

September 8, 2003

**RE: THE LIQUIDATION OF BANK CROZIER – LETTER TO CREDITORS**

Dear Sirs:

This is the second letter in this series; please refer to my correspondence dated August 6, 2003.

Our review at this point has revealed that the Bank has the following assets that may produce liquidity:

- Cash at Bank
- MasterCard Advances
- Stourbridge Limited
- Bear Sterns
- Loans and Advances

**CASH AT BANK:**

Cash at Bank consists essentially of amounts just over USD\$5.2 million held at RBTT Bank Grenada limited. At our last appearance the High Court in Grenada froze USD\$5 million pending the outcome of the two Mareva injunctions; BCIL, St. Lucia and Carla Bella Ltd. It is our intention to go back to court to have these injunctions lifted.

**MASTERCARD ADVANCE:**

The Bank had made an initial deposit of USD\$600,000 to MasterCard International for the setting up of its Debit Card facility. This deposit is returnable subject to some minor changes. It would appear however, that it would take some time to have the amount returned to our account.

**STOURBRIDGE:**

Stourbridge Limited is a wholly-owned subsidiary of the Bank. The main assets of Stourbridge Ltd. is Exchange Bank and Trust, which is in itself under liquidation by KPMG Vancouver. I am unable at this time to ascertain the probable outcome of the liquidation.

**BEAR STERNS:**

It would appear at this point that the Bank's position with Bear Sterns should close. The only substantial investment is USD\$600,000 invested in Bear Sterns Partnership Venture. It would appear, however, that to close all positions at this time would result in only a fractional recuperation.

**LOANS AND ADVANCES:**

There is a total in excess o USD\$5 million in loans and advances made to various parties. Of this USD\$3 million is to related parties, related either directly or indirectly to Mr. Peter Johansson. Many of these loans were made without proper security. I intend to perform work to further verify the collectibles of these amounts.

**CONCLUSION:**

Whereas some of the funds are available, and may indicate the possibility of a distribution at some point, it is too early to tell. Further work must be done and all challenges in the court are to be addressed.

Yours Faithfully,

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GARVEY LOUISON

Liquidator for Bank Crozier Ltd