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WEBSITE UPDATE
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The following is intended by way of an update as to recent developments in Saint Vincent and the Grenadines and Bermuda, with specific emphasis on the Decision issued by Justice Gertel Thom of the Saint Vincent and the Grenadines High Court of Justice on February 15, 2007.

In addition, certain details of the Liquidator's meetings on March 27, 2007 with all Counsel, and of March 28, 2007 with the Committee of Inspectors will be addressed below.

Saint Vincent and the Grenadines:

By way of a Notice of Application filed on November 10, 2006, Allen Walsh and Hans Taal ("Walsh and Taal") applied to the Saint Vincent and the Grenadines High Court of Justice seeking, amongst other things, that their appeal of the Liquidator's disallowance of their Proofs of Debt be stayed pending resolution of matters in their Bermuda action, in which they claim a proprietary interest in funds frozen by the Bermuda Supreme Court, and that the High Court direct that their claim to damages be resolved in Bermuda.

On January 12, and 22, 2007, Vincentian counsel for Walsh and Taal and the Liquidator argued the merits of the Application, and by way of a written Decision released on February 15, 2007 (the "Decision"), Justice Gertel Thom of the Vincentian High Court ruled in favour of Walsh and Taal, and ordered that their appeal from the Liquidator's decision to reject their Proofs of Debt ought to be stayed pending determination of their proprietary claim before the Bermuda Supreme Court, including any appeals in relation thereto. The High Court further held that Walsh and Taal were at liberty to pursue their damages claim in Bermuda.

The Liquidator is advised that there are fundamental errors of law in the Decision, which has been appealed in its entirety. The Notice of Appeal was filed on February 27, 2007. Subject to the outcome of the appeal, the costs of the Application are to be paid out of the Estate, and are to be assessed by the Court if no agreement can be reached thereon.

A copy of the High Court's Decision can be accessed below.

On March 20, 2007, Walsh and Taal filed a Notice of Application with the Court of Appeal seeking to set aside the Liquidator's February 27, 2007 Notice of Appeal and have this appeal

dismissed. Walsh and Taal's Application will be dealt with as a preliminary matter during the hearing of the Liquidator's appeal of the Thom J. Decision.

Bermuda:

In Bermuda, counsel are endeavouring to finalize the Supreme Court's pre-trial directions to the parties, including documentary productions and trial dates. The Liquidator's Bermuda counsel is negotiating with Walsh and Taal's Bermuda counsel as to the form the Court's Order for Directions on the procedural issues for the trial will ultimately take.

Both parties are in the process of filing respective Summons for Directions. Included in the Applications will be an Application by Walsh and Taal to amend their present Points of Claim to claim for damages in addition to the existing proprietary claim. The Liquidator will oppose that Application on the basis of improper forum or jurisdiction with respect to the damages claim and/or on the basis that the proposed Amended Points of Claim claiming damages for fraud discloses no cause of action, and on that stand-alone basis ought to be refused or struck out.

It is the Liquidator's belief that the damages claim, ranking as an ordinary claim, falls within the jurisdiction of the High Court in Saint Vincent, and this jurisdiction cannot be delegated to another Court.

Trying to resolve the foregoing and other procedural issues has taken longer than anticipated. It is envisaged that a trial on the core proprietary claim, which will determine the extent, if any, to which the Walsh and Taal claim may rank ahead of all other claims, may take place in Bermuda as early as September 2007. It is unlikely that the decision will be rendered immediately after the trial, and, as either party would be able to appeal the Bermuda Supreme Court's decision, the issue of the timing and amount of a dividend may still not be settled for some time.

Committee of Inspectors Meeting:

The Liquidator met in Miami with the Committee of Inspectors on March 28, 2007. The Inspectors are appointed, with the sanction of the Court, to act as an advisory board to the Liquidator and represent the interests of the general body of creditors in the administration of the Liquidation. The details of issues discussed between the Liquidator and the Committee of Inspectors at these meetings are confidential. However, the Committee sanctioned the continuation of the Bermuda proceedings on the basis outlined by the Liquidator and his Counsel, and the continued defense of the Applications brought against the Estate in Saint Vincent. They also sanctioned initiating other proceedings that may result in additional recoveries. Further disclosure on these matters can be made once these matters come before the Courts