borrowers Board Resolution, authorizing and accepting all the terms and conditions of the offer letter and naming those authorized to execute on its behalf.
4. Submission of Irrevocable letter of undertaking by the Borrower to domicile all the proceeds from all Invoices, LPOs and other events to the Lender
5. Submission of proforma invoice in the name of the Lender for the purchase of the Broadcasting Equipment's from the Vendor
6. Comprehensive Insurance over the financed asset and property by a reputable Insurance Company agreeable to the Lender, noting the Lender as first loss payee.
7. Personal Guarantee of the Managing Director of the Borrower Mr. Ayodele Animashaun supported with his notarised statement of networth and evidence of networth.
8. Submission of the duly executed Overdraft agreement between the Lender and the Borrower in respect of the facility.
9. Receipt of a satisfactory CRMS check from CBN accredited credit Bureau by the Bank.
10. Assignment of all rights of ownership to all programs on the HIP HOP TV as well as the HEADIES EVENT to the Lender.
11. Submission of the original title documents of the property belonging to Mr. Ayodele Animashaun, located at Omole phase 1 and all necessary documents for the perfection of Legal Mortgage including but not limited to the following:
 - A duly executed Lagos State Land form 1C by Mr. Ayodele Animashaun
 - Duly executed Legal Mortgage documents (4copies)
 - Current Tax Clearance Certificate of the Borrower and two (2) of its Directors and Mr. Ayodele Animashaun
 - Current ground rent receipt
 - Current valuation report on the properties indicating its open market value and the forced sale value.
 - Letter of consent by Mr. Ayodele Animashaun addressed to the Registrar of title, Lagos State Ministry of Lands consenting to the use of his properties as collateral for the facility.

- Submission of a letter of consent from the spouse of Mr. Ayodele Animashaun consenting to the creation of a mortgage on the said property pledged as collateral by the Borrower.
 - Two (2) passport photograph of the Mr. Ayodele Animashaun
 - Receipt of a satisfactory search report on the property and a satisfactory verification of title report
 - Copy of the Borrower's form CAC CO7 (particulars of Directors)
 - Submission of a copy of the Driver's licence or International Passport of the authorised Directors of the Borrower.
 - Receipt of a favourable corporate search report on the Borrower
12. Submission of all documents necessary to create an All asset Debenture on the fixed and floating existing and future assets of the company, which includes but not limited to the following;
- (i) Executed All Asset Debenture documents (4 Copies).
 - (ii) Executed Form CAC 8 (2 Copies).
 - (iii) Board Resolution of the Borrower accepting the creation of a charge over their assets.
 - (iv) Comprehensive search report on the Borrower.
 - (v) Evidence of filing of current Annual Returns of the Borrower.
 - (vi) Proof of ownership of items listed in the schedule to the debenture.
 - (vii) CTC of particulars of Registered Secretary of the Borrower.
 - (viii) Valuation report over the assets of the Borrower
 - (ix) Insurance on the assets of the Borrower, noting the Lender as first loss Payee. Insurance to be done by an insurance company acceptable to the Lender
13. Payment of all of upfront fees as cleared funds.

The Lender's insurance Desk shall arrange all relevant insurance policies while the Borrower shall pay all premium and the fees, as assessed by the insurance company.

OTHER CONDITIONS:

The Lender reserves the right to withhold further disbursement, recall or cancel the facility for reasons of default or non-compliance with the Covenants hereunder and the occurrence of any or all of the following events:

1. If the Borrower fails to utilize the facilities for the purpose for which it was granted.
2. If the Borrower diverts any lodgement meant for the Borrower's account with the Lender to another Bank.
3. If the Borrower shall commit any breach or fail to observe or perform the other obligations on its part as contained in this offer letter or fails to keep to the agreed repayment terms consistently for two months/quarters or more.
4. If it is discovered that there was a material misrepresentation of facts by the Borrower with regards to the purpose, utilization of the facilities and the collateral.

5. If the value of the collateral has depreciated disproportionately relative to the facilities amount at any material time.
6. The Lender may appoint a professional valuer to conduct annual re-evaluation of any collateral pledged by the Borrower. The cost of such re-evaluation shall be debited to the Borrower's account with the Lender. Where the re-evaluation reveals a diminution on the value of the asset leading to under collateralisation of the facility, the Lender may issue the Borrower a demand notice to provide additional collateral to cover the facility. Failure by the Borrower to provide such additional collateral as requested by the Lender shall constitute an event of default under this facility entitling the Lender to call in the facility notwithstanding the tenor stated herein.
7. All cost incurred by the Lender to perfect documentation and in the enforcement of the agreement and recovery in the event of default by the Borrower shall be to the account of the Borrower.
8. The Lender may vary some or all the terms and conditions of the offer to reflect the prevailing conditions in the financial markets or monetary authorities' regulations
9. If any interest due on the facility is not paid on the date thereof, same shall immediately be added to the principal sum outstanding and shall accordingly attract interest at the rate herein stated.
10. Availability of funds is subject to the Lender's ability to accommodate this facility within its legal lending limits and subject further to regulations as may be imposed by regulatory authorities.
11. The renewal of the facility shall be subject to the Lender being satisfied that the facilities were properly utilized and liquidated or the balance paid down by 50%.

Events of Default:

Notwithstanding anything herein before contained, the facilities or balance thereof and other monies herein covenanted to be paid whether by way of interest or otherwise shall become immediately due and payable on the demand being made in respect of each on the occurrence of any of the following events:

- (1) If the Borrower shall fail to pay any sum outstanding as and when due
- (2) If the Borrower commits any breach or fail to observe or perform the other obligations on its part contained in this offer letter.
- (3) If any representation or warranty given or made by the Borrower in this Agreement or in any notice or certificate or statement, delivered or made pursuant herein is inaccurate in any respect when made or delivered.
- (4) If the Borrower stops or suspends or is deemed to be unable to pay its debt or admits in writing its inability to discharge its obligations as they fall due.
- (5) If the Borrower proposes or declares any moratorium on the Borrower's debt in respect of the facility.

- vi) If any extra-ordinary situation arises such that the continuance of the transaction in the opinion of the lender makes it impossible for the Borrower to discharge its obligations.
- vii) If any execution or distress is levied upon or against the properties of the Borrower and not discharged within seven days
- viii) If the Lender shall be compelled by any Central Bank of Nigeria's rules, regulations or directives to call the loan;
- ix) If there should in the opinion of the Lender be a material adverse change in the financial condition of the Borrower;
- x) If any government consent required by law for the validity, enforceability or legality of this offer letter or the performance of the terms thereof ceases to be or is not for any reason in full force and effect. In any such event and at any time thereafter if any such event shall be continuing, the Lender shall by written notice to the Borrower, declare that, that portion of the facilities outstanding has become immediately payable whereupon the same shall become so payable together with interest accrued thereon.

RIGHT OF SET-OFF:

The Borrower covenants that in addition to any general lien or similar right to which the Lender as a banker may be entitled by law, the Lender may at any time and without notice to the Borrower combine or consolidate all or any of the Borrower's accounts with any liabilities to the Lender and set off or transfer any sum or sums standing to the credit of anyone or more of such accounts in or towards satisfaction of the Borrower's liabilities to the Lender or any other respect whether such liabilities be actual or contingent, primary or collateral and several or joint.

COVENANT:

1. The Borrower undertakes that whilst any amount is outstanding under these facilities, it shall provide the Lender with a copy of its audited financials, management accounts and any other information as regards its business affairs as the Lender may from time to time require.
2. That the facilities account/current account would be sufficiently funded up-front to absorb interest, commission and other charges

LEGAL AND OTHER EXPENSES:

The Borrower shall reimburse the Lender for all reasonable out of pocket expenses, costs, and charges incurred by the Lender in connection with the preparation, execution, administration and enforcement of the terms of this offer letter, including but not limited to Solicitors fees, Stamp Duties and Registration fees. Such charges and costs shall in the event of non-payment by the Borrower on demand be added to the facility and other moneys owing under the terms of this offer letter and shall bear interest accordingly.

INSURANCE

The Borrower shall maintain a comprehensive insurance against loss or damage by fire, earthquake, rain or windstorm, tornado, civil commotion and such other risks as the Lender may from time to time consider necessary with an Insurance Company approved by the Lender in the name of the Lender and the Borrower shall duly pay all premiums for keeping such insurance. The Lender's interest as first loss payee must be duly endorsed on the insurance policy.

TAXES:

All payments whether of principal, interest or otherwise shall be made free and clear of and without deduction of any taxes, duties, charges, fees, deductions, withholdings, set-offs, counterclaims, restrictions or conditions of any nature. If at any time, provision of the law or any taxing authority shall require the Borrower to make any such deduction or withholding from any such payment, then the sum due from the Borrower in respect of such payment shall be increased to the extent necessary to ensure that after making of such deductions or withholding, the Lender receives a net equal to the sum which it would have received had no such deduction or withholding been required to be made.

REPRESENTATIONS AND WARRANTIES:

The Borrower represents and warrants that:

- 1 The Borrower has the right to accept these facilities and has taken all necessary actions to authorise same upon the terms and conditions herein.
- 2 The Borrower is not in default or under any obligation in respect of any borrowed money that the acceptance of these facilities will not be or result in a breach of or default under any provisions of any other agreement to which the Borrower is a party.
- 3 All consents, licenses, approvals, authorisations of any governmental authority, bureaux or agency, etc. required in connection with the execution, delivery, performance, validity or enforceability of these loan facilities shall be obtained by the Borrower and the originals thereof delivered to the Lender and the conditions contained therein or otherwise applicable thereto shall at the appropriate time be complied with or fulfilled by the Borrower. The cost of obtaining such approvals etc. shall be borne by the Borrower.
- 4 It is agreed that these facilities herein granted shall be cancelled and the outstanding sums shall become payable forthwith upon demand thereof if any event or series of events (including without limitation, any material adverse change in the business, assets or financial condition of the Borrower) occurs, which in the opinion of the Lender may affect the ability or willingness of the Borrower to repay these facilities.
- 5 No legal action or suit shall be instituted howsoever, instigated and/or sustained

by the Borrower against the Lender jointly or severally without first giving the Lender a ninety (90)-day prior written pre-action notice of the Borrower's intention to so proceed against the Lender, such notice to be served at the Lender's registered office address".

CHANGE IN CIRCUMSTANCE:

If the Lender has determined that the introduction of or change in any applicable law or government or other regulatory authority charged with the administration thereof or court of competent jurisdiction makes it apparent that it is unlawful or illegal for the Borrower or the Lender to fund or maintain or perform their obligations as contemplated by the terms of this Offer Letter, the Lender shall forthwith give notice of such occurrence to the Borrower and the commitment shall forthwith be cancelled or discharged and the Borrower shall on the next succeeding payment date or such earlier date as may be required repay to the Lender the principal amount so disbursed together with accrued interest, if any, and other amount due to the Lender hereunder.

REMEDIES AND WAIVERS:

Failure or delay by the Lender in exercising any remedy, power or right as a Lender shall not be considered as a waiver or impairment thereof nor shall it affect or impair any such remedies, powers or rights in respect of any default.

CROSS DEFAULT CLAUSE:

* A default on this facility will constitute a default on all other facilities granted the obligor and related parties and all facilities shall become due and payable immediately

GRACE PERIOD:

- a. Seven (7) days shall be allowed within which there will be no penal charge on late repayment.
- b. Seven (7) days from the date of execution shall be allowed within which loan contracts can be rescinded.

VALIDITY:

This offer elapses if not accepted within 14 (fourteen) days from the date of the offer.


If the terms and conditions stated above are acceptable to you, kindly indicate your acceptance by executing this offer letter as provided hereunder and return same.

Yours faithfully,

For: HERITAGE BANKING COMPANY LIMITED



ABISOLA ATAT
EXPERIENCE ASSOCAITE



ADEBAYO OGUNNUSI
GH, SME

November 24, 2014

The Managing Director,
Smooth Promotions Limited,
No 4 Ogundana Street,
Off Allen Avenue, Ikeja,
Lagos State.

Dear Sir,

**CONSOLIDATION OF OVERDRAFT FACILITY OF N40,000,000.00, TERM
LOAN FACILITY OF N60,000,000.00, EQUIPMENT LEASE FACILITY OF
N250,000,000.00 AND TERM LOAN/BUY OUT FACILITY OF N40,000,000.00
AS N390,000,000.00 TERM LOAN FACILITY.**

Further to your application to merge the above listed facilities to a Term Loan Facility of N390,000,000.00 and our subsequent discussions, we are pleased to inform you that Heritage Banking Company Limited ("the Lender") is pleased to offer you the facility, subject to the following terms and conditions:

Borrower:	Smooth Promotions Limited,
Facility:	Term Loan Facility
Facility Amount:	N390,000,000.00 (Three Hundred and Ninety Million Naira) Only.
Purpose:	To enable the Borrower meet up with its repayment obligations in a timely fashion.
Tenor:	3 (Three) years
Mode of Disbursement:	Directly to Borrower (Bullet)
Management fee:	1% flat payable upfront
Commitment fee:	1% flat payable upfront
Interest Rate:	24% per annum, which shall be subject to review from time to time in line with the prevailing money market condition. Any change in pricing of the facility notified by the Lender to Borrower shall be binding on the parties. However, any excess over the approved limit or any unliquidated expired facility amount shall attract an interest at a default rate of 1% flat on unpaid instalment per month in addition to the current rate of interest until payment is received.
Repayment Source:	Sponsorship and advertisement sales and other sources of income available to Borrower.

SECURITY:

1. Irrevocable Domiciliation from advertising contracts with blue chip companies such as MTN, Airtel & Nigerian Breweries, domiciliation of proceeds from all invoices, LPOs and other events and domiciliation of the Company's salary account.
2. All Asset Debenture on the Company's Fixed & Floating Assets.
3. Assignment of all rights of ownership to all programs on the HIP HOP TV, as well as the HEADIES EVENT.
4. Tripartite Legal Mortgage on a property belonging to the Borrower's Managing Director, Mr. Ayo Animasahaun located at No. 19a Babatunde Ladega Street, Omole Phase I, Lagos.

COMMENCEMENT DATE:

This facility shall commence upon draw down or on the date of disbursement notwithstanding the date on the offer letter

AVAILABILITY/UTILIZATION:

This facility shall be available for utilization only upon satisfactory compliance with the conditions precedent to draw down and availability of funds.

CONDITIONS PRECEDENT TO DRAW DOWN:

This facility shall become available for utilization upon satisfying the following conditions:

1. Receipt of the Borrower's application letter signed by the authorized signatories
2. Receipt of the Borrower's duly sealed board resolution authorizing the borrowing, accepting the terms and conditions of the facility and nominating the officers that will run the facility.
3. Receipt of duly executed offer letter by the Borrowers Directors.
4. Receipt of duly executed loan agreement between the Borrower and the Lender.
5. Receipt of satisfactory credit checks from CBN and other credit bureau.
6. Receipt of Irrevocable Domiciliation from the Borrower on advertising contracts with blue chip companies such as MTN, Airtel & Nigerian Breweries, domiciliation of proceeds from all invoices, LPCs and other events and domiciliation of the Company's salary account with the Lender.
7. Receipt of acknowledged letters of irrevocable domiciliation from the borrower addressed to MTN, AIRTEL & Nigerian Breweries, requesting that they domicile its business proceeds into its account with the Lender.
8. Submission of all documents necessary for perfection of legal mortgage on the pledged property. (in place)
9. Submission of all documents necessary for the perfection of an All Asset Debenture on the Fixed and Floating Assets of the Borrower. (in place).

10. Payment of all upfront fees.

TRANSACTION DYNAMICS:

1. The Borrower submits request letter to the Lender detailing amount, tenor, and uses for funds requested.
2. The Lender reviews documents submitted by the Borrower in line with the Lender Risk Assessment Criteria.
3. Facility is approved on fulfilment of the Lender Risk Assessment Criteria.
4. The facility is disbursed through the enhancement of Borrower account to the tune of N390m.
5. The Borrower begins utilization of funds in line with stipulated uses of funds as enumerated
6. The Borrower begins payment of interest and principal after disbursement.
7. The Borrower begins to pay down on both interest and principal immediately
8. Account is cleaned up after the last repayment. Transaction Ends

OTHER CONDITIONS:

The Lender reserves the right to withhold further disbursement, recall or cancel the facility for reasons of default or non-compliance with the Covenants hereunder and the occurrence of any or all of the following events:

1. If the Borrower fails to utilize the facility for the purpose for which it was granted.
3. If the Borrower diverts any lodgement meant for the Borrower's account with the Lender to another Bank.
4. If the Borrower shall commit any breach or fail to observe or perform the other obligations on its part as contained in this offer letter or fails to keep to the agreed repayment terms consistently for two months/quarters or more.
5. If it is discovered that there was a material misrepresentation of facts by the Borrower with regards to the purpose, utilization of the facility and the collateral.
6. If the value of the collateral has depreciated disproportionately relative to the facility amount at any material time.
7. The Lender may appoint a professional valuer to conduct annual re-evaluation of any collateral pledged by the Borrower. The cost of such re-evaluation shall be debited to the Borrower's account with the Lender. Where the re-evaluation reveals a diminution on the value of the asset leading to under collateralisation of the facility, the Lender may issue the Borrower a demand notice to provide additional collateral to cover the facility. Failure by the Borrower to provide such additional collateral as requested by the Lender shall constitute an event of default under this facility entitling the Lender to call in the facility notwithstanding the tenor stated herein.
8. All cost incurred by the Lender to perfect documentation and in the enforcement of the agreement and recovery in the event of default by the Borrower shall be to the account of the Borrower.
9. The Lender may vary some or all the terms and conditions of the offer to reflect the prevailing conditions in the financial markets or monetary authorities' regulations

10. If any interest due on the facility is not paid on the date thereof, same shall immediately be added to the principal sum outstanding and shall accordingly attract interest at the rate herein stated.
11. Availability of funds is subject to the Lender's ability to accommodate this facility within its legal lending limits and subject further to regulations as may be imposed by regulatory authorities.

Events of Default:

Notwithstanding anything herein before contained, the facility or balance thereof and other monies herein covenanted to be paid whether by way of interest or otherwise shall become immediately due and payable on the demand being made in respect of such on the occurrence of any of the following events:

- i) If the Borrower shall fail to pay any sum outstanding as and when due
- ii) If the Borrower commits any breach or fail to observe or perform the other obligations on its part contained in this offer letter.
- iii) If any representation or warranty given or made by the Borrower in this Agreement or in any notice or certificate or statement, delivered or made pursuant herein is inaccurate in any respect when made or delivered.
- iv) If the Borrower stops or suspends or is deemed to be unable to pay its debt or admits in writing its inability to discharge its obligations as they fall due.
- v) If the Borrower proposes or declares any moratorium on the Borrower's debt in respect of the facility.
- vi) If any extra-ordinary situation arises such that the continuance of the transaction in the opinion of the Lender makes it impossible for the Borrower to discharge its obligations.
- vii) If any execution or distress is levied upon or against the properties of the Borrower and not discharged within seven days
- viii) If the Lender shall be compelled by any Central Bank of Nigeria's rules, regulations or directives to call the loan;
- ix) If there should in the opinion of the Lender be a material adverse change in the financial condition of the Borrower;
- x) If any government consent required by law for the validity, enforceability or legality of this offer letter or the performance of the terms thereof ceases to be or is not for any reason in full force and effect. In any such event and at any time thereafter if any such event shall be continuing, the Lender shall by written notice to the Borrower, declare that, that portion of the facility outstanding has become immediately payable whereupon the same shall become so payable together with interest accrued thereon.

RIGHT OF SET-OFF:

The Borrower covenants that in addition to any general lien or similar right to which the Lender as a banker may be entitled by law, the Lender may at any time and without notice

to the Borrower combine or consolidate all or any of the Borrower's accounts with any liabilities to the Lender and set off or transfer any sum or sums standing to the credit of anyone or more of such accounts in or towards satisfaction of the Borrower's liabilities to the Lender or any other respect whether such liabilities be actual or contingent, primary or collateral and several or joint.

COVENANT:

1. The Borrower undertakes that whilst any amount is outstanding under this facility, it shall provide the Lender with a copy of its audited financials, management accounts and any other information as regards its business affairs as the Lender may from time to time require.
2. That the facility account/current account would be sufficiently funded up-front to absorb interest, commission and other charges.

LEGAL AND OTHER EXPENSES:

The Borrower shall reimburse the Lender for all reasonable out of pocket expenses, costs, and charges incurred by the Lender in connection with the preparation, execution, administration and enforcement of the terms of this offer letter, including but not limited to Solicitors fees, Stamp Duties and Registration fees. Such charges and costs shall in the event of non-payment by the Borrower on demand be added to the facility and other moneys owing under the terms of this offer letter and shall bear interest accordingly.

INSURANCE:

The Borrower shall maintain a comprehensive insurance against loss or damage by fire and such other risks as the Lender may from time to time consider necessary with an Insurance Company approved by the Lender and the Borrower shall duly pay all premiums for keeping such insurance. The Lender's interest as first loss payee must be duly endorsed on the insurance policy.

TAXES:

All payments whether of principal, interest or otherwise shall be made free and clear of and without deduction of any taxes, duties, charges, fees, deductions, withholdings, set-offs, counterclaims, restrictions or conditions of any nature. If at any time, provision of the law or any taxing authority shall require the Borrower to make any such deduction or withholding from any such payment, then the sum due from the Borrower in respect of such payment shall be increased to the extent necessary to ensure that after making of such deductions or withholding, the Lender receives a net equal to the sum which it would have received had no such deduction or withholding been required to be made.

REPRESENTATIONS AND WARRANTIES:

The Borrower represents and warrants that:

1. The Borrower has the right to accept these facility and has taken all necessary actions to authorise same upon the terms and conditions herein.

- 2 The Borrower is not in default or under any obligation in respect of any borrowed money that the acceptance of these facility will not be or result in a breach of or default under any provisions of any other agreement to which the Borrower is a party.
- 3 All consents, licenses, approvals, authorisations of any governmental authority, bureaux or agency, etc. required in connection with the execution, delivery, performance, validity or enforceability of these loan facility shall be obtained by the Borrower and the originals thereof delivered to the Lender and the conditions contained therein or otherwise applicable thereto shall at the appropriate time be complied with or fulfilled by the Borrower. The cost of obtaining such approvals etc. shall be borne by the Borrower.
4. It is agreed that these facility herein granted shall be cancelled and the outstanding sums shall become payable forthwith upon demand thereof if any event or series of events (including without limitation, any material adverse change in the business, assets or financial condition of the Borrower) occurs, which in the opinion of the Lender may affect the ability or willingness of the Borrower to repay these facility.
5. No legal action or suit shall be instituted howsoever, instigated and/or sustained by the Borrower against the Lender jointly or severally without first giving the Lender a ninety (90)-day prior written pre-action notice of the Borrower's intention to so proceed against the Lender, such notice to be served at the Lender's registered office address".

CHANGE IN CIRCUMSTANCE:

If the Lender has determined that the introduction of or change in any applicable law or government or other regulatory authority charged with the administration thereof or court of competent jurisdiction makes it apparent that it is unlawful or illegal for the Borrower or the Lender to fund or maintain or perform their obligations as contemplated by the terms of this Offer Letter, the Lender shall forthwith give notice of such occurrence to the Borrower and the commitment shall forthwith be cancelled or discharged and the Borrower shall on the next succeeding payment date or such earlier date as may be required repay to the Lender the principal amount so disbursed together with accrued interest, if any, and other amount due to the Lender hereunder.

REMEDIES AND WAIVERS:

Failure or delay by the Lender in exercising any remedy, power or right as a Lender shall not be considered as a waiver or impairment thereof nor shall it affect or impair any such remedies, powers or rights in respect of any default.

CROSS DEFAULT CLAUSE:

A default on this facility will constitute a default on all other facility granted the Borrower and related parties and all facility shall become due and payable immediately

GRACE PERIOD:

- a. Seven (7) days shall be allowed within which there will be no penal charge on late repayment.
- b. Seven (7) days from the date of execution shall be allowed within which loan contracts can be rescinded.



VALIDITY:

This offer elapses if not accepted within 14 (fourteen) days from the date of the offer.
If the terms and conditions stated above are acceptable to you, kindly indicate your acceptance by executing this offer letter as provided hereunder and return same.

Yours faithfully,

For: HERITAGE BANKING COMPANY LIMITED

ABISOLA ATAT
EXPERIENCE ASSOCIATE


BABATUNDE ODUTOLA
EXPERIENCE CENTRE MANAGER

WE, THE UNDERSIGNED DIRECTORS HEREBY ACCEPT THIS OFFER FOR AND ON BEHALF OF **SMOOTH PROMOTIONS LIMITED** AND HOLD OURSELVES BOUND BY THE TERMS AND CONDITIONS STATED IN THIS OFFER LETTER.

NAME:

DESIGNATION:

SIGNATURE:

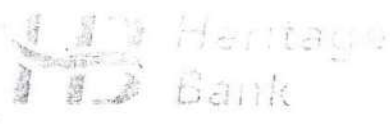
DATE:

NAME:

DESIGNATION:

SIGNATURE:

DATE:



September 29, 2015.

The Managing Director,
Smooth Promotions Limited,
No. 4, Ogundana Street,
Off Allen Avenue,
Ikeja, Lagos.

Dear Sir,

OFFER LETTER FOR N35,000,000.00 OVERDRAFT FACILITY AND N601,000,000.00 TERM LOAN FACILITY (CONSOLIDATED).

Further to your application for N35,000,000.00 Overdraft facility and N601,000,000.00 Term Loan Facility (consolidated) (hereinafter called the facility) and our subsequent discussions, we are pleased to inform you that Heritage Bank Limited ("the Lender") is pleased to offer to you an overdraft facility subject to the following terms and conditions

- Borrower: Smooth Promotions Limited
- Facility 1: Overdraft Facility
- Facility Amount: N35,000,000.00 (Thirty Five Million Naira) Only.
- Purpose: To augment working capital
- Term: 12 (Twelve) months
- Commitment fee: 1% flat payable upfront.
- Management fee: 1% flat payable upfront.
- Interest Rate: 24% per annum, which shall be subject to review from time to time in line with the prevailing money market condition. Any change in pricing of the facility notified by the Lender to Borrower shall be binding on the parties. However, any excess over the approved limit or any unliquidated expired facility amount shall attract an interest at a default rate of 1% flat on unpaid instalment per month in addition to the current rate of interest until payment is received.
- Mode of Disbursement: Directly to the Borrower.
- Repayment Source: Sponsorship and advertisement sales proceeds available to the Borrower.
- Facility 2: Term Loan Facility (Consolidated)
- Consolidated Facility Amount: N601,000,000.00 (Six Hundred and One Million Naira Only).
- Disbursable Amount: N176,000,000.00 (One Hundred and Seventy Six Million Naira Only)

Heritage Bank Limited RC No: 1259460
Plot 292B, Ajose Adeogun Street, Victoria Island, Lagos
01 2369500, 01 6329500

www.hbng.com
info@hbng.com

Purpose:

To augment working capital, complete its project and consolidate its exposure with the Lender as follows:
N425,000,000.00 running exposure
N86,000,000.00 for full payment of the OB Van
N90,000,000.00 for payment for Real-time Application.

- Commitment fee: 1% flat payable upfront.
- Management fee: 1% flat payable upfront.
- Tenor: 4 (Four) Years
- Moratorium: Three (3) months on principal and interest
- Interest Rate: 24% per annum, which shall be subject to review from time to time in line with the prevailing money market condition. Any change in pricing of the facility notified by the Lender to Borrower shall be binding on the parties. However, any excess over the approved limit or any unliquidated expired facility amount shall attract an interest at a default rate of 1% flat on unpaid instalment per month in addition to the current rate of interest until payment is received.
- Mode of Disbursement: Directly to the Suppliers of the OB Van and Real-time Application.
- Repayment Source: Sponsorship and advertisement sales proceeds available to the Borrower.

SECURITY:

1. All asset debenture on the company's fixed and floating existing Assets
2. Personal Guarantee of the MD/CEO of the Borrower (Mr. Ayodele Animashaun) supported by notarized statement of financial net worth and evidence of network.
3. Assignment of all rights of ownership to all programs on the HIP HOP TV as well as the HEADIES EVENT to the Lender.
4. Irrevocable domiciliation of the proceeds from all Invoices, LPOs and other events to the Lender
5. Tripartite Legal Mortgage over the property of Mr. Ayodele Animashaun, situated at No 19A Babatunde Ladega Street, Omole Phase I, Ikeja, Lagos.
6. Ownership of the OB Van upon completion of payment.
7. Irrevocable letter authorizing the Lender to transfer 70% of its receivables into a Debt Service Reserve Account No. 5100021479 (DSRA), from which the monthly principal and interest shall be serviced after the moratorium period

Heritage
COMMENCEMENT DATE:

This facility shall commence upon draw down or on the date of disbursement notwithstanding the date on the offer letter

AVAILABILITY/UTILIZATION:

This facility shall be available for utilization only upon satisfactory compliance with the conditions precedent to draw down.

CONDITIONS PRECEDENT TO DRAW DOWN

This facility shall become available for utilization upon satisfying the following conditions:

1. Submission of the Borrower's application letter requesting for the facility and signed by the authorized signatories.
2. Submission of the duly accepted offer letter by the authorised signatories of the Borrower.
3. Submission of the Borrowers Board Resolution, authorizing and accepting all the terms and conditions of the offer letter and naming those authorized to execute on its behalf.
4. Submission of Irrevocable letter of undertaking by the Borrower to domicile all the proceeds from all Invoices, LPOs and other events to the Lender
5. Submission of proforma invoice in the name of the Lender for the purchase of the Broadcasting Equipment's from the Vendor
6. Comprehensive Insurance over the financed asset and property by a reputable Insurance Company agreeable to the Lender, noting the Lender as first loss payee.
7. Receipt of Personal Guarantee of the Managing Director of the Borrower Mr. Ayodele Animashaun supported with his notarised statement of networth and evidence of networth.
8. Submission of the duly executed Overdraft and term loan agreements between the Lender and the Borrower in respect of the facility.
9. Receipt of satisfactory CRMS report from at least 2 (two) authorized CBN credit bureau on the Borrower and 2 of its Directors.
10. Receipt of an irrevocable letter of instruction authorizing the Lender to transfer 70% of its receivables into a Debt Service Reserve Account No. 5100021479 (DSRA), from which the monthly principal and interest shall be serviced after the moratorium period.
11. Letter of consent from the Borrower on the appointment of a warehousing Agent to monitor the release of the OB van as sanctioned by the Lender upon receipts of funds.



HB Heritage
HB Bank

12. Receipt of a letter of consent from the Borrower consenting to bear all the cost associated with the appointment of the warehousing Agent.
13. Assignment of all rights of ownership to all programs on the HIP HOP TV as well as the HEADIES EVENT to the Lender.
14. Receipt of a valuation report on the OB Van and the valuation fees to be borne by the Borrower.
15. Receipt of a change of ownership on the OB Van in favour of the Lender or the OB Van documents to bear the name of the Lender.
16. Receipt of a Performance Bond from the Real Time Application Developer (before disbursement is made) from their banker to ensure its timely delivery, stability and performance of the Application.
17. Payment of all of upfront fees as cleared funds.

The Lender's insurance Desk shall arrange all relevant insurance policies while the Borrower shall pay all premium and the fees, as assessed by the insurance company.

OTHER CONDITIONS:

The Lender reserves the right to withhold further disbursement, recall or cancel the facility for reasons of default or non-compliance with the Covenants hereunder and the occurrence of any or all of the following events:

1. If the Borrower fails to utilize the facilities for the purpose for which it was granted.
2. If the Borrower diverts any lodgement meant for the Borrower's account with the Lender to another Bank.
3. If the Borrower shall commit any breach or fail to observe or perform the other obligations on its part as contained in this offer letter or fails to keep to the agreed repayment terms consistently for two months/quarters or more.
4. If it is discovered that there was a material misrepresentation of facts by the Borrower with regards to the purpose, utilization of the facilities and the collateral.
5. If the value of the collateral has depreciated disproportionately relative to the facility amount at any material time.
6. The Lender may appoint a professional valuer to conduct annual re-evaluation of any collateral pledged by the Borrower. The cost of such re-evaluation shall be debited to the Borrower's account with the Lender. Where the re-evaluation reveals a diminution on the value of the asset leading to under collateralisation of the facility, the Lender may issue the Borrower a demand notice to provide additional collateral to cover the facility. Failure by the Borrower to provide such additional collateral as requested by the Lender shall constitute an event of default under this facility entitling the Lender to call in the facility notwithstanding the tenor stated herein.




Heritage
Bank

7. All cost incurred by the Lender to perfect documentation and in the enforcement of the agreement and recovery in the event of default by the Borrower shall be to the account of the Borrower.
8. The Lender may vary some or all the terms and conditions of the offer to reflect the prevailing conditions in the financial markets or monetary authorities' regulations
9. If any interest due on the facility is not paid on the date thereof, same shall immediately be added to the principal sum outstanding and shall accordingly attract interest at the rate herein stated.
10. Availability of funds is subject to the Lender's ability to accommodate this facility within its legal lending limits and subject further to regulations as may be imposed by regulatory authorities.

Events of Default:

Notwithstanding anything herein before contained, the facilities or balance thereof and other monies herein covenanted to be paid whether by way of interest or otherwise shall become immediately due and payable on the demand being made in respect of such on the occurrence of any of the following events:

- i) If the Borrower shall fail to pay any sum outstanding as and when due
- ii) If the Borrower commits any breach or fail to observe or perform the other obligations on its part contained in this offer letter.
- iii) If any representation or warranty given or made by the Borrower in this Agreement or in any notice or certificate or statement, delivered or made pursuant herein is inaccurate in any respect when made or delivered.
- iv) If the Borrower stops or suspends or is deemed to be unable to pay its debt or admits in writing its inability to discharge its obligations as they fall due.
- v) If the Borrower proposes or declares any moratorium on the Borrower's debt in respect of the facility.
- vi) If any extra-ordinary situation arises such that the continuance of the transaction in the opinion of the lender makes it impossible for the Borrower to discharge its obligations.
- vii) If any execution or distress is levied upon or against the properties of the Borrower and not discharged within seven days
- viii) If the Lender shall be compelled by any Central Bank of Nigeria's rules, regulations or directives to call the loan;
- ix) If there should in the opinion of the Lender be a material adverse change in the financial condition of the Borrower;
- x) If any government consent required by law for the validity, enforceability or legality of this offer letter or the performance of the terms thereof ceases to be or is not for any reason in full force and effect. In any such event and at any time thereafter if any such event shall be continuing, the Lender shall by written notice to the Borrower, declare that, that portion of



Heritage Bank

the facilities outstanding has become immediately payable whereupon the same shall become so payable together with interest accrued thereon.

RIGHT OF SET-OFF:

The Borrower covenants that in addition to any general lien or similar right to which the Lender as a banker may be entitled by law, the Lender may at any time and without notice to the Borrower combine or consolidate all or any of the Borrower's accounts without any liabilities to the Lender and set off or transfer any sum or sums standing to the credit of anyone or more of such accounts in or towards satisfaction of the Borrower's liabilities to the Lender or any other respect whether such liabilities be actual or contingent, primary or collateral and several or joint.

COVENANT:

1. The Borrower undertakes that whilst any amount is outstanding under these facilities, it shall provide the Lender with a copy of its audited financials, management accounts and any other information as regards its business affairs as the Lender may from time to time require.
2. That the facilities account/current account would be sufficiently funded up-front to absorb interest, commission and other charges

LEGAL AND OTHER EXPENSES:

The Borrower shall reimburse the Lender for all reasonable out of pocket expenses, costs, and charges incurred by the Lender in connection with the preparation, execution, administration and enforcement of the terms of this offer letter, including but not limited to Solicitors fees, Stamp Duties and Registration fees. Such charges and costs shall in the event of non-payment by the Borrower on demand be added to the facility and other moneys owing under the terms of this offer letter and shall bear interest accordingly.

INSURANCE:

The Borrower shall maintain a comprehensive insurance against loss or damage by fire, earthquake, rain or windstorm, tornado, civil commotion and such other risks as the Lender may from time to time consider necessary with an Insurance Company approved by the Lender in the name of the Lender and the Borrower shall duly pay all premiums for keeping such insurance. The Lender's interest as first loss payee must be duly endorsed on the insurance policy.

TAXES:

All payments whether of principal, interest or otherwise shall be made free and clear of and without deduction of any taxes, duties, charges, fees, deductions, withholdings, set-offs, counterclaims, restrictions or conditions of any nature. If at any time, provision of the law or any taxing authority shall require the Borrower to make any such deduction or withholding from any such payment, then the sum due from the Borrower in respect of such payment shall be increased to the extent necessary to ensure that after making of such deductions or withholding, the Lender receives a net equal to the sum which it would have received had no such deduction or withholding been required to be made.



REPRESENTATIONS AND WARRANTIES:

The Borrower represents and warrants that:

- 1 The Borrower has the right to accept these facilities and has taken all necessary actions to authorise same upon the terms and conditions herein.
- 2 The Borrower is not in default or under any obligation in respect of any borrowed money that the acceptance of these facilities will not be or result in a breach of or default under any provisions of any other agreement to which the Borrower is a party.
- 3 All consents, licenses, approvals, authorisations of any governmental authority, bureaux or agency, etc. required in connection with the execution, delivery, performance, validity or enforceability of these loan facilities shall be obtained by the Borrower and the originals thereof delivered to the Lender and the conditions contained therein or otherwise applicable thereto shall at the appropriate time be complied with or fulfilled by the Borrower. The cost of obtaining such approvals etc. shall be borne by the Borrower.
4. It is agreed that these facilities herein granted shall be cancelled and the outstanding sums shall become payable forthwith upon demand thereof if any event or series of events (including without limitation, any material adverse change in the business, assets or financial condition of the Borrower) occurs, which in the opinion of the Lender may affect the ability or willingness of the Borrower to repay these facilities.
5. No legal action or suit shall be instituted howsoever, instigated and/or sustained by the Borrower against the Lender jointly or severally without first giving the Lender a ninety (90)-day prior written pre-action notice of the Borrower's intention to so proceed against the Lender, such notice to be served at the Lender's registered office address".

CHANGE IN CIRCUMSTANCE:

If the Lender has determined that the introduction of or change in any applicable law or government or other regulatory authority charged with the administration thereof or court of competent jurisdiction makes it apparent that it is unlawful or illegal for the Borrower or the Lender to fund or maintain or perform their obligations as contemplated by the terms of this Offer Letter, the Lender shall forthwith give notice of such occurrence to the Borrower and the commitment shall forthwith be cancelled or discharged and the Borrower shall on the next succeeding payment date or such earlier date as may be required repay to the Lender the principal amount so disbursed together with accrued interest, if any, and other amount due to the Lender hereunder.

REMEDIES AND WAIVERS:

Failure or delay by the Lender in exercising any remedy, power or right as a Lender shall not be considered as a waiver or impairment thereof nor shall it affect or impair any such remedies, powers or rights in respect of any default.





CROSS DEFAULT CLAUSE:

A default on this facility will constitute a default on all other facilities granted the obligor and related parties and all facilities shall become due and payable immediately

GRACE PERIOD:

- a. Seven (7) days shall be allowed within which there will be no penal charge on late repayment.
- b. Seven (7) days from the date of execution shall be allowed within which loan contracts can be rescinded.

VALIDITY:

This offer elapses if not accepted within 14 (fourteen) days from the date of the offer.

If the terms and conditions stated above are acceptable to you, kindly indicate your acceptance by executing this offer letter as provided hereunder and return same.

Yours faithfully,

For: **HERITAGE BANK LIMITED**


OLUWAGBOLAHAN KASSIM
EXPERIENCE CENTER MANAGER


LAWRENCE OKATE
GROUP HEAD IKEJA & APAPA

WE, THE UNDERSIGN DIRECTORS HEREBY ACCEPT THIS OFFER FOR AND ON BEHALF OF **SMOOTH PROMOTIONS LIMITED** AND HOLD OURSELVES BOUND BY THE TERMS AND CONDITIONS STATED IN THIS OFFER LETTER.

NAME: *AYODELE ADIMASHAUN*

DESIGNATION: *CEO*

SIGNATURE: 

DATE: *30/09/2015*

NAME: *MESUD KOUTADLE*

DESIGNATION: *SECRETARY*

SIGNATURE: 

DATE: *30/09/2015*

Our Ref: (S78401/SMOOTH)
By post & E-mail: ayo.animashaun@yahoo.com



LINEAL

22 November 2018

FAO: Ayo Animashaun
Smooth Promotions
4 Ogundana Street
Ikeja
Lagos
NIGERIA

IT'S OUR BUSINESS TO HELP YOURS

IMMEDIATE DEMAND

Dear Ayo Animashaun,

OUTSTANDING DEBT DUE TO: WTS MEDIA GROUP LTD

Balance due at 22 November 2018 £165,468.62.

We have been instructed by **WTS Media Group Ltd** to assist in collection of the above debt. Settlement is overdue and no queries have been raised on your account and therefore the account is not disputed. We enclose a copy of the outstanding statement for your attention.

Unless payment of **£165,468.62** is received by 4pm BST on 26 November 2018 then we will immediately appoint our Nigerian agents to commence insolvency action against you in your local courts. Our client has provided us with correspondence between your company and WTS Media Group where the debt is clearly admitted on a number of occasions.

To avoid any further action being taken, please arrange to pay by Bank Transfer to the following bank account:

**LINEAL GROUP LTD
BARCLAYS, LEICESTER, LE87 2BB
IBAN: GB31 BUKB20554133950743
SWIFT BIC: BUKBGB22**

Please use the reference above on any payments.

We trust you will give this matter your immediate attention.

Yours sincerely,

Matthew Goddard
Company Director
Email – matt.goddard@linealgroup.co.uk
+441618831293

ESEZOBOR & PARTNERS

SOLICITORS & ADVOCATES

LAGOS: PLOT 5, IBADAN STREET, OSBORNE FORESHORE ESTATE, IKOYL, LAGOS
ABUJA: C/O MODEL LAW ASSOCIATES 5 BELLO YUSUF STREET, OFF EBITU UKIWE STREET, IABU, FCT ABUJA

Tel: +234-1-2914694

www.eepr.com

www.eepr.com

PRINCIPAL PARTNER: DR. I.E. ESEZOBOR (DECEASED)
SENIOR PARTNER: EHIZOGIF ESEZOBOR

PARTNERS:
MRS. MOJISOLA ESEZOBOR (LAGOS)
ISIMEME JOSEPH MOMODU (ABUJA)

9th January, 2019

THE MANAGING DIRECTOR/CEO
SMOOTH PROMOTIONS NIG. LTD.
4, Ogundana Street,
Off Allen Avenue,
Ikeja, Lagos

ATTENTION: AYO ANIMASHAUN

By email: ayo_animashaun@yahoo.com, admin@smoothpromotionsng.com,
cassey@shpropwatchesmagazine.com

Dear Sir,

YOUR INDEBTEDNESS TO WTS MEDIA GROUP LTD, UNITED KINGDOM

The above subject matter in which we act as Debt Recovery Solicitors to **WTS Media Group Ltd.** of **32, Bower Hill Ind. Estate, Bower Terrace, Epping, CM16 7BN, United Kingdom** (hereinafter referred to as 'Our Client') refers.

Please be informed that we have been handed over your account for recovery by Our Client and we advise that henceforth, all communications regarding this issue be routed through our Firm.

We are reliably informed that you are indebted to Our Client in the total reconciled sum of **GBP 150,366.66 (One Hundred and Fifty Thousand, Three Hundred and Sixty Six British Pounds Sterling, Sixty Six Pence)** being the cost of supplies of broadcast/media equipment in addition to provision of support, training and support services.

E&P LEGAL

ACKNOWLEDGEMENT

Signature: 

Name: 

Position: 

Date: 

We are aware that you had previously been communicating with Andrew Hough of Lineal Group, United Kingdom and we have been availed all your correspondences (between Andrew Hough, Ayo Animashaun and Adeseun Kolawole/Oyeneye) between the **3rd of December, 2018 and the 11th of December, 2018**. We also have the letter of demand dated the **22nd of November, 2018** from Lineal Group as well as a detailed Statement of Account of your company with Our Client wherein your account was reconciled. Please find attached these documents for ease of reference.

We are aware that a part of this debt of remains largely undisputed and Our Client has not been paid. Most worrisome is the fact that there is no indication when any payment will finally be remitted to Our Client.


Our Client (through Lineal Group) has made several demands for these payments but you have failed, refused and/or neglected to pay over to Our Client the reconciled principal sum of **GBP 150,366.66**. This has without doubt caused untold hardship to Our Client and be that as it may, please be informed that we have Our Clients' instructions to demand and we hereby demand that the total sum of **GBP 150,366.66 (One Hundred and Fifty Thousand, Three Hundred and Sixty Six British Pounds Sterling, Sixty Six Pence)** be immediately paid directly to Our Client.

We are willing to meet with you and/or speak with you on phone at the earliest possible convenient date and time **to explore an amicable resolution of this matter**. We trust that this meets you well and we count on your co-operation.

Kindly acknowledge receipt.

Yours faithfully,

FOR: ESEZOBOR & PARTNERS


EHIZOGIE ESEZOBOR
PARTNER

D/L: 0802-3517582

ehizogie@eandplegal.com





LOUISA EJAIFE
SENIOR ASSOCIATE
0701-7244748

louisa.ejaife@eandplegal.com



**SMOOTH
PROMOTIONS**

4. OGUNDANA STREET,
OFF ALLEN AVENUE,
IKEJA, LAGOS
P. O. BOX 20904
TEL: 08023138298, 7401305

February 15, 2016

The Branch Manager,
Heritage bank Plc.
34/36, Adeniyi Jones Ikeja,
Lagos.

Dear Sir,

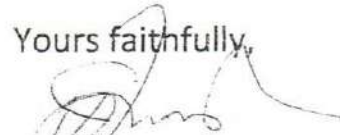
**SECOND AND FINAL DISBURSEMENT TO {X}CUBE HEADQUARTERS & DESIGN
LAB. FOR MOBILE APP.**


We hereby apply for the disbursement of the second and final tranche of the Mobile App as the First stage of the App have been completed and the second tranche is due for payment.

Also, following the recent devaluation of naira in the country, we want to make second and final payment now as we are already short of about #15m (Fifteen Million Naira).

We thank you for your support and understanding.

Yours faithfully,


Ayo Animashaun
CEO

Original seen

CITIZENS
16/2/16

PROJECTION PLAN FOR REVENUE GENERATION			MARKETING PLAN				
1. REALTIME	WEEKLY	MONTHLY	YEAR 1	5% increment YEAR 2	10% increment YEAR 3	15% increment YEAR 4	20% increment YEAR 5
EVENT COVERAGE (Min. of 4 events)	2,000,000.00	8,000,000.00	96,000,000.00	100,800,000.00	110,880,000.00	127,512,000.00	153,014,400.00
DATE SHARE (Min. of four events per month)							
INTERNET	180,000,000.00	720,000,000.00	8,640,000,000.00	9,072,000,000.00	9,979,200,000.00	11,476,080,000.00	13,771,296,000.00
ARTTEL	114,000,000.00	456,000,000.00	5,472,000,000.00	5,745,600,000.00	6,320,160,000.00	7,268,184,000.00	8,721,820,800.00
ESALAT	100,000,000.00	400,000,000.00	4,800,000,000.00	5,040,000,000.00	5,544,000,000.00	6,375,600,000.00	7,650,720,000.00
GLO	120,000,000.00	480,000,000.00	5,760,000,000.00	6,048,000,000.00	6,652,800,000.00	7,650,720,000.00	9,180,864,000.00
INTERNATIONAL VIEWERSHIP	500,000.00	2,000,000.00	24,000,000.00	25,200,000.00	27,270,000.00	31,878,000.00	38,253,600.00
2. OBVAN			24,792,000,000.00	26031600000	28634760000	32929974000	39515968800
LIVE COVERAGE							
PRODUCTION (WITHIN LAGOS) - Min of 10 producti	7,000,000.00	28,000,000.00	336,000,000.00	352,800,000.00	388,080,000.00	446,292,000.00	535,550,400.00
PRODUCTION (OUTSIDE LAGOS)	2,000,000.00	20,000,000.00	240,000,000.00	252,000,000.00	277,200,000.00	318,780,000.00	382,536,000.00
PRODUCTION ABROAD (Min. of 5 per year)	4,000,000.00	40,000,000.00	480,000,000.00	504,000,000.00	554,400,000.00	637,560,000.00	765,072,000.00
CURRENT REVENUE GENERATION		7,000,000.00	35,000,000.00	36,750,000.00	40,425,000.00	46,488,750.00	55,786,500.00
SHIP TV							
SPONSORSHIP (Min. of 4 sponsorship per year)	15,000,000.00	60,000,000.00	240,000,000.00	252,000,000.00	277,200,000.00	318,780,000.00	382,536,000.00
COMMERCIAL/ADVERT	5,000,000.00	20,000,000.00	240,000,000.00	252,000,000.00	277,200,000.00	318,780,000.00	382,536,000.00
EVENT (Min. 3 event per week)	3,000,000.00	12,000,000.00	144,000,000.00	151,200,000.00	166,320,000.00	191,268,000.00	229,521,600.00

Heritage Bank
RC 1259460

03387448
03387448 03387448

Handwritten scribbles

34/36 ADENIYI JONES AVENUE, IKEJA, LAGOS

Superline: 330141002/MCPAS 1207 0715

Pay HERITAGE BANK or Order

Date 16-10-2016

The sum of THIRTY MILLION NAIRA
ONLY

30,000,000=

SMOOTH PROMOTIONS LIMITED - ACCOUNT 2

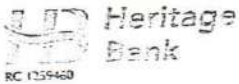


Signature
Signature

DO NOT WRITE, SIGN OR STAMP BELOW THIS LINE

⑈03388448⑈ 030150108⑈ 5100132232⑈ 02

ASRA



03387450
03387450 03387450

POB/K

34/36 ADENIYI JONES AVENUE, IKEJA, LAGOS

Pay HERITAGE BANK or Order

Date 01-11-2016

The sum of TEA MILLION NAIRA
ONLY

10,000,000=

Supersolux - 3391110002 NCPAS 1287 0715

SMOOTH PROMOTIONS LIMITED - ACCOUNT 2



Signature

Signature

DO NOT WRITE, SIGN OR STAMP BELOW THIS LINE

⑈03388450⑈ 030150108⑈ 5100132232⑈ 02

KINDLY TRANSFER TO:-
SMOOTH PROMOTIONS LTD
HERITAGE BANK
DSRA 5100021479

[Handwritten signature]

Amount of payment

₦ 10,000,000	₦	10,000,000
00	00	00
00	00	00
00	00	00
00	00	00

General
Part
Part
Part

Heritage Bank
RC 1259460

03387469
03387469 03387469

34/36 ADENIYI JONES AVENUE, IKEJA, LAGOS

Superfund - 3301410002 NICPAS 1207_0116

Pay HERITAGE BANK LTD or Order

Date 17/12/16

The sum of SEVENTEEN MILLION Naira

₦ 17,000,000 =

SMOOTH PROMOTIONS LIMITED - ACCOUNT 2



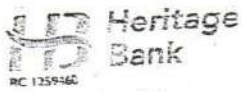
Signature
[Handwritten Signature]
Signature

DO NOT WRITE, SIGN OR STAMP BELOW THIS LINE

⑈03388469⑈ 030150108⑈ 5100132232⑈ 02

*Kindly Transfer to
DARA SMOOTH PROMOTIONS, LTD.
Heritage Bank Ltd 5100021479*

Details of Payment		Amount	
No	Description	₦	₦
1	IN 1000		
2	IN 500		
3	IN 100		
4	IN 50		
		Total	
		₦	



03387482
05387482 03387482



34/36 ADENIYI JONES AVENUE, IKEJA, LAGOS

Pay HERITAGE BANK or Order

Date 21/12/16

The sum of EIGHT MILLION NAIRA

8 000 000

Superfund - 3501410002 NICPAS 1207_0719

SMOOTH PROMOTIONS LIMITED - ACCOUNT 2



Signature
[Signature]
Signature

DO NOT WRITE SIGN OR STAMP BELOW THIS LINE

⑈03388482⑈ 030150108⑈ 5100132232⑈ 02

Kindly Transfer to
A SRA SMOOTH PROMOTIONS LTD
HERITAGE BANK 5100021479

[Signature]

Details of payment		Customer's signature	
Debit	X	Signature	
Credit		Service Endorse	
Debit	X	Mary Grace	
Credit		General	
Debit	X	Tan	
Credit		Phone	
TOTAL			

Ogunsanya & Ogunsanya

Legal Practitioners

FOUNDING PARTNERS
Chief Adeniran Ogunsanya LL.B. (Hons) Manchester, S.A.N.
Chief Adebayo Ogunsanya LL.B. (Hons) London, S.A.N.

4th Floor, Ule Athike
Plot 39C Ahmed Onibudo Street,
Victoria Island, Lagos
Tel: 01-7410663, 2706893, 2706894
Fax: 2706892
E-mail: info@ogunsanyalaw.com

13th February, 2017.

The Managing Director,
Smooth Productions Limited,
No 4 Ogundana Street, Off Alton Avenue Ikeja,
Lagos.

Attention: Mrs. Ayodele Animashaun.

Dear Sir,

LETTER OF DEMAND.

The above subject matter refers.

We are retained solicitors to Heritage Bank whom shall be hereinafter referred to as "our client", and on whose behalf and instructions we write to you as follows.

As you are aware, our client informed us and we verily believe same that our client offered your company a Term Loan Facility of N601,000,000.00. (Six Hundred and One Million Naira) only.

Our client further informed us that it had substantially performed its own part of the contract by ensuring that the aforesaid funds were made available to your company. However, your company has despite repeated demands, failed to pay back the principal amount as well as the accrued interest.

Consequently, we are by this letter demanding that the sum of N668,087,443.74 (Six Hundred and Sixty Eight Million, Eighty Seven Thousand, Four Hundred and Forty Three Naira Seventy Four Kobo Kobo) only, be credited unto our client's account.

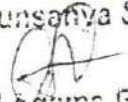
It is very pertinent to further state here that the aforesaid amount is based on the accrued interest as at 31st December, 2016 thereby subjecting your current indebtedness to a further exposure should your company delay in defraying its current debt.

Take Notice that if our Client does not receive payment to the tune of the aforementioned sum within Twenty-one (21) days of the receipt of this letter as repayment of the debt owed to our client, we shall not hesitate to take up winding up proceedings or any other available legal steps to recover the said sum against your company in the court of competent jurisdiction.

Thank you.

Yours faithfully,

For: Ogunsanya & Ogunsanya.


Richard Adama Esq.



22nd February, 2017,

Mr. Adewunmi Ogunsana SAN,
Ogunsanya & Ogunsanya Legal Practitioners,
4th Floor, Ule Atinuke,
Plot 39C Ahmed Onibudo Street,
Victoria Island,
Lagos.

"Without Prejudice"

Dear Learned Silk,

RE: LETTER OF DEMAND
IN RE: SMOOTH PRODUCTIONS LIMITED

The above and your letter dated 13th February, 2017 refer.

We are solicitors to Smooth Productions Limited ("**our client**"), and it is upon its express instructions we forward this letter to your firm in response to your letter under reference.

After carefully perusing the contents of the several correspondences and agreements concerning the dispute between our respective clients we are of the view that it will be in the interest of the parties to attempt an amicable resolution. This in our view can be achieved by a proper reconciliation of our client's account with your client.

Consequently, we hereby request for an all parties meeting to be scheduled to enable parties explore an amicable resolution of the dispute. We also request that you sheath your sword pending the resolution of the issues.

Kindly revert on your convenience.

Thank you.

Yours faithfully,

For: PINHEIRO LP


KEMI PINHEIRO, SAN, FCI Arb.

Cc:

The Managing Director,
Smooth Productions Limited,
No 4., Ogundana Street,
Off Allen Avenue,
Ikeja, Lagos.

ACKNOWLEDGEMENT CO. 1
(OGUNSANYA & OGUNSANYA)
RECEIVED BY Emeka
Sign... Kiley Date 3/3/17



PINHEIRO LP

6th April, 2017,

Mr. Adewunmi Ogunsanya, SAN,
Ogunsanya & Ogunsanya Legal Practitioners,
4th Floor, Ule Atinuke,
Plot 39C Ahmed Onibudo Street,
Victoria Island, Lagos.

ACKNOWLEDGEMENT COPY
(OGUNSANYA & OGUNSANYA)
RECEIVED BY Festus
Sign... [Signature] Date 7/4/17

"Without Prejudice"

Dear Learned! Silk,

RE: RECONCILIATION OF ACCOUNT
IN RE: SMOOTH PRODUCTIONS LIMITED

The above and our letter dated 22nd February, 2017 refer.

Sequel to the aforesaid letter, our client engaged the services of an auditor to reconcile its Account No: 5100021479 with the bank. We hereby request that our client's auditor and that of the bank meet for proper reconciliation of our client's loan account.

We humbly request that a convenient date and time for the proposed meeting be suggested.

Thank you.

Yours faithfully,
For: PINHEIRO LP

[Signature]
KEMI PINHEIRO, SAN, FCI Arb.

Cc:

The Managing Director,
Smooth Productions Limited,
No 4, Ogundana Street,
Off Allen Avenue,
Ikeja, Lagos.



PINHEIRO LP

6th April, 2017,

Mr. Adewunmi Ogunsanya, SAN,
Ogunsanya & Ogunsanya Legal Practitioners,
4th Floor, Ule Atinuke,
Plot 39C Ahmed Onibudo Street,
Victoria Island, Lagos.

"Without Prejudice"

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RE: RECONCILIATION OF ACCOUNT
IN RE: SMOOTH PRODUCTIONS LIMITED

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We humbly request that a convenient date and time for the proposed meeting be suggested.

Thank you.

Yours faithfully,
For: PINHEIRO LP


KEMI PINHEIRO, SAN, FCI Arb.

Cc:
The Managing Director,
Smooth Productions Limited,
No 4., Ogundana Street,
Off Allen Avenue,
Ikeja, Lagos.

Shenji Odus

8/4/2016



12th June, 2017,

Mr. Adewunmi Ogunsanya, SAN,
Ogunsanya & Ogunsanya Legal Practitioners,
4th Floor, Ule Atinuke,
Plot 39C Ahmed Onibudo Street,
Victoria Island, Lagos.

"Without Prejudice"

Dear Learned Silk,

RE: RECONCILIATION OF ACCOUNT
IN RE: SMOOTH PRODUCTIONS LIMITED

The above and your letter dated 30th May, 2017 refer.

Whilst thanking you for your letter under reference, please note that our client's auditor, SMD Consultant is available to meet with the bank's auditor at 11am on Tuesday the 19th of June, 2017.

May we respectfully request that the bank's response to the report from SMD Consulting dated the 15th of May, 2017 be made available prior to the proposed meeting to allow for a seamless reconciliation process.

Thank you.

Yours faithfully,
For: PINHEIRO LP

KEMI PINHEIRO, SAN, FCI Arb



Cc:

Smooth Productions Limited,
No 4., Ogundana Street,
Off Allen Avenue,
Ikeja, Lagos.

Monday, May 15, 2017

The Managing Director
 Smooth Promotions Limited
 No. 4 Ogunlana Street
 Off Allen Avenue
 Ikeja, Lagos

Dear Sir,

RECONCILIATION OF BANK CHARGES
SMOOTH PROMOTIONS LIMITED V HERITAGE BANK LIMITED
ACCCOUNT NOS. 5100021479

1.0 INTRODUCTION

Following your instruction in respect of the above subject, we hereby submit our findings in the management of your Account No. 5100021479 maintained with Heritage Bank Limited, Plot 292B, Ajose Adeogun street, Victoria Island, Lagos for the period of June 8, 2013 to February 28, 2017; wherein you instructed us to:

- 1) Investigate and Reconcile the bank charges; and
- 2) Confirm the appropriateness and propriety of the bank charges as passed into the account by the bank.

2.0 SUMMARY OF OUR FINDINGS

- a) Following your instruction as stated above, we carried out detailed analysis and examination of the statement of account and credit facilities agreement made available to us between Smooth Promotions Limited and Heritage Bank Limited; and reconciliation of bank charges with prevailing CBN regulations and covenants between you and Heritage Bank Limited without prejudice to CBN regulations, we observe serial breaches of CBN regulations in the management of your account, which led to purported various debit balances in the aforementioned accounts.
- b) Consequently, we established excess and illegal charges of ₦97,002,881.18 plus interest refund of ₦88,720,294.19 to gross ₦185,723,175.37 refundable to you by the bank in line with **Sections 3.2.4g, 3.2.5g and 3.2.5g of the CBN Monetary, Credit, Foreign Trade and Exchange Policy Circulars Nos. 39, 40 and 41 of January, 2012, January 2014 and January 2016** respectively as detailed below:

S/No.	Description	Total
1.	Excess Overdraft Interest	3,208,927.86
2.	Excess Management fee	1,155,000.00
3.	Excess Commitment fee	315,000.00
4.	Excess Processing fee	840,000.00
5.	Illegal Professional fee	650,000.00
6.	Excess Loan Interest	90,833,953.33
	Sum of Excess and Illegal Charges	97,002,881.18
	Interest On Excess Charges in line with CBN Regulations	88,720,294.19
	Total Excess and Illegal Charges + Interest On Excess Charges Refundable	185,723,175.37

3.0 DETAILS OF OUR FINDINGS

The following are details of our findings in the management of your account by Heritage Bank Limited:

3.1 Excess Overdraft Interest - ₦2,705,564.25

- a) Excess Overdraft Interest established in the account was ₦2,7405,564.25, which arose from application of Interest rates over and above agreed Interest Rates, passages of excess charges and deliberate disregard to CBN Regulations on Overdraft Facility.
- b) The bank clandestinely and surreptitiously applied varied interest rates, which are in some instances above the agreed interest rates as shown in the table below -

MONTH	2013	2014	2015	2016
Jan		23.15%	35.96%	
Feb		28.31%	34.72%	
Mar		25.40%	9.41%	
Apr		23.21%	35.97%	
May		23.48%	35.96%	
Jun		32.80%		
Jul		35.96%		
Aug	30.23%	35.96%		30.23%
Sept	46.43%	36.00%		46.43%
Oct	0.00%			0.00%
Nov				
Dec	22.91%	35.96%		22.91%

- c) Interest rates applied in the computation of Monthly Debit/OD Interest in the account are based on the following -
 - i) Interest rates as contained in the Offer Letters and Letter of Increase in Interest Rate made available to us.
- d) We rely on the following CBN Regulations in our submissions -
 - i) Passages of **Interest (on Authorized Excess OD)** and **Unauthorized OD/Credit** into the Customer's Account is subject to **NEGOTIATION** by virtue of Section 2.2 and 2.3 respectively of CBN Revised Guide to Bank Charges of April 1, 2013. Section 2.3 CBN Revised Guide to Bank Charges of April 1, 2013 further states that **Interest on Unauthorized OD/Credit, Not Permissible**; and the bank should sanction the officer and forward the name to the Director of FPRD, CBN.
 - ii) It is obligatory for Bank to **NEGOTIATE** with the Customer, the "**Charge or Fee Payable**" on any item of Banking Service designated in the CBN Revised Guide to Bank Charges as **NEGOTIABLE** by virtue of Paragraph 3 of Preface to CBN Revised Guide to Bank Charges of April 1, 2013.
 - iii) Banks are equally barred from granting any Credit Exposure without approval, which is substantiated by Bank's Loan Application Form and Offer Letter by virtue of the following provisions -
 - ✓ Section 3.7a and 3.9b of CBN Prudential Guidelines for Deposit Money Banks in Nigeria of July 1, 2010.
 - ✓ Annexure 1b of CBN Prudential Guidelines for Deposit Money Banks in Nigeria of July 1, 2010.
 - iv) Provision of Banking Services to Customers and/or Banking Public by the banks are contractual relationship, of which the banks are compelled to observe CBN Regulations in the relationship by virtue of -
 - ✓ Paragraph 3 of CBN Circular Ref. FPR/DIR/GEN/CIR/03/002 of March 27, 2013, which states that "**The Revised Guide to Bank Charges is issued to serve as regulation on applicable charges for banking service and product offered to customers**".
 - v) Banks are regulatory and statutorily directed and compelled to ensure compliance with the provision of CBN Guide to Bank Charges and Other CBN Regulations, Policies and Directives by virtue of -
 - ✓ Paragraph 4 of CBN Circular Ref. FPR/DIR/GEN/CIR/03/002 of March 27, 2013, which states that "**Banks and discount houses are enjoined to ensure compliance with the provisions of the Guide**"; and
 - ✓ Section 60.2a of Bank and Other Financial Institutions Act of June 20, 1991 (CAP B3 LFN 2004) as amended.
- e) the computation of Debit/ Overdraft Interest in the account, the account statement was reconstructed based on the following -

- i) Charges as passed into the account by the bank, which are in breach of CBN Regulations are discountenanced and excluded in the statement account;
- ii) Appropriate Charges that are in line with CBN Regulations are considered and retained in the statement of account;
- iii) Applicable and appropriate Monthly Debit Interests are charged in the account instead of the over-bloated debit interest applied in the account by the bank.
- iv) Reconstructing the account statement by replacing and considering the appropriate charges and monthly debit interest with the over-bloated charges burdened in the account by the bank is essential in order to determine appropriate **Monthly Debit/Overdraft/Overdrawn Interest** chargeable in the account and true position of the account.

2 Excess Management Fee - ₦1,155,000.00

- i) Excess Management Fee of ₦1,155,000.00 was observed in accounts; and discountenance, having not being charged in line with CBN regulation.
- j) Management Fee, which covers Processing and Appraisal Fees is chargeable at a specified negotiated rate, and once on a credit facility granted and disbursed into the account in line with CBN Regulations. Appropriate Management Fee in line with terms and conditions of the offer letters made available to us has been duly considered while the rejected ones has no Offer letters to substantiate them.

3 Excess Commitment Fee - ₦315,000.00

- i) Excess Commitment Fee of ₦315,000.00 was observed in accounts; and discountenance, having not being charged in line with CBN regulation.
- j) Commitment Fee is chargeable at a specified negotiated rate, and once on a credit facility granted and disbursed into the account in line with CBN Regulations. Appropriate Commitment Fee in line with terms and conditions of the available offer letters to us has been duly considered while the rejected ones has no Offer letters to substantiate them.

4 Excess Processing Fee - ₦840,000.00

- i) Excess Processing Fee of ₦840,000.00 was observed in accounts; and discountenance, having not being charged in line with CBN regulation.
- j) Processing Fee is not chargeable separately as a lending fee except for consent for share security as contained in Section 2.11 CBN Revised Guide to Bank Charges of April 1, 2013. Management Fee as already charged in the account covers Processing Fee.

5 Illegal Professional Fee - ₦650,000.00

- i) Illegal Professional Fee of ₦650,000.00 was observed in accounts; and discountenance, having not being charged in line with CBN regulation.
- j) The bank has no basis to charge Professional Fee in our client's account, having not complied with the procedure prior passages of charges or fees not contained in the CBN Revised Guide to Bank Charges of April 1, 2013.

Basis of our submission are:

- i) Paragraph 4 of CBN Revised Guide to Bank Charges of April 1, 2013 directs all banks "to present Any New Products, Service(s) and Charge(s) not covered by Guide to Bank Charges to CBN for prior approval".
- ii) The above Paragraph 4 of CBN Revised Guide to Bank Charges of April 1, 2013 further reinforced by CBN Circular Ref: FPR/DIR/GEN/CIR/01/008 of June 11, 2014 titled "Implementation of the Revised Guide to Bank Charges – Commission on Turnover" as noted in paragraph 4, which states that "our attention has also been drawn to the practice, by some banks, of charging fees which are alien to the Guide". Whilst Paragraph 5 of the same circular re-emphasized Paragraph 4 of the Preface to the Guide and directs bank that have charged customer such charges to refund it to the customer.

6 Excess Loan Interest - ₦90,833,953.33

Excess Loan Interest of ₦90,833,953.33 was observed in accounts; and discountenance, having not being charged in line with the executed offer letters.

We rely on the following -

4.0 DOCUMENTS RELIED ON FOR OUR CONCLUSIONS

- a) Statement of Accounts as produced and forwarded by the bank to you.
- b) Offer Letters and Letter of Increase in Interest Rate.
- c) Central Bank of Nigeria (CBN) Revised Guide to Bank Charges of April 1, 2013.
- d) Central Bank of Nigeria (CBN) Monetary, Credit, Foreign Trade and Exchange Policy Circular No. 39, 40 and 41 of January, 2012, 2014 and 2016 respectively.
- e) Central Bank of Nigeria (CBN) Circular Referenced **FPR/DIR/GEN/CIR/01/008 of June 11, 2014**.
- f) CBN Prudential Guidelines for Deposit Money Banks in Nigeria of July 1, 2010.
- g) Bank and Other Financial Institutions Act (BOFIA) of June 20, 1991 (CAP B3 LFN 2004 as amended).

5.0 INTEREST REFUND ON EXCESS BANK CHARGES AT MAXIMUM LENDING RATE OF THE BANK

By virtue of provisions of Section 3.2.4g of Central Bank of Nigeria (CBN) Monetary, Credit, Foreign Trade & Exchange Policy Circular No. 39 of January, 2012 and Section 3.2.5g of Central Bank of Nigeria (CBN) Monetary, Credit, Foreign Trade & Exchange Policy Circular Nos. 40 and 41 of January, 2014 and January 2016 respectively; you are entitled to interest on excess charges, underpayment of interest and other entitlements at the Maximum Lending Rate of the bank on the date of refund. This section reads thus:

"The Inspectorate Department of each bank shall continue to be responsibility for cross-checking bank charges and interest rates payable on deposit accounts. Where the Inspectorate Department of a bank discovers a non-payment or under-payment of interest on deposits, other entitlements, excessive interest and bank charges, a return thereon shall be made to Central Bank within two weeks from the date of discovery by the Inspectorate Department of the bank or date of receipt of customer complaint. Under-payment and/or excessive interest and other charges shall be refunded within two weeks of the discovery/customer complaint to the CBN, with interest at the bank's maximum lending rate on the date of refund, along with a letter of apology to the customer. Any bank that fails to comply with this provision shall, in addition to the refund to the customer, be liable to a penalty amounting to 100.0 per cent of the amount involved".

100.0 per cent penalty of the amount involved has since been removed with effect from CBN Monetary, Credit, Foreign Trade and Exchange Policy Circular No. 40 of January, 2014

Following the established breaches of CBN regulations in the management of your account leading to passages of excess charges into the account, we have computed interest on each excess charge from the date it was passed into the account to the date of discovery, at the maximum lending of the bank.

Consequently, you are entitled to Interest Refund of ₦88,720,294.19 on the Excess Charges at the Maximum Lending Rate of Heritage Bank Limited of 32.00% per annum as at March 31, 2017 as published in the Vanguard Newspaper of April 5, 2017.

5.0 CONCLUSION

Based on the findings in the management of your account by Heritage Bank Limited, we hereby submit that you are entitled to refund of ₦185,723,175.37 including interest on Excess Charges of ₦88,720,294.19 (attached are the detailed excel workings and analysis of the account statement) within **two (2) weeks** from the date of receipt of the report by Heritage Bank Limited along with letter of apology to you in line with provisions of Section 3.2.4g of the CBN Monetary, Credit, Foreign Trade and Exchange Policy Circular No. 39 of January, 2012 and Section 3.2.5g of the CBN Monetary, Credit, Foreign Trade and Exchange Policy Circulars Nos. 40 and 41 of January, 2014 and January 2016 respectively.

Best regards.

Yours faithfully,

For: SMD CONSULTING


FOLA OSENI
MANAGING CONSULTANT

S/No.	Description	Amount
Summary of Excess Charges + Interest On Excess Charges Refundable		
1	Excess Overdraft Interest	3,208,927.86
2	Excess Management fee	1,155,000.00
3	Excess Commitment fee	315,000.00
4	Excess Processing fee	840,000.00
5	Illegal Professional fee	650,000.00
6	Excess Loan Interest	<u>90,833,953.33</u>
	Total Excess Charges	97,002,881.18
	Interest On Excess Charges in line with CBN Regulation	<u>88,720,294.19</u>
	Total Excess Charges + Interest On Excess Charges Refundable	185,723,175.37



Tran Date	Value Date	OD Interest Charged	OD Interest Chargeable	Excess	End date	No of days	Int at max lending rate of Heritage Bank as at March 31, 2017	Interest	Amount refundable
SUMMARY OF OVERDRAFT INTEREST									
30-08-2013	31-Aug-13	372,011.49	0.00	372,011.49	15-May-17	1353	32.00%	441,276.97	813,288.46
30-09-2013	30-Sep-13	219,813.12	0.00	219,813.12	15-May-17	1323	32.00%	254,959.13	474,772.25
04-11-2013	31-Oct-13	4,739.39	0.00	4,739.39	15-May-17	1292	32.00%	5,368.37	10,107.76
31-12-2013	31-Dec-13	8,607.84	6,867.00	1,740.84	15-May-17	1231	32.00%	1,878.77	3,619.61
31-01-2014	31-Jan-14	546,949.78	476,028.40	70,921.38	15-May-17	1200	32.00%	74,613.18	145,534.56
28-02-2014	28-Feb-14	690,728.04	496,004.98	194,723.06	15-May-17	1172	32.00%	200,079.28	394,802.33
31-03-2014	31-Mar-14	557,746.34	440,613.36	117,132.98	15-May-17	1141	32.00%	117,171.48	234,304.46
30-04-2014	30-Apr-14	703,091.19	617,271.89	85,819.30	15-May-17	1111	32.00%	83,590.35	169,409.65
30-05-2014	31-May-14	814,340.97	708,464.07	105,876.90	15-May-17	1080	32.00%	100,249.47	206,126.38
30-06-2014	30-Jun-14	1,121,946.84	697,231.41	424,715.43	15-May-17	1050	32.00%	390,970.91	815,686.34
31-07-2014	31-Jul-14	1,175,465.94	653,978.72	521,487.22	15-May-17	1019	32.00%	465,880.96	987,368.18
29-08-2014	31-Aug-14	1,160,118.53	634,855.80	525,262.73	15-May-17	988	32.00%	454,978.26	980,240.98
30-09-2014	30-Sep-14	1,117,796.43	604,591.99	513,204.44	15-May-17	958	32.00%	431,035.49	944,239.93
31-12-2014	31-Dec-14	31,840.14	0.00	31,840.14	15-May-17	866	32.00%	24,174.08	56,014.22
30-01-2015	31-Jan-15	16,377.11	0.00	16,377.11	15-May-17	835	32.00%	11,988.94	28,366.05
27-02-2015	28-Feb-15	452.27	0.00	452.27	15-May-17	807	32.00%	319.98	772.25
31-03-2015	31-Mar-15	165.99	0.00	165.99	15-May-17	776	32.00%	112.93	278.92
30-04-2015	30-Apr-15	98.43	0.00	98.43	15-May-17	746	32.00%	64.38	162.81
28-05-2015	31-May-15	2,545.65	0.00	2,545.65	15-May-17	715	32.00%	1,595.74	4,141.39
		8,544,835.49	5,335,907.63	3,208,927.86				3,060,308.67	6,269,236.53

Tran Date	Value Date	Tran Particulars	Amount charged	Amount chargeable	Excess	End date	Number of days	Int at max lending rate of Heritage Bank as at March 31, 2017	Interest	Amount refundable
SCHEDULE OF OTHER CHARGES										
Management fee										
12-08-2013	12/Aug/13	OD MANAGEMENT FEE	200,000.00	0.00	200,000.00	15-May-17	1372	32.00%	240,569.86	440,569.86
12-08-2013	12/Aug/13	VALUE ADDED TAX	10,000.00	0.00	10,000.00	15-May-17	1372	32.00%	12,028.49	22,028.49
15-08-2013	15/Aug/13	OD MANAGEMENT FEE	400,000.00	400,000.00	0.00	15-May-17	1369	32.00%	0.00	0.00
15-08-2013	15/Aug/13	VALUE ADDED TAX	20,000.00	20,000.00	0.00	15-May-17	1369	32.00%	0.00	0.00
24-12-2013	24/Dec/13	OD MANAGEMENT FEE	150,000.00	0.00	150,000.00	15-May-17	1238	32.00%	162,805.48	312,805.48
24-12-2013	24/Dec/13	VALUE ADDED TAX	7,500.00	0.00	7,500.00	15-May-17	1238	32.00%	8,140.27	15,640.27
30-12-2013	30/Dec/13	OD MANAGEMENT FEE	90,000.00	0.00	90,000.00	15-May-17	1232	32.00%	97,209.86	187,209.86
30-12-2013	30/Dec/13	VALUE ADDED TAX	4,500.00	0.00	4,500.00	15-May-17	1232	32.00%	4,860.49	9,360.49
05-05-2014	5/May/14	1% MGT FEE ON N6M OD	60,000.00	0.00	60,000.00	15-May-17	1232	32.00%	58,178.63	118,178.63
05-05-2014	5/May/14	VAT ON 1% MGT FEE ON N6M OD	3,000.00	0.00	3,000.00	15-May-17	1106	32.00%	2,908.93	5,908.93
30-09-2014	30/Sep/14	MGT FEES ON TERM LOAN	800,000.00	0.00	800,000.00	15-May-17	1106	32.00%	671,912.33	1,471,912.33
30-09-2014	30/Sep/14	VALUE ADDED TAX	40,000.00	0.00	40,000.00	15-May-17	958	32.00%	33,595.62	73,595.62
29-09-2015	29/Sep/15	MGT FEES ON TERM LOAN	1,760,000.00	1,760,000.00	0.00	15-May-17	594	32.00%	0.00	0.00
29-09-2015	29/Sep/15	VALUE ADDED TAX	88,000.00	88,000.00	0.00	15-May-17	594	32.00%	0.00	0.00
29-09-2015	29/Sep/15	MGT FEES ON OVERDRAFT	350,000.00	350,000.00	0.00	15-May-17	594	32.00%	0.00	0.00
29-09-2015	29/Sep/15	VALUE ADDED TAX	17,500.00	17,500.00	0.00	15-May-17	594	32.00%	0.00	0.00
1-12-2015	11/Dec/15	MGT FEES ON TERM LOAN	200,000.00	200,000.00	0.00	15-May-17	521	32.00%	0.00	0.00
1-12-2015	11/Dec/15	VALUE ADDED TAX	10,000.00	10,000.00	0.00	15-May-17	521	32.00%	0.00	0.00
			4,000,500.00	2,845,500.00	1,155,000.00				1,039,611.62	2,194,611.62
COMMITMENT FEE										
4-12-2013	24/Dec/13	COMMITMENT FEE	150,000.00	0.00	150,000.00	15-May-17	1238	32.00%	162,805.48	312,805.48
4-12-2013	24/Dec/13	VALUE ADDED TAX	7,500.00	0.00	7,500.00	15-May-17	1238	32.00%	8,140.27	15,640.27
0-12-2013	30/Dec/13	COMMITMENT FEE	90,000.00	0.00	90,000.00	15-May-17	1232	32.00%	97,209.86	187,209.86
0-12-2013	30/Dec/13	VALUE ADDED TAX	4,500.00	0.00	4,500.00	15-May-17	1232	32.00%	4,860.49	9,360.49
5-05-2014	5/May/14	1% COMMIT FEE ON N6M OD	60,000.00	0.00	60,000.00	15-May-17	1106	32.00%	58,178.63	118,178.63
5-05-2014	5/May/14	VAT ON 1% COMMIT FEE ON N6M OD	3,000.00	0.00	3,000.00	15-May-17	1106	32.00%	2,908.93	5,908.93
0-09-2015	29/Sep/15	COMMIT FEES ON OVERDRAFT	350,000.00	350,000.00	0.00	15-May-17	594	32.00%	0.00	0.00
0-09-2015	29/Sep/15	VALUE ADDED TAX	17,500.00	17,500.00	0.00	15-May-17	594	32.00%	0.00	0.00
0-09-2015	29/Sep/15	COMMIT FEES ON TERM LOAN	1,760,000.00	1,760,000.00	0.00	15-May-17	594	32.00%	0.00	0.00
0-09-2015	29/Sep/15	VALUE ADDED TAX	88,000.00	88,000.00	0.00	15-May-17	594	32.00%	0.00	0.00
-12-2015	11/Dec/15	COMMIT FEES ON TERM LOAN	200,000.00	200,000.00	0.00	15-May-17	521	32.00%	0.00	0.00
-12-2015	11/Dec/15	VALUE ADDED TAX	10,000.00	10,000.00	0.00	15-May-17	521	32.00%	0.00	0.00
			2,740,500.00	2,425,500.00	315,000.00				334,103.67	649,103.67

PROCESSING FEE										
30-09-2014	30/Sep/14	PROC FEES ON TERM LOAN	800,000.00	0.00	800,000.00	15-May-17	958	32.00%	671,912.33	1,471,912.33
30-09-2014	30/Sep/14	VALUE ADDED TAX	40,000.00	0.00	40,000.00	15-May-17	958	32.00%	33,595.62	73,595.62
			840,000.00	0.00	840,000.00				705,507.95	1,545,507.95
PROFESSIONAL FEE										
09-12-2014	9/Dec/14	PROFESSIONAL FEE FOR SMOOTH PROMOTIONS LTD	650,000.00	0.00	650,000.00	15-May-17	888	32.00%	506,038.36	1,156,038.36
			650,000.00	0.00	650,000.00				506,038.36	1,156,038.36
			8,231,000.00	5,271,000.00	2,960,000.00				2,585,261.59	5,545,261.59

11-07-2016	11/Jul/16	Loan Repayment-Interest [010410000227]	5,500,000.00	5,500,000.00	5,500,000.00	575,221,390.08	3	0.00	1,145,156.83	-1,145,156.83	32.00%	308	15-May-17	0.00	-1,145,156.83
22-07-2016	22/Jul/16	Loan Repayment-Interest [010410000227]	450,000.00	450,000.00	450,000.00	574,771,390.08	11	13,144,282.23	4,188,810.03	8,955,472.20	32.00%	297	15-May-17	2,331,857.75	11,287,329.95
23-08-2016	23/Aug/16	Loan Repayment-Interest [010410000227]	15,000,000.00	15,000,000.00	15,000,000.00	559,771,390.08	32	16,053,971.63	13,076,070.94	441,765.93	32.00%	265	15-May-17	102,634.93	544,400.86
01-09-2016	1/Sep/16	Loan Repayment-Interest [010410000227]	10,000,000.00	10,000,000.00	10,000,000.00	549,771,390.08	9	14,767,269.84	3,674,767.90	11,092,501.94	32.00%	256	15-May-17	2,489,582.90	13,582,084.84
19-10-2016	19/Oct/16	Loan Repayment-Interest [010410000227]	31,828,622.46	31,828,622.46	31,828,622.46	517,942,767.62	48	15,306,048.32	19,087,286.74	-3,781,238.42	32.00%	208	15-May-17	0.00	-3,781,238.42
01-11-2016	1/Nov/16	Loan Repayment-Interest [010410000227]	10,000,000.00	10,000,000.00	10,000,000.00	507,942,767.62	13	0.00	5,077,123.77	-5,077,123.77	32.00%	195	15-May-17	0.00	-5,077,123.77
05-11-2016	3/Nov/16	Loan Repayment-Interest [010410000227]	7,700,000.00	7,700,000.00	7,700,000.00	498,442,767.62	25	14,363,659.53	9,020,841.50	5,342,818.03	32.00%	168	15-May-17	786,931.23	6,129,749.25
28-11-2016	28/Nov/16	Loan Repayment-Interest [010410000227]	3,800,000.00	3,800,000.00	3,800,000.00	498,442,767.62	21	0.00	7,462,638.01	-7,462,638.01	32.00%	147	15-May-17	0.00	-7,462,638.01
19-12-2016	19/Dec/16	Loan Repayment-Interest [010410000227]	17,000,000.00	17,000,000.00	17,000,000.00	479,442,767.62	2	0.00	705,328.52	-705,328.52	32.00%	145	15-May-17	0.00	-705,328.52
21-12-2016	21/Dec/16	Loan Repayment-Interest [010410000227]	8,000,000.00	8,000,000.00	8,000,000.00	471,442,767.62	2	0.00	705,328.52	-705,328.52	32.00%	145	15-May-17	0.00	-705,328.52
30-12-2016	30/Dec/16	Loan Repayment-Interest [010410000227]	5,000,000.00	5,000,000.00	5,000,000.00	466,442,767.62	9	14,386,682.88	3,065,289.83	11,321,393.05	32.00%	136	15-May-17	1,349,882.26	12,671,275.32
19-01-2017	19/Jan/17	Loan Repayment-Interest [010410000227]	3,500,000.00	3,500,000.00	3,500,000.00	462,942,767.62	20	0.00	6,698,093.97	-6,698,093.97	32.00%	116	15-May-17	0.00	-6,698,093.97
24-01-2017	24/Jan/17	Loan Repayment-Interest [010410000227]	5,000,000.00	5,000,000.00	5,000,000.00	457,942,767.62	5	0.00	1,656,763.93	-1,656,763.93	32.00%	111	15-May-17	0.00	-1,656,763.93
31-01-2017	31/Jan/17	Loan Repayment-Interest [010410000227]	6,500,000.00	6,500,000.00	6,500,000.00	451,442,767.62	7	15,171,283.12	2,302,065.13	12,869,217.99	32.00%	104	15-May-17	1,173,390.62	14,042,608.61
07-02-2017	7/Feb/17	Loan Repayment-Interest [010410000227]	6,000,000.00	6,000,000.00	6,000,000.00	445,442,767.62	7	0.00	2,277,201.74	-2,277,201.74	32.00%	97	15-May-17	0.00	-2,277,201.74
20-02-2017	20/Feb/17	Loan Repayment-Interest [010410000227]	7,000,000.00	7,000,000.00	7,000,000.00	438,442,767.62	13	0.00	4,169,061.62	-4,169,061.62	32.00%	84	15-May-17	0.00	-4,169,061.62
23-02-2017	23/Feb/17	Loan Repayment-Interest [010410000227]	6,666,417.04	6,666,417.04	6,666,417.04	431,776,350.58	3	0.00	949,304.26	-949,304.26	32.00%	81	15-May-17	0.00	-949,304.26
28-02-2017	28/Feb/17	Loan Repayment-Interest [010410000227]	666,416.70	666,416.70	666,416.70	431,109,933.88	5	13,175,170.38	1,557,310.38	11,617,860.00	32.00%	76	15-May-17	774,099.60	12,391,959.61
			169,890,066.12	169,890,066.12	169,890,066.12			229,991,129.62	161,865,168.74	65,589,926.12				28,898,159.32	94,487,985.44
		LOAN 029410000812 - 20,000,000.00 - Offer letter dated 10/10/2015						661,101,063.50							
		Interest Rate	24.00%												
		Number of days	365.00												
		Number of days	366.00												
		Period	450 days												
11-12-2015	11/Dec/15	010400000812 Draw Down Credit				20,000,000.00									
30-12-2015	30/Dec/15	Loan Account Payments For: 010400000812	5,000,000.00	5,000,000.00	5,000,000.00	15,000,000.00	19	0.00	249,863.01	-249,863.01	32.00%	502	15-May-17	0.00	-249,863.01
18-01-2016	18/Jan/16	Loan Account Payments For: 010400000812	9,000,000.00	9,000,000.00	9,000,000.00	6,000,000.00	19	0.00	186,885.25	-186,885.25	32.00%	483	15-May-17	0.00	-186,885.25
25-01-2016	25/Jan/16	Loan Repayment-Interest [010400000812]	47,835.00	47,835.00	47,835.00	6,000,000.00	7	47,835.00	27,540.98	20,294.02	32.00%	476	15-May-17	8,469.00	28,763.02
29-01-2016	29/Jan/16	Loan Repayment-Interest [010400000812]	850.00	850.00	850.00	6,000,000.00	4	850.00	15,737.70	-14,887.70	32.00%	472	15-May-17	0.00	-14,887.70
05-02-2016	5/Feb/16	Loan Repayment-Principal & Interest [010400000812]	6,415,658.14	6,000,000.00	6,000,000.00	0.00	7	415,658.14	27,540.98	388,117.16	32.00%	465	15-May-17	158,224.20	546,341.36
29-02-2016	29/Feb/16	Loan Repayment-Interest [010400000812]	67,314.89	67,314.89	67,314.89	0.00	24	67,314.89	0.00	67,314.89	32.00%	441	15-May-17	26,025.97	93,340.86
			20,531,658.03	20,000,000.00	20,000,000.00			531,658.03	507,567.93	24,090.10				192,719.16	216,809.26
			1,013,102,347.34	846,372,626.50	846,372,626.50			396,720,850.46	303,350,762.38	90,833,953.33				83,074,723.92	173,908,677.25

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**SMOOTH
PROMOTIONS**

4, OGUNDANA STREET,
OFF ALLEN AVENUE,
IKEJA, LAGOS.
P. O. BOX 20904
TEL: 08023138298, 7401305

February 22, 2018

The Experience Center,
Heritage bank Plc,
Victoria Island,
Lagos.

Dear Sir,

REQUEST: INSURANCE POLICY DOCUMENT.

Above subject refers.

Kindly provide all insurance policy document from 2013 till date.

Find attached the current position of our insurance premium and the deductions from our account for current year 2017/2018 insurance premium.

Thanks for your usual co-operation.

Yours truly,

Adeseun Oyeneye.

EXECUTIVE DIRECTOR

VALUATION REPORT

ON

ASSETS BELONGING TO SMOOTH PROMOTIONS

KD/TO

LOCATED AT

4, OGUNDANA STREET, OFF ALLEN AVENUE, IKEJA

AND

19A BABATUNDE LADEGA STREET, OFF OGUNUSI ROAD, OMOLE PHASE I, LAGOS.

FOR

THE MANAGING DIRECTOR
HERITAGE BANKING COMPANY LIMITED

PREPARED BY



JOHN ZEDOMI & ASSOCIATES
Estate Surveyors + Valuers
16B, SALVATION ROAD (FUSI HOUSE)
OPEBI
TEL: 08037862475, 8117467, 07013950477
Email: info@jzedomiassociates.net
Website: www.jzedomiassociates.net



October 21, 2013

The Managing Director
Heritage Banking Company Limited
292 Ajoye Adeogun Street
Victoria Island
Lagos

Dear Sir,

RE: VALUATION OF ASSETS BELONGING TO SMOOTH PROMOTIONS LOCATED AT 4, OGUNDANA STREET, OFF ALLEN AVENUE, IKEJA AND 19A, BABATUNDE LADEGA STREET, OFF OGUNUSI/ISHERI ROAD, OMOLE PHASE I, LAGOS.

Further to your recent instruction namely to determine the open market value of the above captioned property, we have carried out our inspection and now have the pleasure in reporting to you as follows:

PURPOSE OF VALUATION

The main objective of this valuation is to ascertain the Market Value of the assets in their present state. This will act as a supporting document in making decision by the management of the bank.

DATE OF INSPECTION

Physical inspection of the subject property was undertaken on Friday, October 18 and Saturday, October 19, 2013 while the effective date of valuation is October 21, 2013.

SCOPE OF THE VALUATION

This valuation covers the whole assets in its present state.



The valuation exercise covers Land and Buildings located at 19A, Babatunde Ladega Street, Ogunnusi/Isheri Road, Omole Phase I, Lagos, while the assets which include office furniture, fittings, media equipment and motor vehicle all located within the office premises of Smooth Productions at 4 Ogundana Street, off Allen Avenue, Ikeja, Lagos. The assets are used in the operations of the company which specializes in Audio and Visual Communication Productions.

Items valued, details of which are found in the attached schedules are:

- | | |
|--|------------|
| I. Items of Furniture, Fittings and Equipment | Schedule 1 |
| II. Items of Machinery, Media Equipment and Motor Vehicles | Schedule 2 |
| III. Land and Building | Schedule 3 |

DEFINITION OF VALUE

The definition of 'Market Value' as laid down by the International Valuation Standards Committee is:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

A summary of the features of the 'willing' buyer and seller are:

- They should be in a position to enter into a contract (financially and legally);
- They negotiate on equal terms;
- They are both well informed about the property and all its potentialities, as well as about the market for such properties (i.e. they are as well informed as the person who has taken all reasonable steps to obtain this information).
- They are not under pressure (i.e. they are not forced to buy or sell property within a limited time); and
- They negotiate the transaction rationally.

An analysis of these features makes it become clear that a 'real' person could seldom comply with all of them. The valuer must therefore distance himself from the personalities concerned and imagine a hypothetical transaction in which both the buyer and the seller have the understanding and motivations that are typical of the market for the property or interests being valued.

This definition of value holds true in the case of the subject property.



VALUATION METHOD

Items of office furniture, fittings, media equipment and motor vehicle

The items have been considered in the light of their continuous existing use and are valued by the Depreciated Replacement Cost (DRC) method. This method equates the open market value of an asset to the estimated total cost of the items as new at the date of valuation less allowance for depreciation to account for age, wear and tear and obsolescence.

- i. Total economic working life of the item in question.
- ii. Age and remaining economic life of the item.
- iii. The level of physical deterioration and obsolescence of the item.
- iv. Workload to which the items is subjected.
- v. Frequency of maintenance and availability cum replacement of parts where applicable.
- vi. Current costs of the items including installation, freight and custom charges where applicable.

Land and Buildings

When valuing real estate, the Valuer must concern himself with placing a value on the rights attaching to the property and the benefits of occupation and/or ownership thereof. In the valuation process, cognizance must be taken of the purpose for which the property is capable of being used and the future income or amenities, which it is likely to produce. At the same time, however, the property must be compared with available substitutes and/or alternative investment opportunities. The object of the valuation process, therefore, is to arrive at a figure which will reflect the point of equilibrium between supply and effective demand at the time of valuing the property.

The valuation of land as if vacant, or of land and improvements to or on the land, is an economic concept. Whether vacant or improved, land is also referred to as real estate. Real estate's utility or capacity to satisfy the needs and wants of humans creates value. Contributing to value are real estate's general uniqueness, durability, fixity of location, relatively limited supply, and the specific utility of a given site.

There are various methods commonly used for determining the market value of real estate. These methods of valuation comprise:

- Direct Comparable Sales Approach
- Cost Approach
- Income Approach

In order to determine which method/s applies to the subject property; cognizance was taken of the fact that the subject property is of specialize design and construction to meet needs of the

production equipment. A combination of the Cost Approach and the Depreciated Method of Valuation was considered to be most appropriate for the subject property.

SPECIAL ASSUMPTIONS

In valuing the items of office furniture, fittings, media equipment, and motor vehicle, we have assumed:

- i. That the items by virtue of the documents shown to us and their location in Smooth Promotions Limited confer sufficient ownership status on the company;
- ii. That the items are good and marketable;
- iii. That the items are maintained by qualified and competent engineers regularly as recommended by the manufactures using genuine spare parts;
- iv. That the items are installed in accordance with the manufacturers' recommendation;
- v. That no specific test on or of material were carried out on the plant, machinery and equipment and that other descriptions are based in visual inspection and trained judgment which are deemed accurate for our use in this report;
- vi. That the items will not be subject to willful and reckless use as to make their values depreciate rapidly;
- vii. That the items are free from all onerous charges and restrictions;
- viii. That a fair market exist for the class property asset under valuation and that effect of taxation on the property has been ignored;
- ix. That the information we are supplied are correct.

In valuing the land and buildings, we have assumed:

- i. that a proposed building had been completed at the valuation date
- ii. that the information with which we are supplied is correct
- iii. that the title to the property is good and marketable
- iv. that the property is free from all onerous restrictions and charges
- v. that the property is not adversely affected by or subject to compulsory acquisition, road widening or any other planning schemes.

No special assumptions made in this valuation that can have an effect on the value of the subject property.

CONDITION

From mere observation, the building and assets appears to be in good state of repairs and good working condition except where others stated at time of our inspection. We did not carry out engineering/laboratory test nor did we inspect parts of the building, plant, machinery and equipment that are covered or inaccessible and cannot state that such parts are free from any defects.

VALUATION MOTIVATION

We have used the OPEN MARKET VALUE as the basis of our valuation with recourse to DIRECT MARKET COMPARISON method of valuation.

SOURCE OF INFORMATION

Plant and Machinery

- i. Information contained in this Report as regards the descriptive details of the items of plant and machinery from visual inspections and tests carried out.
- ii. As regards the value, from the analysis of market information on similar equipments.

Land and Building

- i. As regards the description and location details from visual inspection and measurements taken.
- ii. As regards the value from the analysis of market information on construction materials and open market transactions on similar properties in the neighbourhood.
- iii. As regards the title and description from information made available to us by the property owner.

OPINION

WE ARE OF THE OPINION that the MARKET VALUE of the described items of Office Furniture and Fittings, Machinery, Media Equipment and Motor Vehicle with Land and Building as shown in the schedules as at October 21, 2013 is in the sum of **₦126,715,929.00** (One Hundred and Twenty Six Million Seven Hundred and Fifteen Thousand Nine Hundred and Twenty Nine Naira) only.

The breakdown of this sum is as follows:

I. Items of Furniture, Fittings and Equipment	N12,245,625.00
II. Items of Machinery, Media Equipment and Motor Vehicles	N34,470,304.00
III. Land and Building	<u>N80,000,000.00</u>
TOTAL	<u>N126,715,929.00</u>

WE ARE FURTHER OF THE OPINION that the FORCED SALE VALUE of the above described items as at October 21, 2013 is in the sum of **₦84,477,286.00** (Eighty Four Million Four Hundred and Seventy Seven Thousand Two Hundred and Eighty Six Naira) only.

This Certificate is issued for the use of the addressee only and no responsibility is accepted from any third party for the whole of its content or any part thereof.

If our opinion of value is to be disclosed, the basis of our valuation should please be stated and if our figure is to be published, it will be necessary for our prior consent to be obtained for the form and context in which it will be published.

Yours faithfully,



JOHN ZEDOMI & ASSOCIATES

SCHEDULE I

ITEMS OF FURNITURE, FITTINGS AND EQUIPMENT

SCHEDULE OF FURNITURE, FITTINGS AND EQUIPMENT BELONGING TO SMOOTH PROMOTIONS AT 4, OGUNDANA STREET, OFF ALLEN AVENUE, IKEJA, LAGOS.

OFFICE EQUIPMENT		DESCRIPTION OF ITEM	LOCATION	MAKE	MODEL/SERIAL NO.	CONDITION	QTY	OPEN MARKET VALUE (₦)	FORCED SALE VALUE (₦)
S/NO									
1		HP 630 Laptop	HR Office	HP	00192-046-789-744	GOOD	2	105,000	70,000
2		HP 630 Laptop	HR Office	HP	009196-236-703-548	"	2	105,000	70,000
3		HPL107 Flat Screen, Keyboard and Mercury UPS	HR Office	HP	CN7420L98	"	1	112,500	75,000
4		HPL107 Flat Screen, Keyboard and Mercury UPS	HR Office	HP	CNK720L8R	"	1	112,500	75,000
5		HP Photosmart Printer	HR Office	HP	C4280	"	2	17,250	11,500
6		Panasonic Window Unit AC1.5HP	HR Office	Panasonic		"	1	37,500	25,000
7		HP Photosmart Printer	Account Department	HP		"	2	34,500	23,000
8		HP Laserjet Printer	Account Department	HP	P1006	"	2	30,000	20,000
9		Mercury UPS	Account Department	Mercurt		"	1	11,250	7,500
10		Flat screen Dell Monitor with Keyboard and Packard Bell CPU	Account Department	Dell	cnpxp279-64180-6BL-2G5S	"	1	97,500	65,000
12		HP Laptop	Account Department	HP	CNU8413GFZ	"	3	157,500	105,000
13		Dell computer flat screen with Keyboard and Mercury CPU	Account Department	Dell	cnpxp279-64180-6bm-9kps	"	1	Not sighted	
14		Window Unit Samsung A/C 1.5HP	Account Department	Samsung		"	1	27,750	18,500
15		Sony TV Set 14"	Account Department	Sony		"	1	7,500	5,000
16		Sony LCD TV	Reception	Sony		"	1	637,500	425,000
17		Panasonic Split Unit A/C 1.5HP	Reception	Panasonic		"	1	64,500	43,000
19		Panasonic Phone box	Reception	Panasonic		"	1	2,250	1,500

		Reception	Ulink						
21	Apple Imaac 27" flat Screen with Keyboard and mouse	HIP-TV Department	Apple	m/n A1312	"	1	11,250	7,500	
22	Apple Imaac 27" flat Screen with Keyboard and mouse	HIP-TV Department	Apple	m/n 1316	"	2	644,250	429,500	
23	Apple Imaac 27" flat Screen with Keyboard and mouse	HIP-TV Department	Apple		"	2	644,250	429,500	
24	Apple Imaac 27" flat Screen with Keyboard and mouse	HIP-TV Department	Apple		"	1	225,000	150,000	
25	1. Sony TV + HP Monitor set of logitech speaker+HP desktop system+ external wireless card	HIP-TV Department	Sony		"	2	644,250	429,500	
26	Apple Imaac 27" flat Screen with Keyboard and mouse	HIP-TV Department	Apple		"	1	90,000	60,000	
27	1. LG flat screen monitor + keyboard + mouse + CPU desktop System.	HIP-TV Department	Apple		"	1	289,500	193,000	
28	Packard bell monitor +keyboard + HDV 1080i+Sony headphone +logitech complete set speaker+ mac desktop system.	HIP-TV Department	LG		"	1	75,000	50,000	
29	HP monitor flat screen + keyboard + mouse + complete logitech speaker + HP desktop CPU + sony head phone + packard bell monitor.	HIP-TV Department			"	1	225,000	150,000	
30	Sony TV Set 14"	HIP-TV Department	Sony		"	1	7,500	5,000	
31	2200VA APC UPS.	HIP-TV Department	APC		"	1	112,500	75,000	
32	3000VA APC UPS.	HIP-TV Department	APC		"	1	150,000	100,000	
33	Swift Router.	HIP-TV Department	Swift		"	1	15,000	10,000	
34	Mac Desktop System	HIP-TV Department	Apple		"	2	Not sighted		
35	Packer Bell Monitor	HIP-TV Department	Packard Bell		"	1	Not sighted		
36	LG flat screen TV	HIP-TV Department	LG		"	1	45,000	30,000	
37	Panasonic Split Unit 2HP	HIP-TV Department	Panasonic		"		64,500	43,000	
38	Panasonic Split Unit 2HP	Camara Unit	Panasonic		"	1	64,500	43,000	
39	LG Refrigerator	CEO's Waiting Room	LG		"	1	21,000	14,000	

40	Sony flat screen TV set	CEO's Waiting Room	Sony	"	1	236,250	157,500
41	Panasonic Split Unit 2HP	CEO's Waiting Room	Panasonic	"	1	64,500	43,000
42	Panasonic Intercom Phone	CEO's Waiting Room	Panasonic	"	1	3,750	2,500
43	Bose Speaker	CEO's Waiting Room	Bose	"	1	15,000	10,000
44	Philips Speaker	CEO's Waiting Room	Philips	"	1	22,500	15,000
45	Samsung Flat Screen TV	CEO's Office	Samsung	"	1	165,000	110,000
46	Panasonic Split Unit 2HP	CEO's Office	Panasonic	"	1	64,500	43,000
47	HP Photo Smart 7510 Printer	CEO's Office	HP	"	1	26,250	17,500
48	Multichoice decoder	CEO's Office	Multichoice	"	1	21,750	14,500
49	Decoder	CEO's Office	GOTV	"	1	7,125	4,750
50	Speakers	CEO's Office		"	1	11,250	7,500
51	Home speakers	CEO's Office		"	1	22,500	15,000
52	Sony DVD player	CEO's Office	Sony	"	2	18,750	12,500
53	Panasonic Intercom Phone	CEO's Office	Panasonic	"	1	5,250	3,500
54	LG flat screen TV	Audio Visual Studio	LG	"	2	90,000	60,000
55	Panasonic Split Unit 2HP	Audio Visual Studio	Panasonic	"	2	279,000	186,000
56	LG LCD TV	Audio Visual Studio	LG	"	1	28,500	19,000
57	Stabilizer	Audio Studio		"	1	10,875	7,250
58	Samsung LCD TV	Lobby Upstairs	Samsung	"	1	45,000	30,000
59	Samsung Split Unit A/C 2HP	Lobby Upstairs	Samsung	"	1	60,000	40,000
60	Router	Lobby Upstairs	HP	"	1	11,250	7,500
61	HP 630 Laptop	Marketing Department/GM's Office	HP	"	1	52,500	35,000
62	HP 630 Laptop	Marketing Department/GM's Office	HP	"	1	52,500	35,000

63	HP 630 Laptop	Marketing Department/GM's Office	HP		"	2	105,000	70,000
64	Mac Pro Laptop	Marketing Department/GM's Office	Apple		"	1	150,000	100,000
65	LG Refrigerator	Marketing Department/GM's Office	LG		"	1	21,000	14,000
66	HP DeskJet (F4583) Printer	Marketing Department/GM's Office	HP		"	1	10,875	7,250
67	HP Photosmart (C4180)	Marketing Department/GM's Office	HP		"	1	18,750	12,500
68	BT Graphite	Marketing Department/GM's Office	BT		"	1	7,500	5,000
69	Panasonic Split Unit Airconditioner 2HP	Marketing Department/GM's Office	Panasonic		"	1	64,500	43,000
70	Samsung Wall Unit Airconditioner 1.5	Marketing Department/GM's Office	Samsung		"	1	27,750	18,500
71	Samsung Flat Screen TV	Marketing Department/GM's Office	Samsung		"	1	Not sighted	
72	HP Laptop	Producer's Office	HP	S/N 00194-912-330-941	"	1	52,300	35,000
73	Panasonic Split Unit Airconditioner 2HP	Producer's Office	Panasonic		"	1	64,500	43,000
74	HP Laptop DV6000	Editorial Department	HP	S/N CNF747SSHM	"	4	210,000	140,000
75	Sony Lead Phone	Editorial Department	Sony		"	1	5,250	3,500
76	Dell Laptop	Editorial Department	Dell	P/N(JX190A00)	"	1	90,000	60,000
77	Panasonic Radio	Editorial Department	Panasonic		"	1	13,300	9,000
78	HP630 Laptop	Editorial Department	HP	X1696072	"	1	52,300	35,000
79	Sony Cybershot Photo Camera	Editorial Department	Sony		"	1	75,000	50,000
80	HP Monitor, Packard Bell Desktop with Keyboard	Editorial Department	HP		"	1	60,000	40,000
81	Paper Cutter	Editorial Department			"	1	13,500	9,000
82	DOPC Model	Editorial Department			"	1	11,250	7,500
83	Laminating Machine	Editorial Department			"	1	11,250	7,500
84	Blue Gate Stabilizer	Editorial Department	Blue Gate		"	1	15,000	10,000

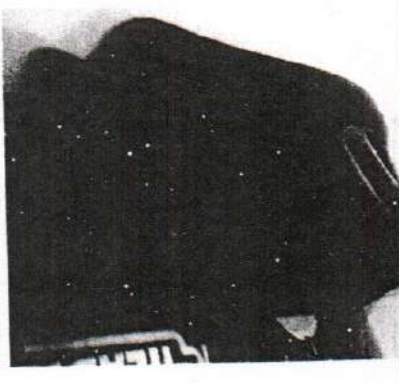
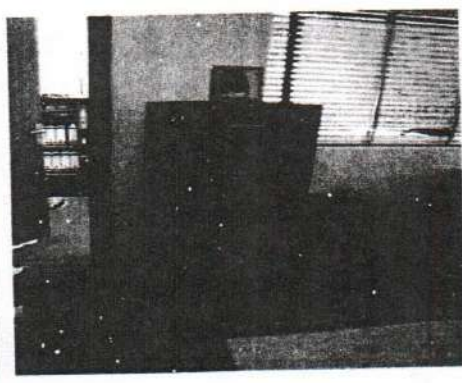
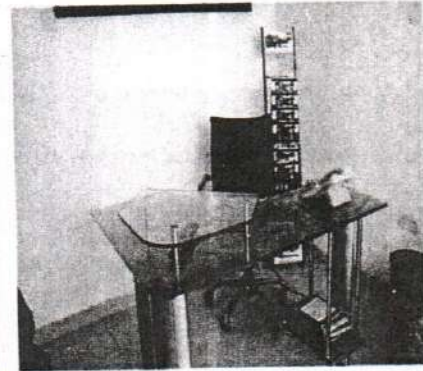
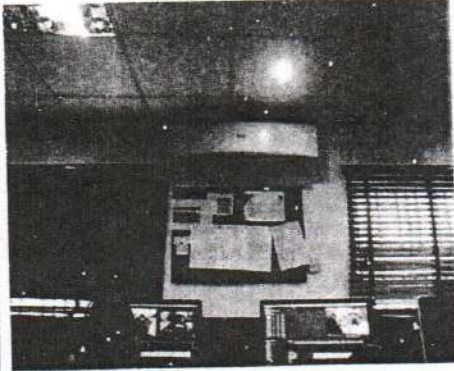
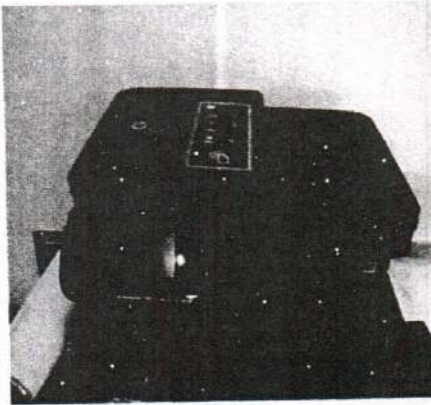
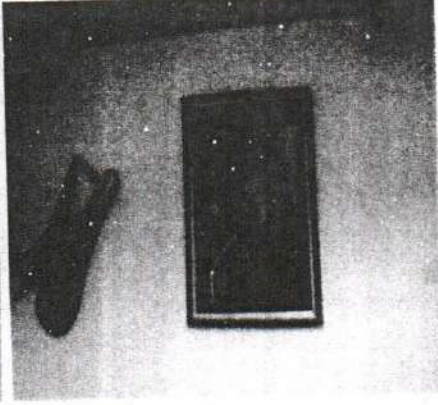
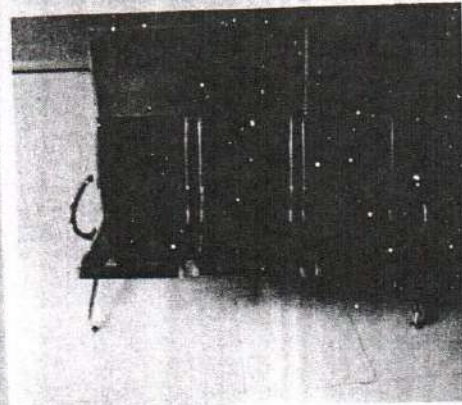
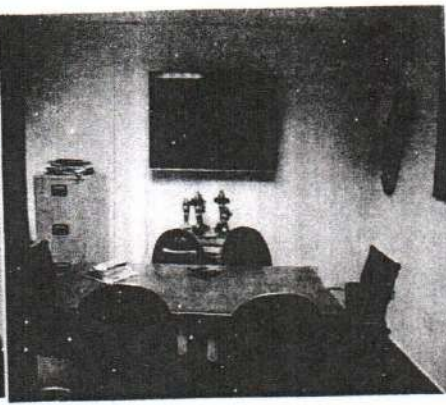
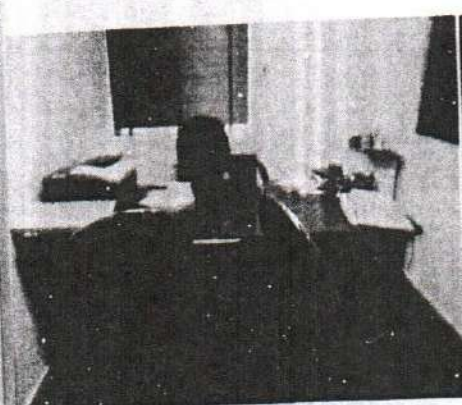
85	Netgear Router	Editorial Department	Netgear	"	1	13,500	9.00
86	Mercury UPS	Editorial Department	Mercury	"	1	15,000	10.0
87	HP Office Jet 7000 Wide format Printer	Editorial Department	HP	"	1	22,500	15.0
88	Panasonic 2Hp Split Unit Airconditioner	Editorial Department	Panasonic	"	1	60,000	40.0
89	LG Flat Screen TV	Editorial Department	LG	"	1	45,000	30.0
90	Water Dispenser	Kitchenette	CWAY	"	1	21,000	14.0
91	Samsung Refrigerator	Kitchenette	Samsung	"	1	26,250	17.5
92	LG Microwave	Kitchenette	LG	"	1	10,500	7.0
93	Samsung Split Unit Airconditioner 2HP	Kitchenette	Samsung	"	1	60,000	40.0
94	LG Flat Screen TV	Kitchenette	LG	"	1	45,000	30.0
95	Window Unit (Yet to be fixed)	Lobby Downstairs/Operation		"	1	Not sighted	
96	LG TV Set	Lobby Downstairs/Operation	LG	"	1	Not sighted	
97	Standing Fan	Lobby Downstairs/Operation		"	2	18,750	12.5
98	Medium-Sized Standing Fan	Lobby Downstairs/Operation		"	1	3,000	2.0
99	Freedom Vacuum Machine	Lobby Downstairs/Operation	Freedom	"	1	37,500	25.0
100	Samsung Split Unit Airconditioner 2HP	Lobby Downstairs/Operation	Samsung	"	2	120,000	80.0
101	Standing light system	CEO's Office		"	1		
102	CWAY Dispenser	Lobby Downstairs/Operation	CWAY	"	1	15,000	10.0
103	Rexel Cheque Shredder	CEO's Office	Rexel	"	1	15,750	10.5
104	Sharp Video Recorder	Lobby Downstairs/Operation	Sharp	"	2	Not sighted	
105	CWAY Dispenser	Lobby Upstairs	CWAY	"	1	19,500	13.0
106	Samsung TV Set	Lobby Downstairs/Operation	Samsung	"	1	60,000	40.0
107	Panasonic Split Unit Airconditioner 2HP	Studio Reception	Panasonic	"	1	64,500	43.0

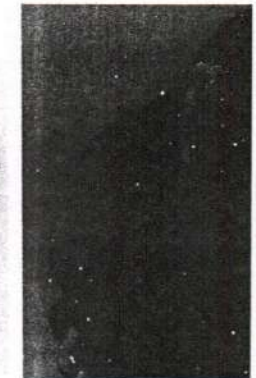
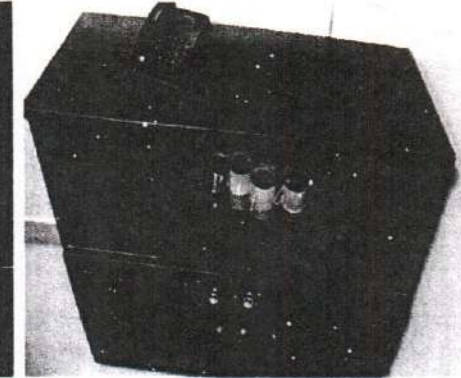
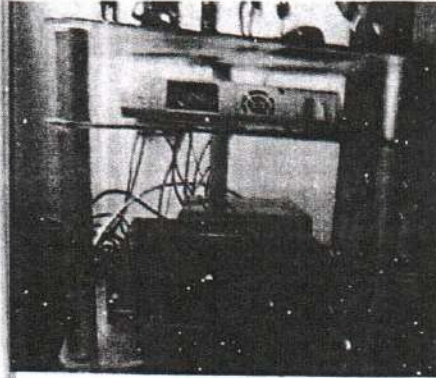
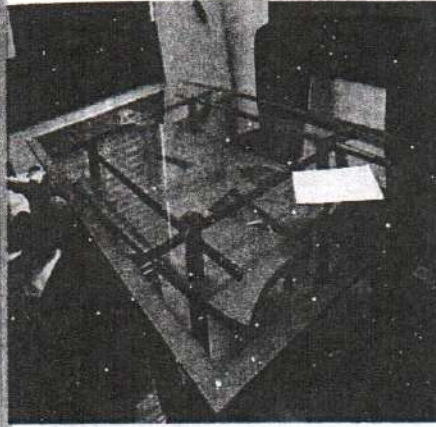
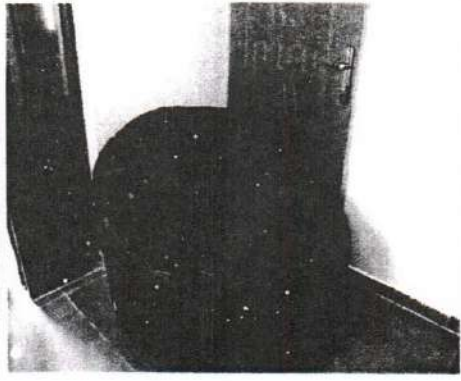
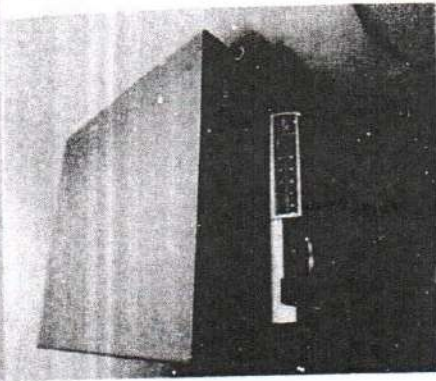
22	Chairs	Board Room	Fabric	"	6	112,500	75.0
23	White Board	Board Room	Laminated Wood	"	1	13,500	9.0
24	Window Blinds	Board Room	Wooden	"	2	16,500	11.0
25	File Cabinet	Board Room	Wooden	"	1	63,750	42.0
26	Wall fittings	Board Room	Wooden	"	1	30,000	20.0
27	Window Blinds	HIP-TV Department	Wooden	"	2	16,500	11.0
28	Chairs	HIP-TV Department	Fabric	"	10	187,500	125.0
29	Work Station Tables	HIP-TV Department	Wooden	"		337,500	225.0
30	Window Blinds	HIP-TV Department	Wooden	"		33,000	22.0
31	Window Blinds	Camera Unit	Wooden	"	1	8,250	5.0
32	Table	Camera Unit	Wooden	"	1	12,000	8.0
33	Chairs	Camera Unit	Fabric	"	4	75,000	50.0
34	TV stand	Camera Unit	Glass	"	1	7,500	5.0
35	Ultimate safe	CEO's Waiting Room		"	1	45,000	30.0
36	Cabinet	CEO's Waiting Room	Metal	"	1	41,250	27.0
37	Window Blind	CEO's Waiting Room	Wooden	"	1	8,250	5.0
38	Picture Frame	CEO's Waiting Room		"	1	112,500	75.0
39	TV stand	CEO's Waiting Room	TV	"	1	7,500	5.0
40	Chairs	CEO's Waiting Room	Fabric	"	6	112,500	75.0
41	Conference Table	CEO's Waiting Room	Laminated Wood	"	1	90,000	60.0
42	Waste Bin	CEO's Office	Wire Goss	"	1	4,125	2.0
43	Window Blinds	CEO's Office	Wooden	"	2	33,000	22.0

46	Picture Board	CEO's Office			"	1	11,250	7,500
47	Cushion	CEO's Office			"	1	11,250	7,500
48	Office Tables	CEO's Office	Laminated Wood		"	1	30,000	20,000
49	Executive Chair	CEO's Office	Leather		"	1	187,500	125,000
50	Office Chair	CEO's Office	Fabric		"	1	56,250	37,500
51	Antiques	CEO's Office			"	2	37,500	25,000
52	Office Stationary Holder	CEO's Office			"	10	11,250	7,500
53	Side Table	CEO's Office	Wooden		"	7	18,750	12,500
54	TV Stand	CEO's Office	Glass		"	1	7,500	5,000
55	TV Stand	Audio Visual Studio	Glass		"	1	7,500	5,000
56	Office Tables	Audio Visual Studio			"	1	5,250	3,500
57	Back Drop	Audio Visual Studio	Fabric		"	4	48,000	32,000
58	Table	Audio Studio			"	1	45,000	30,000
59	Chairs	Audio Studio	Fabric		"	2	24,000	16,000
61	Window Blind	Lobby Upstairs	Wooden		"	2	37,500	25,000
62	Settee	Lobby Upstairs	Leather		"	1	8,250	5,500
63	Side Table	Lobby Upstairs	Glass		"	2	97,500	65,000
64	Picture Frame (Painting)	Lobby Upstairs			"	1	5,250	3,500
65	Filing Cabinet	Marketing Department/GM's Office	Metal		"	1	165,000	110,000
66	Window Blind	Marketing Department/GM's Office			"	1	41,250	27,500
67	Office Chairs	Marketing Department/GM's Office	Fabric		"	2	16,500	11,000
68	Tables	Marketing Department/GM's Office	Laminated Wood		"	6	82,500	55,000
					"	3	36,000	24,000

no	executive table	GM's Office	Material			175,000	90,00
70	Wooden Cabinet	Marketing Department/ GM's Office	Wood		1	52,500	35,00
71	Window Blinds	Producer's Office	Wooden		1	8,250	5,5
72	Table	Producer's Office	Laminated Wood		1	12,000	8,1
73	Chairs	Producer's Office	Fabric		2	25,500	17,
74	Window Blinds	Editorial Department	Laminated Wood		4	26,250	17
75	Chairs	Editorial Department	Fabric		6	49,500	3
76	Sets of Plastic Chairs	Kitchenette	Plastic		6	22,500	1
77	Window Blinds	Kitchenette	Wooden		2	16,500	
78	Table	Kitchenette	Plastic		2	7,500	
79	Reception Steel Chairs 3 Seats each	Lobby Downstairs/Operation			2	Not sighted	
80	Filing Cabinet	Lobby Downstairs/Operation			1	Not sighted	
81	Cabinet	Lobby Downstairs/Operation	Wooden		4	Not sighted	
82	Window Blinds	Studio Reception	Laminated Wood		1	8,250	
83	Wall Painting	Studio Reception			1	262,500	
	TOTAL					4,140,750	
						12,245,625	

OFFICE FURNITURES





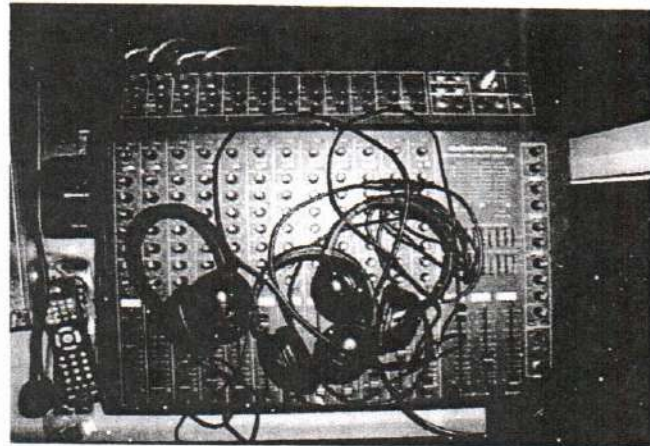
SCHEDULE II

ITEMS OF MACHINERY, MEDIA EQUIPMENT AND MOTOR VEHICLES

MACHINERY, MEDIA EQUIPMENTS AND MOTOR VEHICLES,



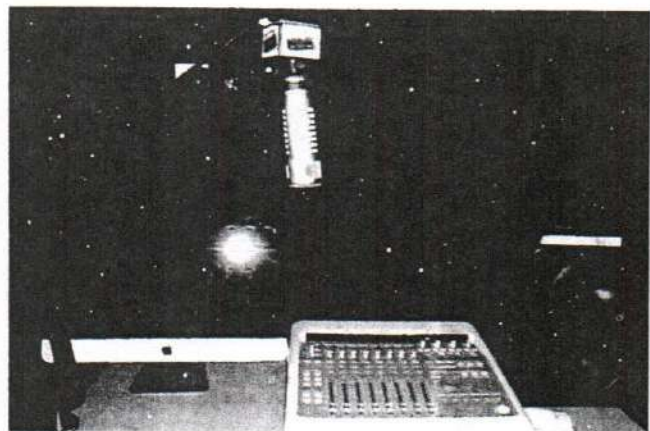
SONY HDV 1080 Camera



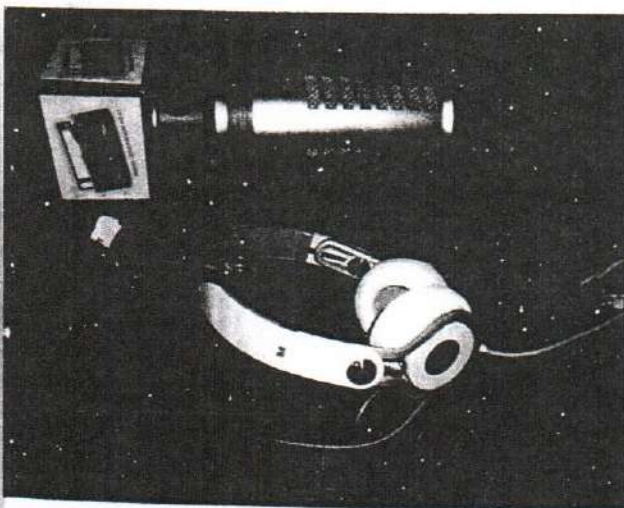
Headphones with Audio Technica Mixer.



LG 21" LCD Television.



Apple LCD Monitor, Stagesetter, Microphone and Speaker



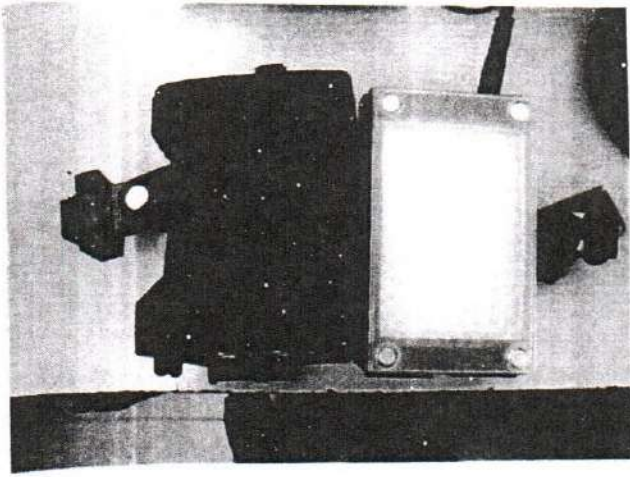
Microphone with Headphones



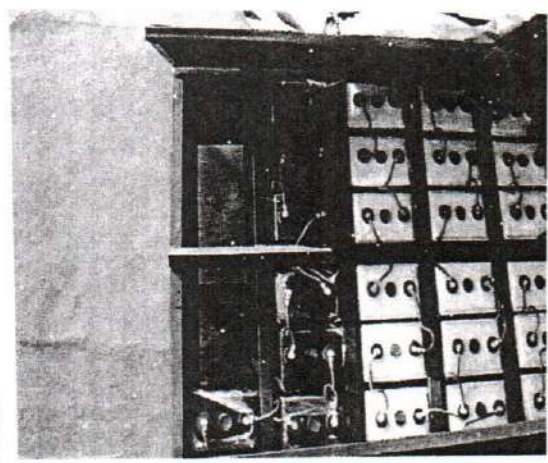
Headphones, HP Monitor and Mixer.

SMOOTH PROMOTIONS AT 4, UGUNDJANA STREET, OFF ALLEN AVENUE, IKEJA

S/NO.	DESCRIPTION OF ITEM	LOCATION	MAKE	MODEL/SERIAL NO.	CONDITION	QTY	DEPRECIATED VALUE (N)	FORCED SALE VALU
1	Toyota Hiace (HIP TV Mimi Production)	Vehicles	Toyota Hiace Bus	N/A	Good	1	3,900,000	2,600,000
2	Toyota Camry Car	Vehicles	Toyota Camry	SS 805 KJA	Fair	1	1,800,000	1,200,000
3	Mercedes Benz E320 Car	Vehicles	Mercedes Benz	MV 656 KJA	Fair	1	1,800,000	1,200,000
4	Hyundai Elantra (Gold Color)	Vehicles	Hyundai Elantra	LSR 148 BV	Good	1	1,920,000	1,280,000
5	Hyundai Elantra (Black Color)	Vehicles	Hyundai Elantra	PY 164 KJA	Fair	1	1,800,000	1,200,000
6	Hyundai Getz (Black Color)	Vehicles	Hyundai Getz	LSR 149 BV	Good	1	1,050,000	700,000
7	HIP TV Branded Toyota Hiace Bus	Vehicles	Toyota Hiace Bus	MV 630 KJA	Fair	1	600,000	400,000
8	HIP TV Branded Toyota Hiace Bus	Vehicles	Toyota Hiace Bus	KTU 524 BV	Good	1	2,940,000	1,960,000
9	Communications Mast	Accessories			Good	1	2,250,000	1,500,000
10	Headies Sculpture	Accessories			Good	2	450,000	300,000
11	Inverter Systems (15KVA)	Equipments			Good	1	3,000,000	2,000,000
12	Verilux Spectrum 750 Watts floor Light	AUDIO VISUAL STUDIO	Verilux		Good	1	101,250	67,500
13	ARRI 650 Plus Fresnel Tungsten Light	AUDIO VISUAL STUDIO	ARRI		Good	6	393,525	262,500
14	ARRI Four Leaf Barndoor for 650 watts	AUDIO VISUAL STUDIO	ARRI		Good	6	71,100	47,500
15	Rite Lite 1000 Watts Floor Light	AUDIO VISUAL STUDIO			Good	2	47,400	31,500
16	ARRI 750 WATTS Floor Lamp	AUDIO VISUAL STUDIO	ARRI		Good	2	47,400	31,500
17	Dimmer/ Dimmer Control switch	AUDIO VISUAL STUDIO			Good	1	157,500	105,000
18	12 Mic Port Mixer	AUDIO VISUAL STUDIO	Audio-Professional		Good	1	101,250	67,500
19	Data Video Switcher SE 500	AUDIO VISUAL STUDIO			Good	1	247,500	165,000



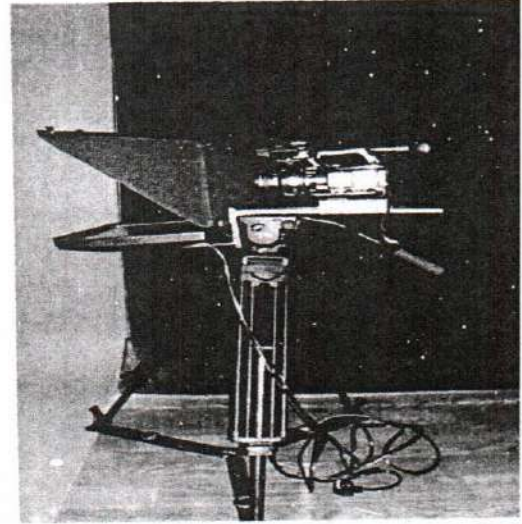
Camera light Accessories



10KVA Inverter



Studio



Hyundai Getz



Qlink Motor Bike



Hyundai Elantra



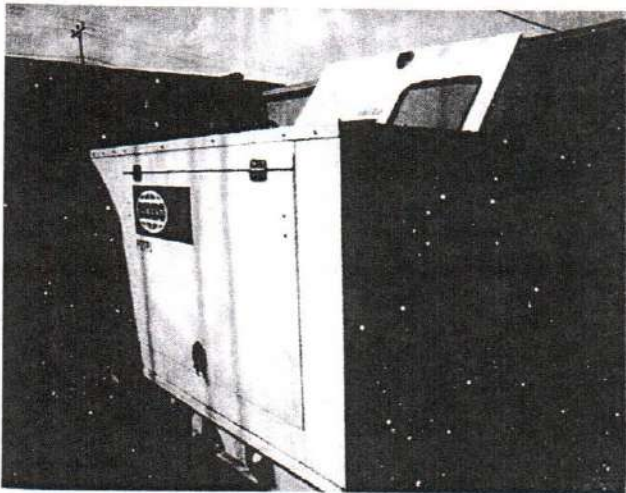
Hip TV Branded Toyota Hiace Bus



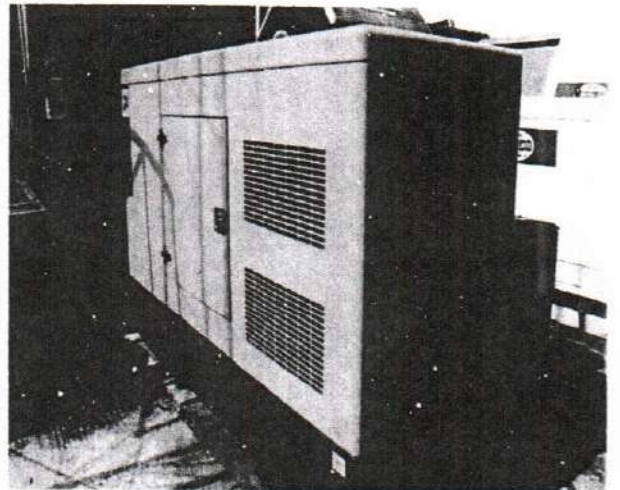
Toyota Hiace



Communication Mast



30 KVA FG Wilson Generator



120 KVA Briscoe Generator

SCHEDULE III
LAND AND BUILDING

DATE OF INSPECTION

Physical inspection of the subject property was undertaken on Saturday, October 19, 2013 with the effective date of valuation is October 23, 2013.

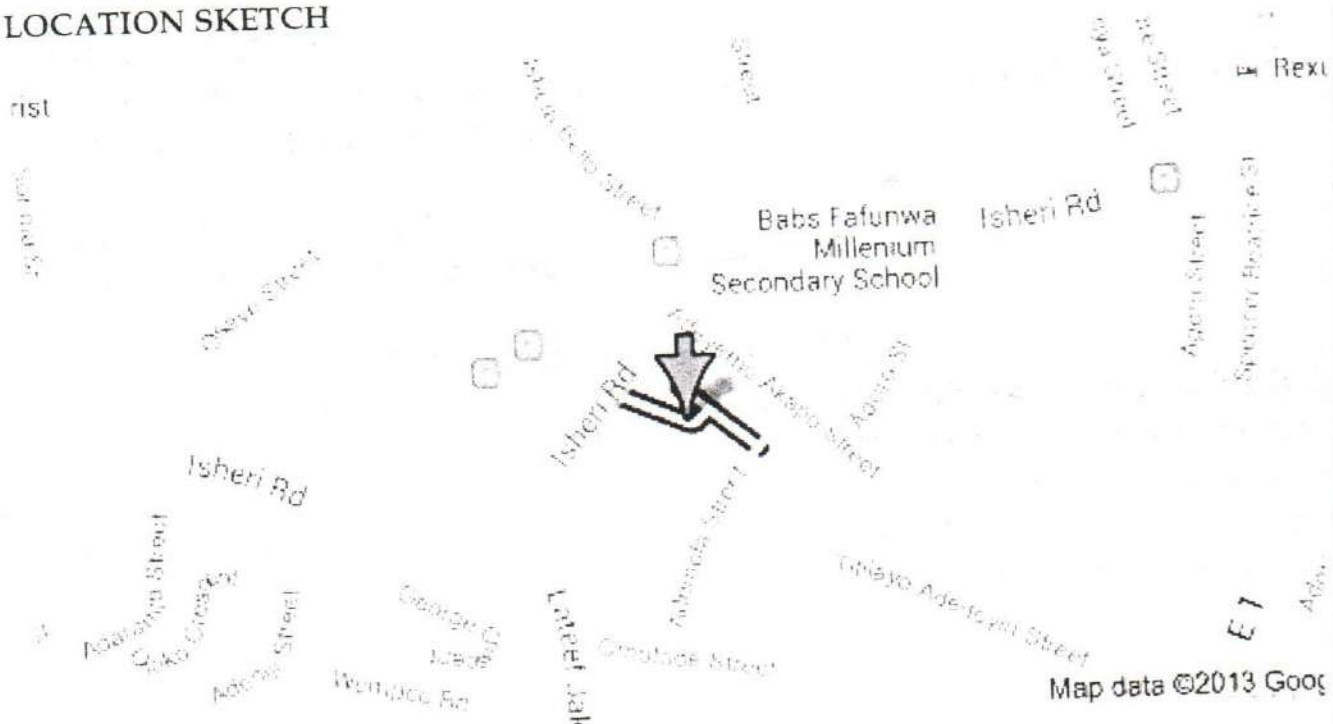
SCOPE OF THE VALUATION

This valuation covers the whole premises in its present state.

LOCATION, ACCESSIBILITY AND LOCATION SKETCH

The subject property situates along Babatunde Ladega Street, which takes its route directly from Isheri Road and Ademola Street inside Omole Estate. Driving along Isheri Road en-route Berger axis of the Lagos-Ibadan Expressway, a right turn is made into Babatunde Ladega Street after the traffic light by the intersection leading to Lateef Jakande Road, Agidingbi. From that approach, the subject property is located on the left hand side directly facing the road where the street splits at a T-Junction.

LOCATION SKETCH



NEIGHBORHOOD CHARACTERISTICS

Located about six kilometers west of Ikeja, Omole Phase I Estate is a private estate inhabited by a small number of rich people. The estate offers decent accommodation and superb facilities ranging from public parks to street lighting, paved sidewalks and good roads as well as security and maintenance services. Omole Phase I Estate is close to the Lagos-Ibadan Expressway, one of the main highways in the city. However, traffic is often heavy during the peak hour.

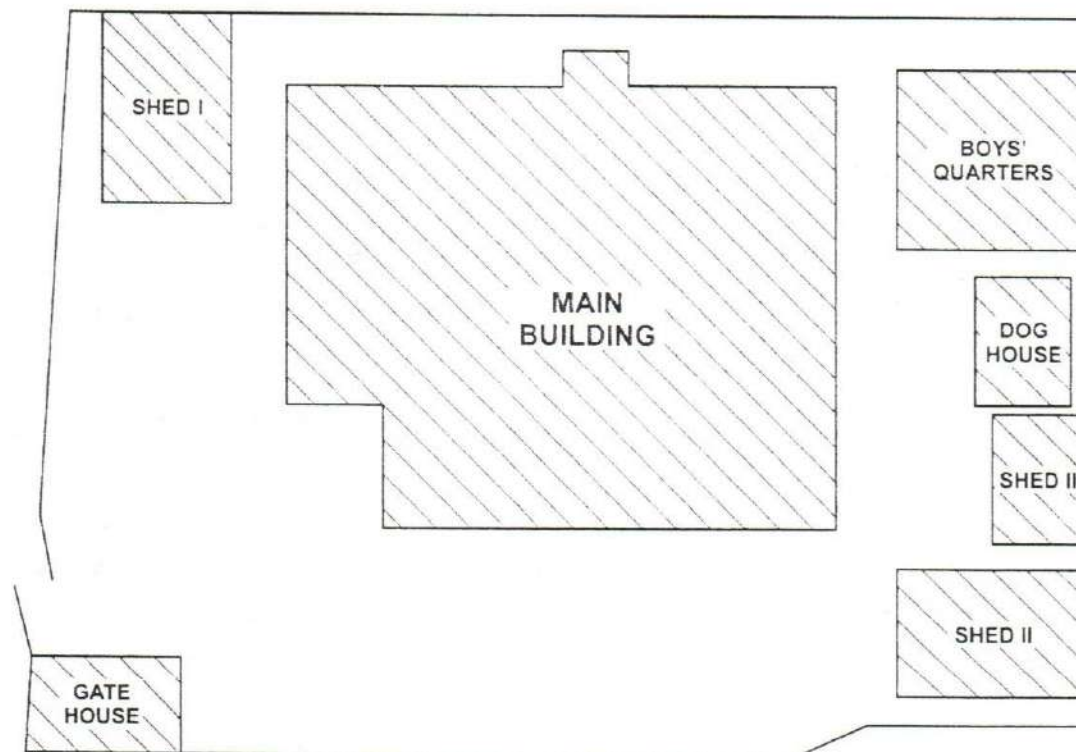
The Estate offers a serene environment and proximity to the Lagos Mainland, Island and Lagos states through the Lagos- Ibadan Expressway.

Majority of the properties inherent within the estate are largely detached and semi-detached duplexes, few blocks of flats and a number of bungalows. The estate's layout is in a grid pattern and most road networks within the estate are access roads of which virtually all the roads are largely tarred and drainages transverse the neighbourhood with all other amenities and services in close proximity.

DESCRIPTION OF PROPERTY

DEVELOPMENT

The development on the site comprise of a 4-bedroom detached house as the main building, boys' quarters, gate house, dog house as well as three (3) sheds (canopies), two (2) of which are used as car ports, while the third covers the generator. All finishes are basic.



The main building comprises of the ante room, visitors' toilet, living room, dining area, kitchen, and bedroom (en-suite with toilet and bath) on the ground floor; family lounge, bedroom and two (2) other bedrooms (all en-suite with toilet and bath) on the upper floor.

The boys' quarters comprises of one (1) bedroom (en-suite with toilet and bath) on the ground floor and an open relaxation area on the upper floor.

The gate house is also en-suite with toilet and bath.

CONSTRUCTION DETAILS**Main Building**

Structure	: Sandcrete blockwalls
Storeys	: One storey building
Roof	: Hipped roof covered with long span aluminium
Doors	: Wooden panel and metal doors
External Walls	: Plastered and painted with textured paint
Internal Walls	: Rendered and painted with vinyl paint; kitchen conveniences have ceramic wall tiles
Floors	: Ceramic floor tiles
Ceilings	: POP (internally) and PVC (externally)
Lighting	: Lampshade fittings
Glazing	: Glazed aluminium casement windows
Lifts	: Not Available
Air conditioners	: Available
Condition	: Very Good

Boys' Quarters

Structure	: Sandcrete blockwalls
Storeys	: One storey building
Roof	: Hipped roof covered with thatch material
Doors	: Wooden panel and metal doors
External Walls	: Plastered and painted with textured paint
Internal Walls	: Rendered and painted with emulsion paint; conveniences have ceramic wall tiles
Floors	: Ceramic floor tiles
Ceilings	: Painted
Lighting	: Lampshade fittings
Glazing	: Glazed aluminium casement windows
Lifts	: Not Available
Air conditioners	: Available
Condition	: Very Good

Gate House

Structure	: Sandcrete blockwalls
Storeys	: Bungalow
Roof	: Solid upper floor
Doors	: Wooden panel doors

External Walls	:	Plastered and painted with textured paint
Internal Walls	:	Rendered and painted with emulsion paint; conveniences have ceramic wall tiles
Floors	:	Ceramic floor tiles
Ceilings	:	Painted
Lighting	:	Lampshade fittings
Glazing	:	Glazed aluminium casement windows
Lifts	:	Not Available
Air conditioners	:	Not available
Condition	:	Very Good

SERVICES

The property is connected to the public main electricity with alternative power supply FG Wilson generator. Other basic infrastructural facilities such as water and telephony are available within the neighborhood.

SITE

The site, which is regular in shape, covers an approximate land area of 470.4225 square metres and has a frontage of 16.74 metres facing Babatunde Ladega Street and a depth of about 28 metres and it appears firm and well drained.

The property is walled round with sandcrete block wall fence to a height of about 1.6 metres at the front, 1.6 metres at the right and 1.9 metres at the left and rear. Access into the property is provided via a two (2) leaf metal gate with a pedestrian entrance and it is paved with interlocking tiles.

TITLE

Chief Michael Pepple holds a deed of Assignment from Emmanuel Babatunde registered as No. 91 at Page 91 in volume 2064 at the Lands Registry Office Alausa Lagos. This title was further transferred to Mr. Ayo Animashaun by an unregistered Assignment from Chief Mike Pepple.

RATING

CURRENT DEMAND				
SCALE	RATING	LETTABILITY	SALEABILITY	LOCALITY
6	Excellent			
5	Very Good	X	X	X
4	Good			
3	Average			
2	Poor			
1	Unlettable			

ANTICIPATED FUTURE DEMAND				
SCALE	RATING	LETTABILITY	SALEABILITY	LOCALITY
6	Excellent			
5	Very Good	X	X	X
4	Good			
3	Average			
2	Poor			
1	Unlettable			

MARKET RESEARCH AND APPLICATION

Nigeria is a middle income, mixed economy and emerging market, with expanding service, communications, and entertainment sectors. It is ranked 30th in the world in GDP (PPP) as of 2011, and its emergent, though currently underperforming manufacturing sector is the third-largest on the continent, producing a large proportion of goods and services for the West African region.

The GDP per capita doubled from \$1200 per person in 2005 to an estimated \$2,600 per person in 2011 (again, with the inclusion of the informal sector, it is estimated that GDP per capita is around \$3,500 per person). It is the largest economy in the West Africa Region, 3rd largest economy in Africa (behind South Africa and Egypt), and on track to becoming one of the largest economies in the world by 2025.

Lagos State is the most populous State in Nigeria with an estimated population of 17 million people. From the beginning, Lagos has expanded on the mainland west of the lagoon conurbation, including Ikeja and Agege, now reaches more than 40 km north-west to the Island. Some suburbs include Ikorodu, Epe and Badagry, and more local councils have been created, bringing the total number of local governments in Lagos to 57. Most of the population lives on the mainland, and most industries are located there too. Greater Lagos includes Mushin, Maryland, Somolu, Oshodi, Oworonsoki, Isolo, Ikotun, Agege, Ibeju-Lekki, Egbeda, Ketu, Bariga, Ipaja, Ajah and Ejigbo.

Lagos was the former capital city of Nigeria but it has since been replaced by Abuja. Lagos officially gained its status as the capital of Nigeria on 12 December 1991, although the decision to move the federal capital had been made in the now Act no. 6 of 1976. Lagos is Nigeria's most prosperous city, and much of the nation's wealth and economic activity are concentrated there. Most commercial and financial business is carried out in the central business district situated on the island. This is also where most of the country's commercial banks and financial institutions and major corporations are headquartered. Lagos has one of the highest standards of living compared to other cities in Nigeria as well as in Africa.

Omole Phase 1 is a high brow private residential estate located about six kilometers with its main gate directly on Isheri road, and the alternative gate on Lateef Jakande estate is close to Lagos - Ibadan Expressway, one of the major highways in the city. within the estate range, from past and present government dignitaries, diplomats, expatriates and high net-worth individuals. The area is dotted with police posts and and there are frequent patrols especially at night. It is a gated community with private posts strategically positioned as measures put in place in a bid to ensure safety property within the estate, which forms part of the services inherent.

The estate offers decent accommodations and other services in place include public lighting, paved sidewalks, good roads as well as maintenance services. The estate is served by an estate shuttle services in a bid to foster movement of people and services within although most of the residents have their own means of transportation. There are markets or shopping malls in Omole but there are plenty of local stores selling groceries are several eateries, bars, restaurants and guest houses in and around the area for relaxation.

VALUATION MOTIVATION

In assessing the value of the subject property we have used the information gathered from market research conducted within the area in our calculations. We considered relevant indicators obtained in the local market place.

Description	Land Value/m ² (Lowest)	Land Value/m ² (Highest)	Land Value/m ² applied to subject property
Parcel of land	N55,000.00	N75,000.00	N70,000.00

VALUATION Assumptions

VALUATION METHOD

When valuing real estate, the Valuer must concern himself with placing a value on the property and the benefits of occupation and/or ownership thereof. In the valuation process, cognizance must be taken of the purpose for which the property is being used and the future income or amenities, which it is likely to produce. The objective of the valuation process, therefore, is to arrive at a figure which will reflect the point of equilibrium between supply and effective demand at the time of valuing the property.

The Direct Market Comparable Approach of Valuation was considered to be most appropriate for the subject property.

PHOTOGRAPH ADDENDUM



Street View



Front View



Side View (Left)



Rear View



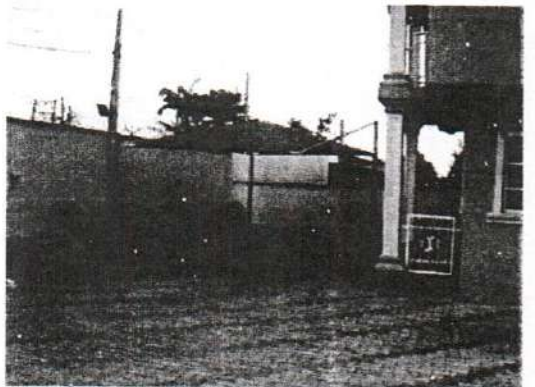
Boys' Quarters



Dog House, Shed II & III



Gate House



Shed I

SMOOTH PROMOTIONS LIMITED

STATEMENT OF EXPENSES FOR THE DISCONTINUED OPERATIONS PROPERTY AS AT APRIL, 2017

LN	W. A. ACCOUNT	DESCRIPTION	INVENTORY	INVENTORY	INVENTORY	INVENTORY	INVENTORY
1	2013	CAMERA PMW 300	6,073,004.50	1,356,758	1,356,758	1,356,758	1,356,758.00
2	2013	CAMERA PMW 300	3,027,943.50	1,756,149	1,756,149	1,756,149	1,756,149.00
3	2013	CAMERA PMW 300	4,473,126.50	1,788,858	1,788,858	1,788,858	1,788,858.00
4	2013	CAMERA PMW 300	6,073,004.50	1,788,858	1,788,858	1,788,858	1,788,858.00
5	2013	CAMERA PMW 300	6,420,484.50	1,758,858	1,758,858	1,758,858	1,758,858.00
6	2013	CAMERA PMW 300	4,081,749.00	1,788,858	1,788,858	1,788,858	1,788,858.00
7	2013	CAMERA PMW 300	8,426,204.50	1,788,858	1,788,858	1,788,858	1,788,858.00
8	2013	PMW Chargers	1,307,300,049	96,011	96,011	96,011	96,011.00
9	2013	PMW Chargers	1,304,300,007	96,011	96,011	96,011	96,011.00
10	2013	PMW Chargers	1,006,300,004	96,011	96,011	96,011	96,011.00
11	2013	PMW Chargers	14,103,002,529	96,011	96,011	96,011	96,011.00
12	2013	PMW Chargers	1,307,300,049	96,011	96,011	96,011	96,011.00
13	2013	PMW Chargers	1,304,300,007	96,011	96,011	96,011	96,011.00
14	2013	PMW Chargers	1,006,300,004	96,011	96,011	96,011	96,011.00
15	2013	PMW Batteries	2,017,047,818	724,000.00	724,000.00	724,000.00	724,000.00
16	2013	PMW Batteries	2,014,047,611	724,000.00	724,000.00	724,000.00	724,000.00
17	2013	PMW Batteries	12,254,993	724,000.00	724,000.00	724,000.00	724,000.00

SMOOTH PROMOTIONS LIMITED

19	2013	PMW Batteries		296697	BP-U30	1	724,000.00
20	2013	PMW Batteries		322344	BP-U30	1	724,000.00
21	2013	PMW Batteries		297978	BP-U30	1	724,000.00
22	2013	PMW Batteries		2014635	BP-U30	5	724,000.00
23	2013	PMW Batteries		0-314306	BP-U30	1	724,000.00
24	2013	PMW Batteries		20131008	BP-U30	1	724,000.00
25	2013	PMW Batteries		286112	BP-U30	1	724,000.00
26	2013	PMW Batteries		2014050388	BP-U30	1	724,000.00
27	2013	PMW Batteries		1246683	BP-U50	1	724,000.00
28	2013	PMW Batteries		1246684	BP-U50	1	724,000.00
29	2013	PMW Batteries		1246682	BP-U50	1	724,000.00
30	2013	CAMERA - HI PROMPTER				4	1,448,720.00
31	2013	CAMERA - HIPOD				17	4,297,141.00
32	2013	CAMERA - MONOPOD				10	546,000.00
33	2013	CAMERA - SLIDER				1	88,935.00
34	2013	CAMERA - Gopro				5	1,175,300.00
35	2013	CAMERA - SHOULDER BRG				5	794,030.00
36	2013	CAMERA - ZOOM (Hofaudio Decider)				5	1,650,000.00
37	2013	SUNGUN CAMERA LIGHT				4	145,200.00

!MDDTH PROMCON!

38	2013	CAMERA MEMORY CARD							1,210,000.00
39	2013	CAMERA STRIP							1,100.00
40	2013	CAMERA LABEL							125,715.00
41	2013	COPIES FOR MICROCAMERA							275,500.00
42	2014	CAMERA MEMORY CARD							138,000.00
43	2014	CAMERA LIGHT							200,000.00
44	2014	TRIPPOD MONOPOD STAND							200,000.00
45	2014	MP3 WITH MICROPHONE BUILT IN (CLASSIC DIGITAL SOUND MIXER)							433,000.00
46	2014	DAWSTEREO (FOR LIVE BROADCAST)							1,270,500.00
47	2013	OX STANDING FAN							1,250,575.00
48	2014	PANASONIC AIR CONDITIONER(SPLIT)							187,500.00
49	2014	CC TV CAMERA							472,500.00
50	2014	GLASS TV STAND							4570,000.00
51	2014	ALUMINATED WOOD WINDOW BLINDS							55,000.00
52	2014	Exclusive Interview Chair(Sofa) long scater							131,250.00
53	2014	WALL CLOCK							1,385,000.00
54	2014	RIG WALL AND WORK(HEADLES)							130,000.00
55	2014	BLACK MAGNETIC TAPES FOR 1/2 MIC FOUR MIXER							4,342,500.00
56	2014	AUDIO DEVICE SPEAKER							1,500,000.00
57	2014	DIGITAL DESIGN Next Rated Set Board							741,000.00
									275,000.00

SMOOTH PROMOTION

69	2014	WCFESTATION(LABEL)							2400000.00
70	2014	COBB (100) (604)							2400000.00
71	2014	CO. I BNC (E) DE. NERBA. STOK							4000000.00
72	2014	CO. I BNC (E) DE. NERBA. STOK							4000000.00
73	2014	YSTER COMPROM (WORLDWIDE)							6000000.00
74	2014	AUDIO CONTROL							2000000.00
75	2014	SCANSOR II (SYDOR/DI/VA) SERIAL 8-0277							1500000.00
76	2014	FORM 517 B-GH CONTROL/CONTROL BOARD							2000000.00
77	2014	LED LIGHT							1000000.00
78	2014	DIAGNOSTIC LIGHT battery 28 MP							2000000.00
79	2014	DIAGNOSTIC LIGHT charge							1000000.00
80	2014	Felix Light							2000000.00
81	2014	Felix Light stand							1500000.00
82	2014	FLUORESCENT LIGHT (WHITE) 6 bulbs							650000.00
83	2014	FLUORESCENT LIGHT (50 WATTS)							700000.00
84	2014	ARRI 150 WATTS FLUORESCENT LIGHT							900000.00
85	2014	HALOGEN VIDEO LIGHT							320000.00
86	2015	SONY HEADSET (SONY MD9)							500000.00
87	2015	DIANDE TAIKBI - MOTOROLA	672TQW11M						2173080.00
88	2015	DIANDE TAIKBI - MOTOROLA	672TQW1203						2173080.00

MONTH PROMIDI

88	2014	CONCRETE FLOOR - ESTIMATED					2,124,000.00
89	2014	CONCRETE CURB WALL FLOOR					200,000.00
90	2014	CONCRETE CURB WALL					200,000.00
91	2014	CARWASH FLOOR CURB					6,000,000.00
92	2014	Black magic design - 1 permit studio Res. arch					3,256,110.00
93	2015	Black magic design - 111115 production Res. arch					6,001,736.00
94	2016	Black magic ATIM 1 floor design					10,879,110.00
95	2015	Black magic VIII COORDINATOR					1,306,000.00
96	2015	Acoustic wall cap soundproof					4,500,000.00
97	2015	RUG (ACM)					1,250,000.00
98	2015	WALL CURB 1					829,000.00
99	2015	COST OF STUDIO BUILDING					179,500,000.00
		TOTAL					381,387,240.93

MIDTTH PROMOTION

COST OF STUDIO SET UP

S/N	STUDIO NAME	AMOUNT
1	TRENDING SET	25,425,800.00

1	INITIALS	43,750,000.00
2
3	...	12,750,000.00
4	...	25,000,000.00
5	...	20,000,000.00
6	TOTAL	157,540,322.00

GRAND TOTAL 157,540,322.00

GRAND TOTAL

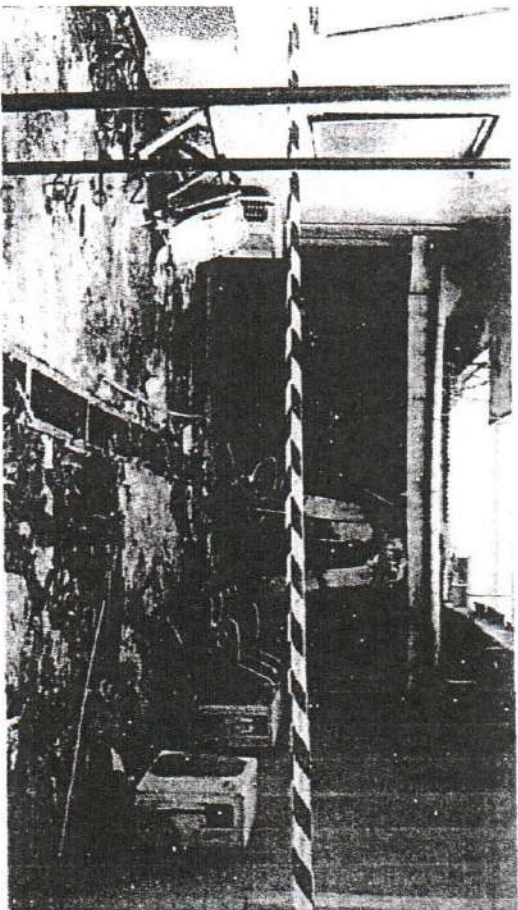
PREPARED BY: HASSAN TRITAN

INVOICE PROMOTION

SIGNATURE:

DATE: 02/05/2017

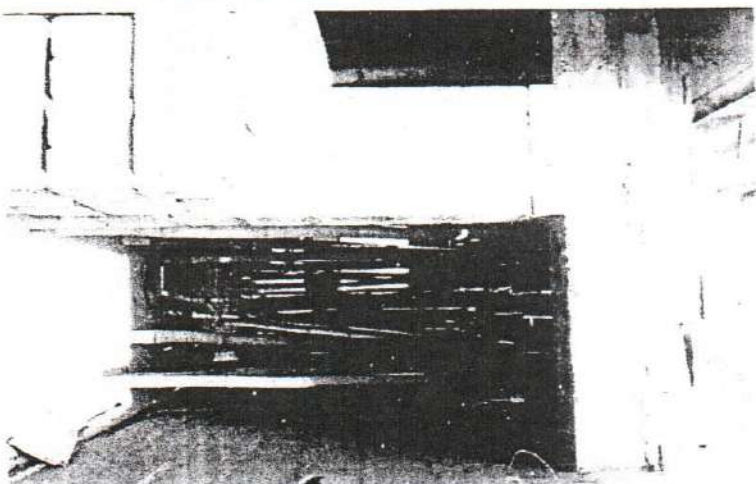
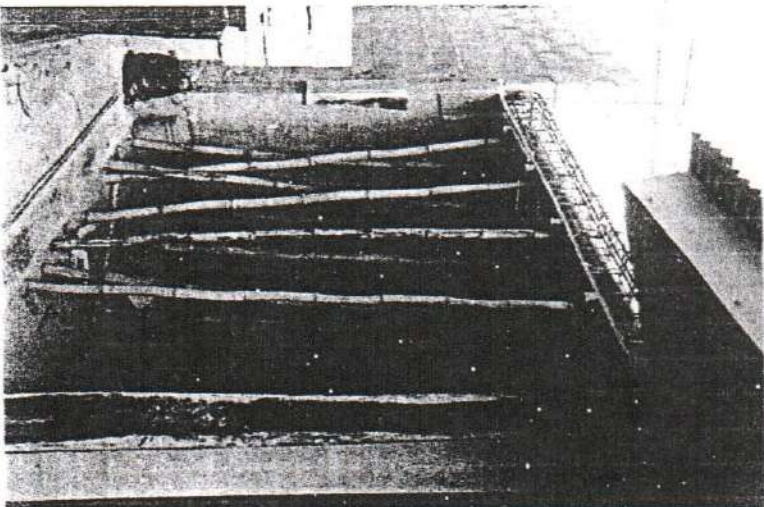
BEFORE (FIRE OUTBREAK)



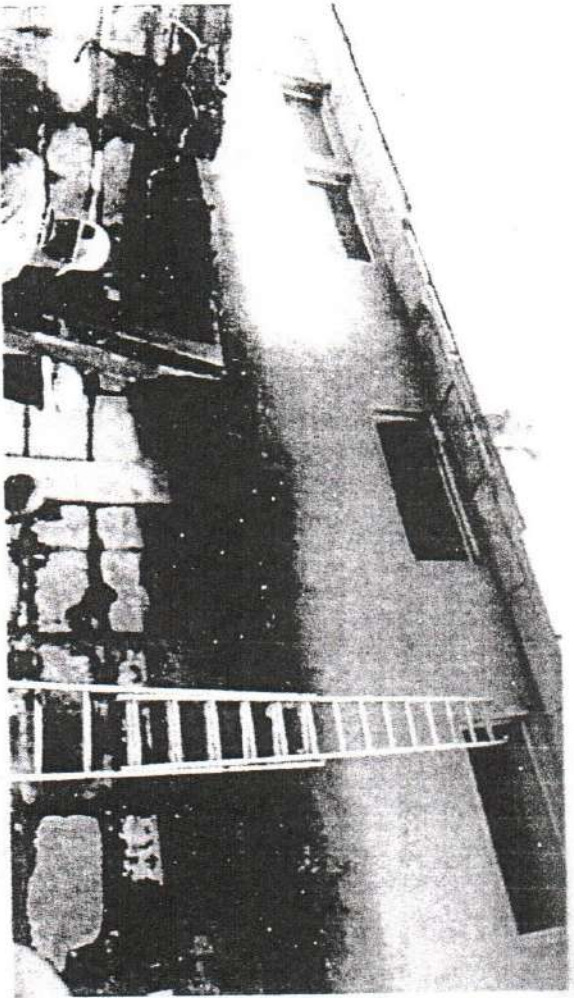
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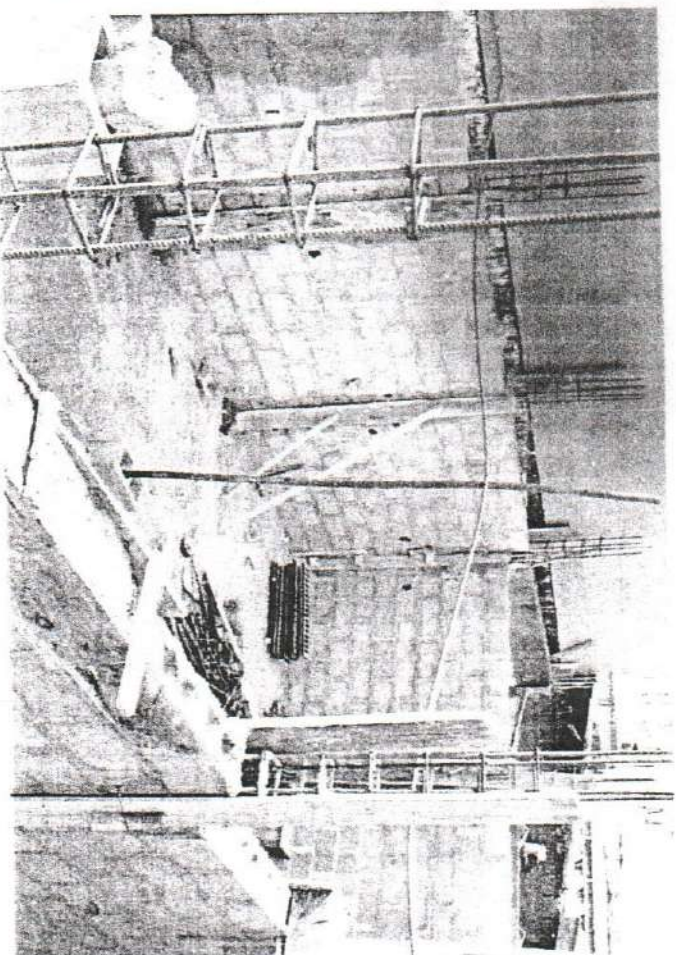
AFTER (CONSTRUCTION IN PROGRESS)



BEFORE (FIRE OUTBREAK)



AFTER (CONSTRUCTION IN PROGRESS)



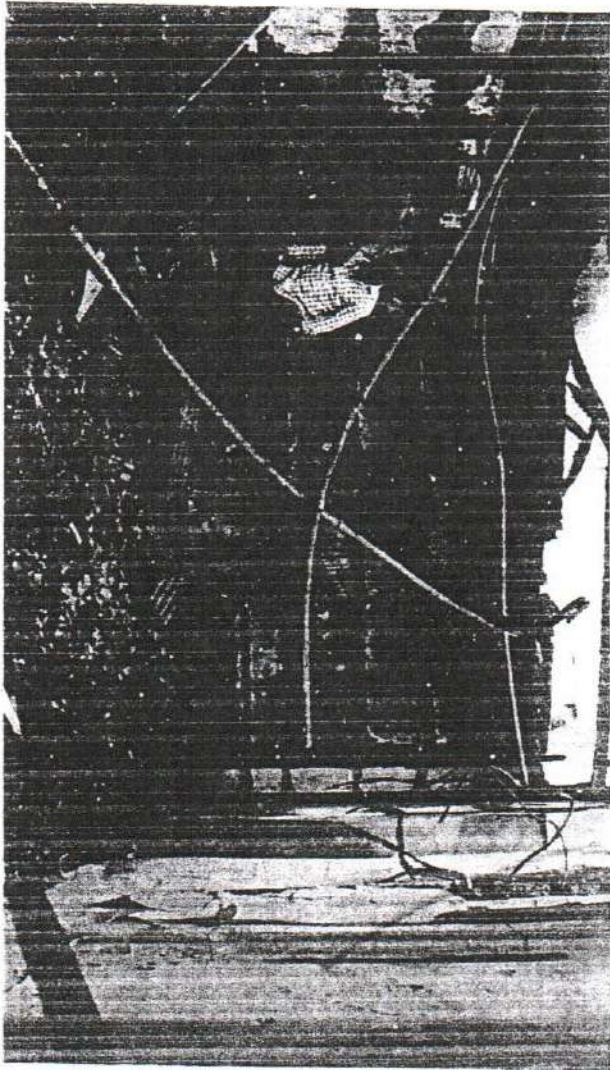
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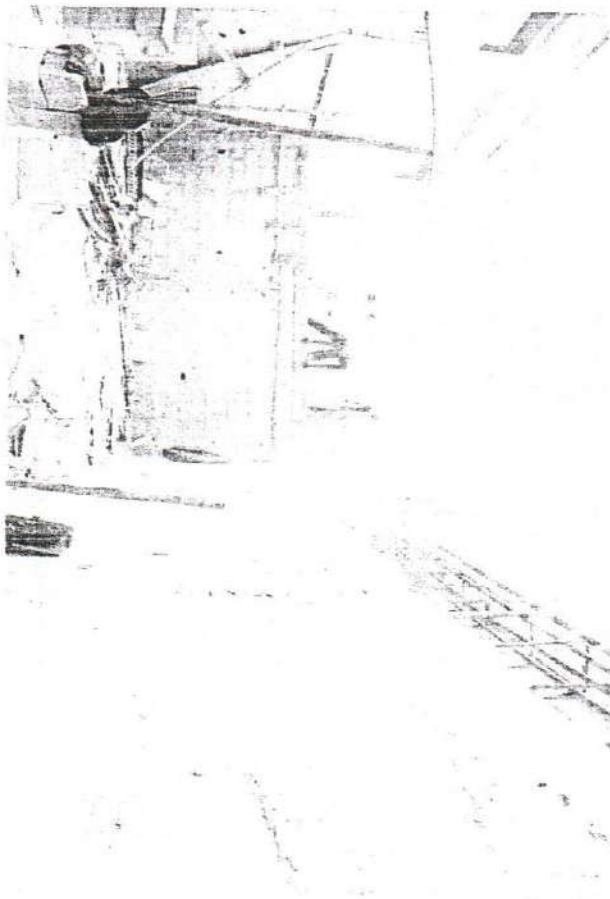
AFTER (CONSTRUCTION IN PROGRESS)



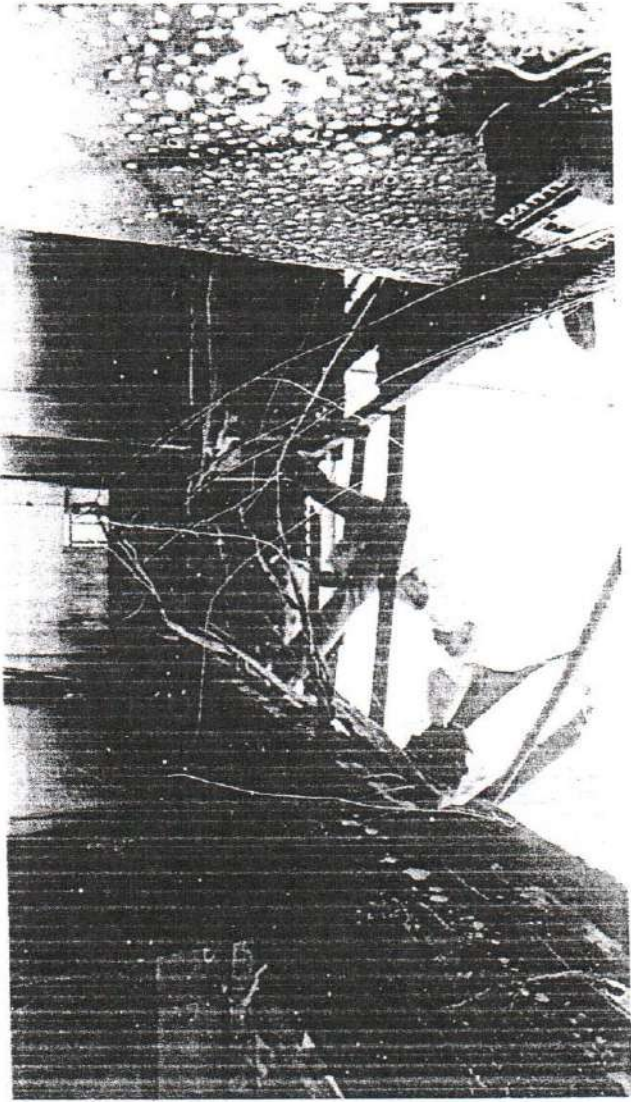
BEFORE (FIRE OUTBREAK)



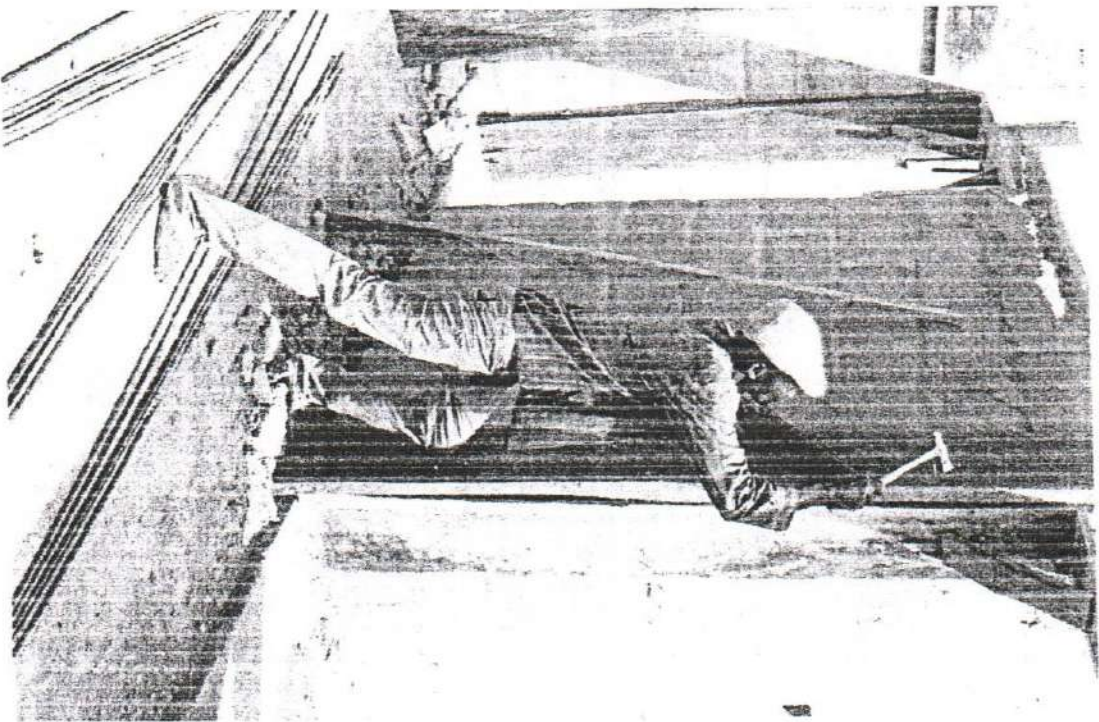
AFTER (CONSTRUCTION IN PROGRESS)

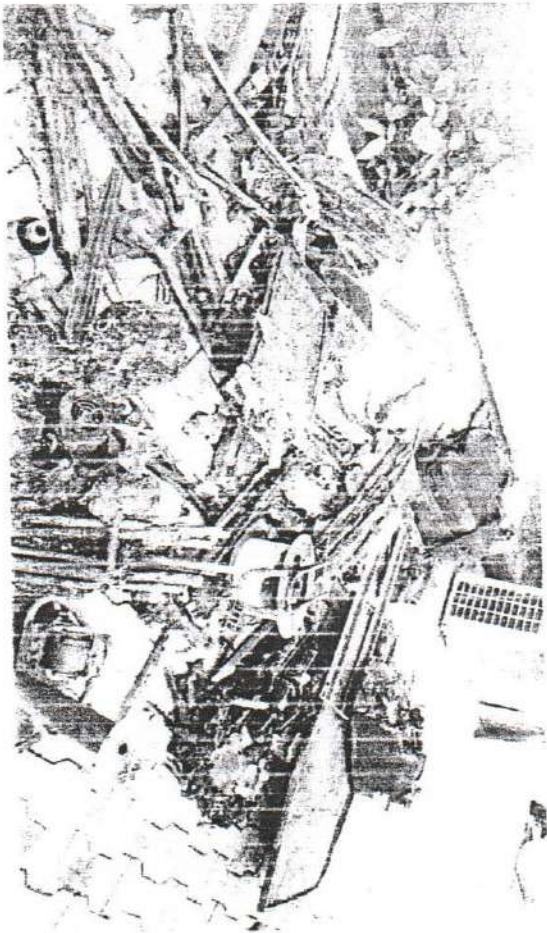
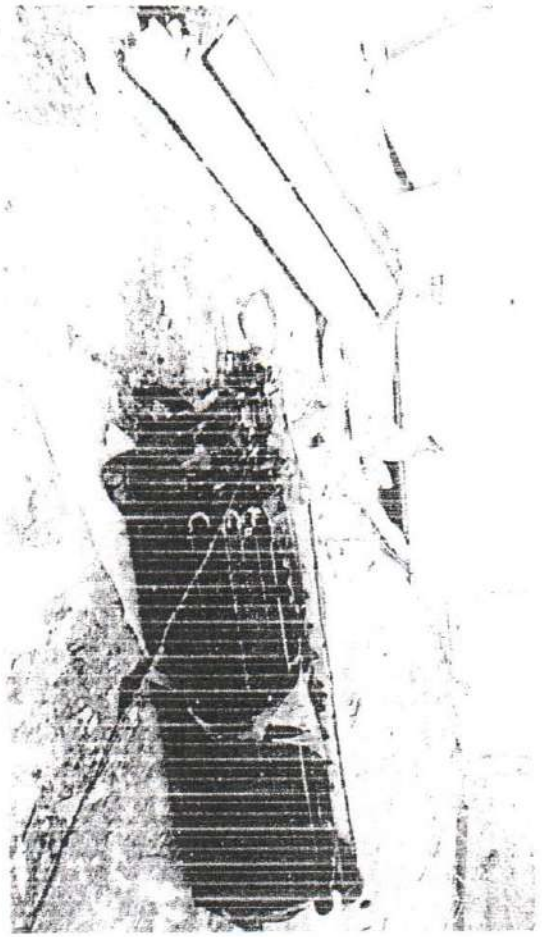


BEFORE (FIRE OUTBREAK)



AFTER (CONSTRUCTION IN PROGRESS)





FIRE OUTBREAK

CONSTRUCTION IN PROGRESS

