

Update to Investors 13 November 2009

The joint administrators would like to provide an update to investors on recent developments and the current position of the administration.

Client account reconciliations

Following our appointment the Company's bank accounts were frozen whilst certain FSA rules governing client monies were complied with. We are pleased to confirm that we have now completed a full reconciliation of client monies.

Re-instatement of the Company's operating processes

As you are aware certain processes were temporarily suspended at the time of our appointment, whilst we complied with the above FSA rules. These processes included the return of monies in the client accounts in respect of maturities and investment cancellations, the payment of income (applicable in some cases), the investment of funds and the encashment of investments.

In order for these processes to re-commence we have applied to the FSA for a waiver of certain FSA rules. The FSA are currently considering this waiver application as a matter of urgency, however, they have indicated that this process could take a further 16 Business days.

Subject to the FSA granting this waiver, we will be in a position to re-instate all of the Company's operating processes immediately thereafter.

Letter to investors

We indicated that we would write again to investors with more information as soon as possible. However, we believe there is limited benefit in sending out a second letter to investors until the FSA has made a decision in relation to our waiver application. Following this determination we will write to all investors outlining the position.

ISA monies in the client accounts

Please note that if your investment contained any ISA monies **transferred from an alternative ISA investment** the joint administrators are currently taking advice as to the process of returning funds without impacting the ISA tax status.

Andrew Hosking & Martin Ellis
Joint Administrators