

SENT BY FAX 402-996-9002

Immigration and Naturalization Service

Marcus A. Wide Liquidator,  
First International Bank of Grenada  
C/O PricewaterhouseCoopers  
The Carenage  
St Georges, Grenada  
Telephone +1 (473) 435 2123  
Facsimile +1 (473) 435 2237  
or  
C/O PricewaterhouseCoopers LLP  
Suite 2100, 639 5<sup>th</sup> Avenue SW  
Calgary, Alberta  
Canada T2P 0M9  
Telephone +1 (403) 509 7304  
Facsimile +1 (403) 781 1825

January 9, 2002

**Subject: First International Bank of Grenada Limited – In Liquidation (“FIBG”)**

Dear Sirs:

The following declaration was made at the request of David Springer and is only to be used in respect of his appointment with the Immigration and Naturalization Service on January 10, 2002.

We advise that Marcus A. Wide of PricewaterhouseCoopers was appointed Liquidator of First International Bank of Grenada Ltd. (the “Liquidator”) pursuant to an Order of the High Court of Justice of Grenada dated March 2, 2001.

In the months following our appointment, the Liquidator undertook an investigation of FIBG’s operations. During this investigation we became aware of three companies that were jointly owned by FIBG and Granite Holdings Ltd. (GHL), pursuant to a Joint Venture Agreement:

1. Granite Registry Services Corp.
2. Asset Research Development Associates Ltd.
3. Offshore Educational Institute Ltd.

(collectively the “Companies”)

Our review indicated that Mr. Springer worked as a Senior Manager for GHL, as well as having day-to-day responsibilities in respect of the management of the Companies, including

signing authority on the individual bank accounts of the Companies at Grenada Cooperative Bank. In addition, our review indicated that during a dispute in June 2000 between the new management that had been installed at FIBG, and GHL in respect of the control/ownership of the Companies, Mr. Springer, on behalf of GHL, transferred amounts that were in the individual accounts of the Companies at Grenada Cooperative Bank into new accounts set up at National Commercial Bank in the names of the Companies (hereinafter referred to as the "Funds"). FIBG took exception to Mr. Springer's actions, and were subsequently successful in persuading the National Commercial Bank to freeze the accounts.

The above actions by both Mr. Springer and FIBG became the focus of certain legal proceedings. The first legal proceeding was a civil action taken by Mr. Springer on behalf of GHL in an attempt to have the frozen Funds released. As a result of this action, the funds in question were paid into the High Court of Justice of Grenada in February 2001 pending settlement of the civil matter. In addition, due to a complaint lodged by FIBG regarding the transfer of the Companies funds from Grenada Cooperative Bank to National Commercial Bank, criminal charges were laid by the Attorney General of Grenada against Mr. Springer.

After our investigation it became the opinion of the Liquidator that the dispute between GHL/Mr. Springer and FIBG in respect of the Funds was a civil matter regarding a dispute over ownership and entitlement in a situation where the new management group at FIBG were not in full possession of the facts and history of dealings between the parties at the time that the complaints were laid. The Liquidator concluded that the issues could be resolved by way of a business settlement between the parties. In November of 2001, GHL/Mr. Springer reached a business agreement with the Liquidator in respect of the Funds, which has been approved by the Court in Grenada, and the Funds have been released to the Liquidator. Corresponding to the release of the Funds, all parties involved executed a hold harmless release to one another regarding the above-mentioned Funds.

Over the course of the last few months the Liquidator has had a number of discussions with the Deputy Public Prosecutor ("DPP") in Grenada regarding the above criminal charges against Mr. Springer, and has provided the DPP with copies of the documents supporting the settlement and releases reached between Mr. Springer and the Liquidator. In addition, the Liquidator has verbally advised the DPP that it will not be supporting any criminal charges laid against Mr. Springer in connection with the above. In light of the documents provided by the Liquidator, and the Liquidator's comments, the DPP has advised that prior to January 31,

(2)

2002 he will be reviewing the matter and making a decision with regard to dismissing the criminal charges against Mr. Springer.

The Liquidator has provided reports to the Court in Grenada in which he asserts that FIBG was operated by its principals with the intent of defrauding its investors to their personal benefit. We think it likely that charges will be laid against the principals of FIBG.

If you have any questions regarding the above, please contact the undersigned.

Yours truly,

Marcus A. Wide in his capacity as  
Liquidator of First International Bank of Grenada Limited



Daryl Sands  
Financial Advisory Services