

Mrs. Sharon A. N. Griffith,
Executive Director
GIFSA,
Building #5,
Financial Complex, The Carenage,
St. George's, Grenada, WI.

WITHOUT PREJUDICE

By Fax: 1 473 440 4780
June 11, 2003

BANK RE-CAPITALIZATION PLAN

As per our discussion today I have indicated a few facts on the ongoing efforts of the Bank and Group to maintain the Bank operations and legal status. Please be assured that you have several lines of communication open to discuss the Bank strategy and options, including myself, Mr Denzil Thomas and Peter Johansson.

We are working very hard, to safeguard this Bank, and we have tremendous support from a majority of our clients, many of whom have been satisfied bank clients for over 5 years. As of yesterday we had a positive rate of 88.84% of the clients supporting the Plan that we presented.

Based on conversations with PWC, we understand that they believe that a re-construction Plan is always better than a bank liquidation for depositors. The details and process can be reviewed, revised and discussed, but the key point is that depositors can receive more funds from a Plan.

On the Exchange Bank matter, please ask David Holikoff for copies of documents sent to his attention. That should explain some of the legal issues. The SEC is looking for funds on account pertaining to specific EBT clients. The Vancouver Court froze 100% of the funds on account. We intend to separate the legal basis of each and get the other funds unfrozen and available to other depositors and owners. We ask that any information received is treated as private and confidential so as not to complicate the ongoing legal discussions surrounding the court matters.

Investors:

We currently have two investors that have committed to put in new equity into the bank. The new company we have been negotiating with is EBS Holdings AG, who will take 100% of the shares in both our banks. This can bring huge benefits to both Bank Crozier in Grenada Bank and in St Lucia as well as bring many new possibilities for Grenada as a jurisdiction.

EBS Holdings AG is the majority shareholder of two companies listed on the German, Toronto and London stock exchange, EBS Holding AG is a leader in international e-commerce payments, with a total volume of 2 Billion USD per year, and they employ approximately 220 people in Montreal, Munich, London, Boston and Houston. In addition to new equity and a new Board, they will further commit to immediately bring substantial deposits and business to the bank.

Once the Bank is back in operations, EBS will review the opportunity to add a telephone call centre on the island. Several of the EBS companies, presently use these services in other countries and it may be of benefit to consolidate into a central location.

Legal:

We have been working to resolve the Carabella legal situation and are presently in direct discussions with them.

We have also been communicating with the Controller for BCIL St Lucia and are discussing the EBS Holdings opportunity for resolving that situation.

We intend to defend all the court cases against the Bank, as no depositor can receive preferential treatment.

The Plan:

We designed to Plan in order to satisfy many of the previous issues brought to our attention by your office over the past few months as well as to allow the depositors to receive a high percentage of deposit funds now, and the possibility to receive a return of 100% of their deposits within a year. This is far better than any other receiver or liquidator will ever be able to get.

We can discuss the particular operational elements with yourself or your accounting and legal representatives.

We have no problem with the depositors and bank assets transferred to a Grenada IBC under the review of GIFSA or a representative.

The Plan Elements;

- ◆ all major assets of the Bank to be moved out of the Bank thereby releasing the Bank from many of the previous regulatory concerns and specifically allocating these assets to the Bank depositors. Eliminates the present solvency issues at the Bank
- ◆ Ensure that a "run" on bank deposits will not occur
- ◆ Respect several new shareholders wishes to fund the bank for future operations only
- ◆ Ensure that the integrity of Grenada as an offshore financial centre is maintained
- ◆ Maintain the bank as an on-going operation to ensure economic benefit to Grenada and ensure profits to Crozier Group who will then replace cash for depositors.
- ◆ Assets of the bank require additional work and management to liquidate at full listed value. Bank owner and management will be in a position, with time and resources, to work on outstanding asset issues to maximize value. Under Liquidation, many assets must be discounted to much less value for final audit purposes thereby giving depositors less available funds.
- ◆ No costs of liquidation and legal fees over 2003 and 2004 that can may wipe out a significant amount of the assets on hand thereby leaving less assets for depositors
- ◆ Bank Crozier will continue to operate with new capital, new shareholders, a new Board of Directors, a new investment policy and a New Business Plan. With the increase of capital and the present operations of the licenses, the Bank can maintain a profitable long term position.

- ◆ all depositors to be moved out of the Bank thereby releasing the Bank, GIFSA and PWC from any legal action and allowing depositors the opportunity to receive their funds

As mentioned, we will review the options of a special Receiver Manager as per the IBC Act, and the presentation of a Plan to the Courts for review. We will discuss the situation with Grenada counsel.

Thank you again for our chat and I will keep in touch to review the concepts, strategy and process.

Sincerely

SCOTT WILSON CMA

March 28, 2003

Mrs. Sharon Griffith,
GIFSA,
Building #5, Financial Complex,
The Carenage, St. George's, Grenada

And
Price Waterhouse Coopers PWC

re: Loans on Account

On April 10, 2003 a CD belonging to the account of Crozier Financial for \$1,370,000 USD comes due. It has been used recently as collateral for specific loans as indicated below. As the funds are frozen on that account, we require permission to redeem the CD and affect a specific transaction.

Crozier Financial wishes to use these funds to buy the following outstanding loans from Bank Crozier. We feel that it is in the best interest of the bank to do this transaction.

<u>Client / Loan</u>	<u>Application of Collateral</u>
BA Group	60,216
City International	91,136
BA Investments	488,334
Capsouth Financial	175,132
City International	216,223
Parman Enterprises	337,153
	1,368,194

This will effectively;

- Take these loans off the trial balance of the Bank,
- Reduce the depositor liabilities of the Bank
- Have no negative effect on the cash flow of the Bank.
- Increase possible cash allocations for third party depositors

This is a much easier and a much cleaner solution than to continue a collateral arrangement. It will shift the responsibility for loan collection and financial risk directly to Crozier Financial and reduce exposure to the Bank.

Please let us know if there are any accounting issues with this transaction. If we do not hear from your office by April 10 we will assume that we can effect this process.

Sincerely



SCOTT WILSON CMA



Grenada International Financial Services Authority

..... establishing new frontiers in international financing

January 14, 2003

Ms. Cora Felix
Bank Crozier Ltd.
P.O. Box 1005
Grand Anse
ST. GEORGE'S

Dear Ms. Felix,

Re: Meeting with Cora Felix, Brian Terry and Scott Wilson

Further to our January 6, 2003 meeting which covered issues relating to the solvency of your bank, the discharge of Controllers and the appointment by your Board of Directors of a Controller, loan support for unsecured loans and documentation for related party loans, kindly provide us with an update on an action taken to resolve these matters.

1. Solvency Compliance

PricewaterhouseCoopers (PWC) has indicated that your office has only received a copy of a US\$2 million letter of credit which was issued by the Bank of India and that copies of two other letters of credit in the amount of US\$5.2 were not yet provided. It was noted that US\$2 million letter of credit was in favour of Crozier Financial Holdings SA as the beneficiary with Bank Crozier Limited (BCL) as the advising bank. In the circumstance, it can be inferred that the letter of credit does not offer the support for the solvency of BCL which is not the beneficiary and which has no control of the letter of credit. In addition, information on the assets to support the letters of credit should be submitted to GIFSA.

2. Discharge of Controllers

Consent for the discharge of the Controllers and the appointment of a Controller of BCL by GIFSA could not be approved since the required documentation was not provided.

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January 14, 2003

Ms. Cora Felix
Bank Crozier Ltd.

3. Loan Support for Unsecured Loans

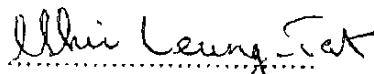
Crozier Financial Holdings SA was expected to provide cash security in respect of a number of unsecured loans in the amount of \$6.1 million by purchasing Bank Crozier CD's from current depositors totaling \$4.3 million. It was noted that \$0.7 million of the \$4.3 million was utilized to secure previous obligations, thus the balance of unsecured loans was \$2.5 million. In addition BCL has advised that a dividend from equity of \$1 million to Peter Johansson was to be declared to secure a loan of \$1.2 million. In this regard, this dividend payout could only be declared from the write up of the value of shares held by BCL in Addtrust, as BCL is yet to record an operating profit. Therefore, this payment would be in breach of Section 36(1) of the International Companies Act, 1996.

4. Related Party Loans

GIFSA had requested through the Controllers information on loans to related parties, regarding the terms and conditions of the loans, such as the term, purpose, repayment source, the type of loan support and audited financial statements of the related borrowers.

GIFSA is looking forward to an early response on the above issues. If you should have any questions, please contact the undersigned.

Yours truly,


.....
ULRIC LEUNG-TAT
SENIOR BANKING SUPERVISOR

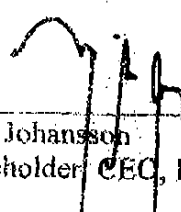


SHAREHOLDER RESOLUTION

I, Peter Johansson, being the sole shareholder of Bank Crozier Limited hereby confirm the following Resolution by signing my written consent thereto:

RESOLVED, that Scott Wilson be appointed to the Board of Directors of the corporation and to serve as such, until his resignation or a successor has been duly elected.

This action shall be effective March 8, 2003.



Peter Johansson
Shareholder CEC, Director