

Bancredit Cayman Limited – In Official Liquidation (the Company)
Status Report
3 June 2005

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1 Introduction

On 31 May 2004, G James Cleaver and Richard Fogerty were appointed by the Grand Court of the Cayman Islands (the Court) to act as Joint Official Liquidators (the Liquidators) of the Company.

Gordon I MacRae and Richard Fogerty had previously acted as Joint Controllers of the Company (the Controllers). Mr MacRae and Don W Ebanks were initially appointed as Controllers of the Company on 4 September 2003 by the Cayman Islands Monetary Authority. Richard Fogerty replaced Mr Ebanks as Joint Controller on 15 March 2004 by order of the Court.

The Liquidators' first report to Court was published on 30 November 2004. A further report was presented to the Grand Court of the Cayman Islands on 27 May 2005, of which this is a public version. This report will be made available on the liquidation website. This report covers the periods of Controllorship and Official Liquidation up to 27 May 2005, with specific updates to the date of the report where available.

2 Background

The Company was an offshore affiliate of Banco Nacional de Crédito, S.A. (Bancredito), a banking institution that had traded in the Dominican Republic from 1980. The Company was incorporated in March 1988 and managed deposits, accounts, loans and other credit facilities, in US\$, mainly for Dominican Republic based clients.

In 2003, Bancredito was faced with large withdrawals from depositors and account holders due to the unstable economic position in the Dominican Republic. The situation had led to a sharp devaluation of the national currency, the Dominican Republic Peso, and had caused the intervention of another (unrelated) large banking institution by the Dominican Monetary and Financial Authorities. Bancredito began negotiations with the E. León Jimenez Group (Leon Group) for a sale of its entire operations and, in June 2003, a preliminary agreement to that end appears to have been made with the Leon Group and the Central Bank of the Dominican Republic (the Central Bank), pursuant to which the Leon Group assumed the operations of the Bancredito group in the Dominican Republic. This agreement did not operate to transfer the Company to the Leon Group, however.

In July 2003, the Central Bank started to repay certain third party depositors of both the Company and others within the group, but these payments ceased in October 2003 leaving a number of third party depositors unpaid.

Subsequently, a further restructuring plan was tabled with the Leon Group by the Company's ultimate owners (the GFN group of companies) relating to the Company and its 100% shareholder, Bancredito Panamá S.A. (Bancredito Panama). However no restructuring was completed and regulatory proceedings were brought against Bancredito Panama on 1 September 2003. This placed Bancredito Panama under the control of a Panamanian "Intervener". The failure of the restructuring plan and the intervention of the Company's immediate shareholder lead to the appointment of Mr MacRae and Mr Ebanks as Controllers of the Company.

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A liquidation plan to benefit the creditors of the Company was discussed between the Controllers, management of the Company and other companies within the GFN group, but ultimately was not progressed by the GFN group. The Controllers lost contact with the principal directors of the Company, Mr Pellerano and Mr Mendoza, in November 2003 following the issue of arrest warrants against them by authorities in the Dominican Republic. Contact was not re-established until March 2004, when the Controllers made enquiries of the directors relating to transactions with Union Planters (an unrelated bank) and Dresdner Bank Lateinamerica A. G. (Dresdner) that led to the investigations referred to at Paragraphs 6.1.2 and 6.1.3 of this report, respectively.

In late April 2004, the Controllers concluded that the Company was insolvent and recommended to the Cayman Islands Monetary Authority (CIMA) that it be placed into liquidation. A winding up petition was presented to the Court by CIMA, which resulted in a winding up order being made in respect of the Company.

3 Meeting of creditors

The first meeting of the creditors of the Company was held in the Dominican Republic on 24 August 2004. The letter at Appendix I was sent to all known potential creditors of the Company on 18 October 18 2004, to report upon the outcome of the meeting.

4 Liquidation committee

One purpose of the meeting of creditors was to accept nominations for creditors to serve on a liquidation committee. At the meeting, a Liquidation Committee was formed comprising:

- Banco Central de la Republica Dominicana
- Banco Leon
- Lave, S.A.
- Compania Nacional de Arrendamientos, S.A.
- Maria Pellerano de Barbero and Miguel Barbero D.

Banco Leon subsequently withdrew from the Liquidation Committee on 18 November 2004. At the first meeting of the Liquidation Committee, on 25 November 2004, the remaining members resolved to invite a replacement for Banco Leon. A further creditor, Dr Berges, has agreed to act on the Committee and notice of his formal appointment will be filed once he has signed a confidentiality agreement on the same terms as those signed by the original members of the Liquidation Committee (upon their original appointments).

A number of issues were discussed at this first meeting including the formalities of the operation of the committee, the adjudication of creditor claims, the status of the Central Bank and its payments to third party depositors, the loan portfolio and compromise of such debts, inter company debts and potential claims, economic group and other bailiff actions in the Dominican Republic, the Company's books and records, the progress of the winding up petition in respect of GFN International Investment Corporation, the remuneration of the Controllers and the basis of remuneration for the Liquidators.

A further Committee meeting is to be held on 8 June 2005 in the Dominican Republic.

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5 Books and records

The 203 boxes of books and records referred to in our first report to the Court were received from Panama in late January 2005. These have been reviewed and it is clear that they are incomplete. There is no record of the daily transactions or postings that occurred in the Company's sub accounts held for clients. Records of these daily transactions are fundamental to the Liquidators' investigation into the Company's affairs and their verification of its assets and liabilities.

The Liquidators approached Banco Leon as the successor to Bancredito, to establish the whereabouts of these records. It is the Liquidators' understanding that the electronic records of the Company were maintained at Bancredito. However, Banco Leon maintain that they do not hold these records and do not know where they are kept. The Liquidators' Dominican Republic attorney issued a bailiff action in the Dominican Republic seeking disclosure of any such records held by Banco Leon, being the appropriate legal remedy in that jurisdiction. However, in response to the bailiff action Banco Leon stated that they do not possess the records sought by the Liquidators, and Banco Leon subsequently provided the Liquidators with copies of very limited records. The Liquidators have therefore approached the Central Bank to seek their assistance in gaining access to the full records, so far without success.

6 Assets

A receipts and payments account for the period from 4 September 2003 to 27 May 2005 is attached at Appendix II.

6.1 Bank accounts

The Company maintained bank accounts at HSBC Financial Services (Cayman) Limited (HSBC), Union Planters, Dresdner, American Express Bank and Hemisphere National Bank (Hemisphere).

6.1.1 HSBC

Two accounts were maintained with HSBC and the combined of those accounts at the time of appointment of the Controllers was US\$17,672. This balance was transferred to an account under their control.

6.1.2 Union Planters

The balance of US\$25,367 that was held in the account at the appointment of the Controllers was transferred to an account under their control.

On 13 December 2002, the Company placed a certificate of deposit for US\$13m with Union Planters. Bank statements confirm that the certificate of deposit was cancelled three days later and the proceeds paid to a separate account at Union Planters. Two further certificates of deposit, for US\$4m and US\$5.65m were placed with Union Planters from this separate account and subsequently cashed on 2 January and 9 July 2003 respectively. Union Planters have yet to confirm the holder of this separate account and further details on certain subsequent transactions.

The Company's management has previously stated that the initial certificate of deposit was cancelled to settle outstanding inter-company loans and was used by Bancredito to comply with cash commitments to its customers. It is clear that this occurred prior to the appointment of the Controllers, but the cancellation of one certificate appears to be at a time when the liquidity of Bancredito, the Company and Panama was in question.

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6.1.3 *Dresdner*

In December 2003, Dresdner transferred US\$940,284 to an account under the supervision of the Controllers. This represented unencumbered funds owed to the Company by Dresdner. The Company pledged other credit balances in favour of Dresdner to secure the obligations of a related company, GFN International Investment Corporation. In February 2004, Dresdner exercised this security in respect of credit balances on the Company's account of approximately US\$5.6m. Paragraph 6.5 below illustrates the steps taken to pursue the resulting subrogated claim of the Company against GFN International Investment Corporation.

6.1.4 *American Express Bank*

The balance held in the account at the time of appointment of Controllers was US\$158,217, which was transferred to an account under their control.

6.1.5 *Hemisphere*

The payables through account held with Hemisphere had a number of sub-accounts, each for the separate customers of the Company. It is apparent that Hemisphere took instructions from the Company, but did not deal directly with any holders of the sub-accounts. The payables through account was overdrawn by US\$375,037 at the time of the Controllers' appointment. Despite the Controllers' instructions to the contrary, payments were accepted into this account until 20 February 2004 and resulted in a credit balance of US\$362,259. The account was closed on 25 February 2004, at the Controllers' request, and the balance was transferred to a bank account under their control. The remittances relating to sub-accounts held with the Company were credited to those accounts, whilst credit balances on those accounts will represent unsecured claims against the Company. The Liquidators' investigation into the operation of this account is ongoing.

6.2 *Loan Book*

6.2.1 *Bancredito*

The sale of Bancredito and the regulatory action against both the Company and Panama caused confusion amongst loan customers over where loan repayments should be remitted. In May 2004, the Controllers gave notice, by way of an advertisement in the Dominican Republic, that no persons other than the Controllers of the Company and their legal representatives had authority to take receipt of loan repayments, confirm discharge of loan accounts or release security pledged against loan accounts. The Controllers also circularised all loan account holders to confirm their balances and instruct them to continue to make repayments.

Part of this confusion has been caused by certificates of deposit and preference shares issued by other companies within the GFN group being stated to be repayable through the Company. In many cases debtors of the Company have therefore sought to set off an investment in an associated company against a debt owed to the Company. This has also led to claims being received from creditors of associated companies, which are dealt with at Paragraph 7.2.

6.2.2 *Related companies*

It appears that the finance provided by the Company to related companies was generally in the form of current account overdrafts and certificates of deposit, not term loans. The term loan book appears to include only third party companies and individuals, many of whom pledged security for their loans in favour of the Company.

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6.2.3 Loan repayments

The book value of the Company's third party loan portfolio was determined as US\$37,098,491 after reviewing the books and records received from Panama and the management accounts to 31 August 2003. Loan repayments of US\$1,378,281 have been received since 1 December 2004, making a total of US\$11,948,754 since the appointment of the Controllers.

The majority of the loan book realisations were achieved following lengthy negotiations, including meeting with a number of loan customers in the Dominican Republic, and the agreement of early settlements as an alternative to customers making regular repayments over the remaining term of their loans.

Significant investigation work has been required to reconcile and agree loan balances and interest accruals, as the accounting records available to the Liquidators are incomplete, and many loan account holders had made not repayments since July 2002.

The Liquidators propose to seek the sanction of the Cayman Court to enter into the loan settlements made to date, and potential future settlements of outstanding loans, debts and claims of the Company against third and related parties. The Liquidators will be seeking the Liquidation Committee's approval of such an application at the forthcoming meeting in the Dominican Republic, following which they intend to file such an application within a short timescale.

6.3 Bancredito Panama

Bancredito Panama is the sole shareholder of the Company and is in liquidation. Intercompany debts are owed by the Company to Bancredito Panama and vice-versa. The liquidator of Bancredito Panama, Mr Eduardo Pazmino, (Pazmino) has provided information which indicates that a net balance in the region of US\$30 million is owed by Bancredito Panama to the Company. The Liquidators have not yet agreed this balance as a number of queries are outstanding, including the question of whether set-off is available to the Company in respect of the mutual debts owing between the Company and Bancredito Panama and whether there is any prospect of a dividend from this Panamanian liquidation. Pazmino maintains that setoff cannot be applied to the debt due from Bancredito Panama, as a matter of Panamanian law. Therefore, his position is that the US\$59m due from the Company to Bancredito Panama must be paid in full before a claim of US\$89m against Bancredito Panama can rank for dividend purposes within that liquidation. The financial information available from the liquidation of Bancredito Panama is limited to the formal "resolutions" of Pazmino published on 26 September 2004 in El Panama America (a Panamanian newspaper). The Liquidators have been unable to ascertain from these resolutions what the prospects of a dividend payment are in Bancredito Panama's liquidation.

Our Panamanian legal counsel have reviewed Pazmino's resolutions and formally challenged Pazmino's contention that set-off is not available as a matter of Panamanian law. The Liquidators' challenges, and Mr Pazmino's responses, are before the Panamanian courts and the Liquidators await their outcome.

6.4 Tricom, S.A. (Tricom)

The Company's management accounts at 31 August 2003 indicate that it invested approximately US\$3 million in bonds of Tricom bearing interest at 11.375% and maturing in September 2004. Brokers advised that there was unpaid interest on the bonds. Tricom is in financial difficulties and is in negotiation with its creditors as part of a restructuring plan. Accordingly the bonds were automatically placed on a secondary market, which is known as "trading flat". The Liquidators accepted an offer of 41.5% of the face value of the bonds which realised US\$1,245,095.

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The brokers maintain that the interest accrued but unpaid at the date of sale to the Company is not due since the bonds were trading flat, but further clarification is being sought.

Tricom's indebtedness to the Company of US\$120,573, in respect of its overdrawn account held, has not been settled. The realisable value of this claim is unclear at this stage.

The Liquidators have also held discussions with an attorney for a Special Committee for the Board of Directors, who are investigating certain financing transactions completed by Tricom in December 2002. It specifically relates to the issue by Tricom of shares valued at US\$70m in a private placement. The Special Committee has requested information from the Liquidators concerning this private placement since there is evidence that the Company remitted these funds to Tricom from the Hemisphere payables through account. The Liquidators' investigations are ongoing, and copy bank instructions and transfer details are currently being sought from Hemisphere which it is hoped will assist to establish the position.

The Liquidators are also investigating the status of a number of payments apparently made to Tricom in respect of deposits placed by Tricom at Bancredito Panama, and which it appears that the Company may have redeemed due to Bancredito Panama's inability to do so.

6.5 GFN International Investment Corporation (GFNII)

A petition for the winding up of GFNII was presented to the Court on 18 November 2004. GFNII is a related party of Bancredit, and is indebted to Bancredit in the sum of approximately US\$5.5 million. This arises from a subrogated claim relating to security granted by Bancredit to Dresdner to support borrowings of GFNII from Dresdner. On default of those borrowings, Dresdner exercised its security over cash at an account of Bancredit's with Dresdner, and the sums claimed by the petition represent the sums over which that security was enforced.

The petition was first heard by Mr Justice Henderson on 7 January 2005. At that hearing, Henderson J. concluded that the Court needed to hear expert evidence as a matter of German law as to the basis of the subrogated claim, given that the loan and security documentation relating to the Dresdner debt was governed by German law. The Liquidators obtained German law evidence.

The adjourned hearing of the Petition took place on 25 and 28 February 2004 before Mr Justice Sanderson. He considered that although the petition debt was probably due, the statutory demand was probably invalid at the time it was served, given that Dresdner's full debt had not been repaid. This was, in fact, because some US\$20,000 of Dresdner's full debt (which was in excess of US\$7 million) had not been repaid by GFNII to Dresdner, although Dresdner had written that balance off, and in January 2005 Bancredit had settled the residual amount of Dresdner's debt to enable it to proceed with the petition.

However, Sanderson J. held that GFNII was likely to be unable to pay its debts as they fell due. He therefore allowed a further adjournment for Bancredit to amend the petition to proceed on the basis of section 95(c) Companies Law (2004 Revision). He also wanted to hear further evidence as to the Central Bank's views, and the progress of claims adjudication in the liquidation. The petition was amended, and was heard on 30 and 31 May 2005. GFNII admitted in evidence that it is insolvent. It had also, previously, admitted the debt due to Bancredit. At the date of this report, judgment on the amended petition is awaited.

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Prior to the hearing in February, Caribbean Energy Corp. (CAREC) made an offer to settle GFNII's outstanding debt to Bancredit by applying any dividend to which it might be entitled in Bancredit's liquidation in payment of that debt. At the time, the Liquidators were unable to accept that offer, because, firstly, CAREC had not satisfactorily proved its claim in the liquidation, and secondly, because the likely dividends payable in Bancredit's liquidation, on the basis of the claims received by the Liquidators and the assets realised at that stage, would not have been sufficient to repay GFNII's debt. As at the date of this report, CAREC has still not provided sufficient information to enable the Liquidators to adjudicate its claim. CAREC has now made a further tentative offer of settlement on GFNII's behalf. This involves what CAREC describes as a "security" being given to Bancredit over a dividend to which CAREC states it may be entitled from an indirect investment in a Dominican Republic company. The amount of the dividend is a maximum of US\$1.3million, and its payment to CAREC and subsequent availability to Bancredit are subject to numerous contingencies, consents and uncertainties which have not been properly articulated by CAREC. Accordingly the Liquidators rejected CAREC's offer, although they remained open to sensible offers of settlement which may provide value to the Bancredit estate.

CAREC has also indicated that it proposes to apply to Court for an order expunging the claims of the Central Bank and Banco Leon against the Company, although it is not clear on what basis it proposes to do so.

6.6 Other related company debtors

In March 2004, the Controllers issued letters to GFN Capital Corporation Limited (GFNCC) and Zona Franca San Isidro, S.A. (ZFSI) (both related entities of the Company), demanding immediate repayment of respective receivable balances of US\$98,574,615 and US\$6,575,458. US\$15,661,678 is also due from GFN Capital Corporation in respect of certificates of deposit held by the Company. No repayments have been received to date, and correspondence with the management of those companies has broken down with no tangible offers tabled.

GFNCC is a Panamanian company and ZFSI is a Dominican Republic company. The Liquidators are liaising with counsel in those jurisdictions, as to the options available to pursue these claims. The Liquidators will be discussing the position with the Liquidation Committee at the forthcoming meeting.

It has now been suggested, by an attorney acting for the GFN group in an affidavit relating to the proceedings against GFNII, that GFNCC is in fact a substantial creditor of the Company. The Liquidators have not yet had the opportunity to consider this claim in detail, nor has a proof of debt been filed by GFNCC. The Liquidators will be seeking further information from the GFN group about the basis for this claim.

Segna (another related company) was intervened by the Dominican Insurance Superintendent in November 2003. Based upon the Company's management accounts as at 31 August 2003, Segna owed US\$857,443. The liquidator of Segna agreed this balance and confirmed that the amount will rank for any dividend upon realisation of Segna's assets. The liquidator of Segna had indicated that a dividend, however, was highly unlikely. No recent indication has been given by the liquidator of Segna as to the likelihood of a dividend.

6.7 Interest received

The funds held in the client account for the Company have been invested in various rolling monthly fixed deposit accounts to maximize realizations for creditors. The interest received to date is US\$126,427.

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7 Liabilities

7.1 *Customer deposits and the Central Bank*

The Central Bank has submitted its claim within the liquidation of US\$65.9m, of which approximately US\$31m relates to the compensation payments detailed in Paragraph 2. These payments were made up to 13 October 2003, the majority in the form of certificates of deposit that were granted to current account customers and certificate of deposit holders of the Company. All payments to that date were made in DR Pesos as opposed to US Dollars (the currency in which the accounts were denominated). We are not aware of any compensation payments since 13 October 2003, despite there being a number of third party depositors who have not been paid.

To date, the Liquidators have reviewed copies of assignments of third party depositors' claims against the Company to the Central Bank totaling approximately US\$1.6m. Therefore, the Central Bank's claim has been accepted by the liquidators to that extent, and the Central Bank has been asked to provide further information regarding the balance of its claim.

The balance of the Central Bank's claim appears to relate to an inter-company debt between the Company and Bancredito which may have been assumed by the Central Bank as part of the transaction pursuant to which the Leon group acquired Bancredito. The Liquidators have sought further details from the Central Bank of the nature of and basis for this claim.

A number of third party depositors who have not been repaid by the Central Bank have also lodged proofs of debt in the liquidation.

7.2 *Certificates of deposit issued by related companies*

Some 123 third parties have made claims against the Company in respect of deposits held with GFN, S.A., Creditcard International, S.A. and GFNII. We have written to those parties who hold commercial papers or certificates of investment issued by connected companies to formally reject their claims. Where commercial papers or certificates state that they are redeemable through the Company the Liquidators are not able to make any payments or agree set-off against loan account balances in respect of those instruments unless they are put in funds by the issuer for that specific purpose.

7.3 *Banco Leon*

Banco Leon have submitted a claim in the liquidation for US\$21.7, of which some US\$18.5m relates to certificates of deposit issued to another creditor, Cap Cana, that have been assigned to Banco Leon. The total assignment, however, was for US\$31.4m and is supported by the Company's records. Banco Leon's claim is inconsistent with the Company's books and records, and further information will be requested of Banco Leon.

7.4 *Claim adjudication*

There are some 158 creditors indicated by the Company's records who have yet to submit a claim within the liquidation. Whilst these potential creditors have been provided with proof of debt forms, we await confirmation of their claims and have notified them of our current intention, circumstances allowing, to pay a dividend within 4 months of 18 July 2005. We intend to establish a claims bar date in respect of the proposed dividend. The progress of adjudication of creditors' claims is summarized in the following table and it should be noted that requests have been made of creditors where further information is required:

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Status	Number of Creditors	Total Claims (US\$)
Adjudicated and admitted	1	1,686,879.77
Adjudicated and admitted pending KYC form	31	2,600,473.06
Further information required	32	120,244,381.27
Yet to claim	158	3,486,638.03
Rejected	126	21,553,729.96
Total	348	149,572,102.09

7.5 Actions brought against the Company

The Company was a defendant in a bailiff action being brought in the Dominican Republic by debtors of various GFN group companies which sought a declaration that those companies are part of an economic group and thus responsible for each others debts and liabilities. A judgment has been made in the Dominican Republic in respect of this bailiff action, but a copy has not been served upon our Dominican Republic attorney. The Liquidators' attorney has been allowed to view the judgment and has confirmed that the Company has not been made liable for the debts of other companies within the GFN group. However, this will need to be formally confirmed when a copy of the judgment has been acquired by the Liquidators' attorney and duly considered.

7.6 Legal fees and expenses

7.6.1 Works undertaken

The Liquidators' Cayman attorneys are Maples and Calder.

Puello Herrera are the Liquidators' Dominican Republic legal counsel. Their advice has mainly been sought in relation to the recovery of the outstanding loan portfolio but they have also been involved in a number of other issues arising within the liquidation in that jurisdiction.

Arias, Fabrega & Fabrega, based in Panama, have been instructed in relation to the challenge of Mr Pazmino's resolutions in the liquidation of Bancredito Panama, the outstanding debt due from GFNCC and all other matters arising in the liquidation in Panama.

Other legal fees have been incurred in seeking German and Floridian legal advice in relation to the winding up proceedings against GFNII.

Fees have also been incurred in relation to the translation by a US Certified Court Interpreter of numerous Spanish language documents relevant to the liquidation.

8 Controllers' and Liquidators' fees

An analysis of fees from 1 June 2004 to 30 April 2005 is attached at Appendix III. The fees incurred in the period were US\$348,652 and total fees incurred to date are US\$641,526. The Liquidation Committee have resolved that the Liquidators' fees be set as follows:

"... on the basis of 5% of asset realisations and a further 2.5% on distributions made, within the liquidation."

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An analysis of the Controllers' fees from 4 September 2003 to 31 May 2004 is attached at Appendix IV. These fees have amounted to US\$414,498 plus out of pocket expenses of US\$39,244. The Liquidators have explained to the Liquidation Committee that fees for the period of Controliership must be approved by the Court but that it is appropriate for the Liquidation committee to give an opinion which is then notified to the Court upon an application for fee approval. The fees of the Controliership will be considered by the creditors' committee in the next meeting in June 2005.

9 Conclusion

Dividend prospects remain unclear at this stage due to the number of uncertainties referred to above, but it is the Liquidators' current intention, circumstances permitting, to make a first distribution within the four months from 18 July 2005. The Liquidators will continue to realise the Company's assets, determine the claims and amounts of its creditors and will consult with the Liquidation Committee as appropriate.

Richard E L Fogerty
Joint Official Liquidator

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APPENDIX I

Letter to creditors dated 18 October 2004

18 de octubre de 2004

**A TODOS LOS POTENCIALES ACREEDORES
CONOCIDOS DE BANCREDIT CAYMAN LIMITED**

Distinguido (a) señor/señora

Bancredit Cayman Limited (En Proceso de Liquidación Oficial) (en lo sucesivo "la Compañía")

Una reunión de acreedores de la Compañía fue celebrada en el Hotel Renaissance Jaragua, ubicado en la Av. George Washington 367, Apto. Postal 769-2, Santo Domingo, República Dominicana el 24 de agosto de 2004 (en lo sucesivo "la Reunión").

Una copia del reporte de los Liquidadores Oficiales Conjuntos (en lo sucesivo "los Liquidadores") de fecha 31 de julio de 2004 (en lo sucesivo "el Reporte"), el cual fue presentado en la Reunión se anexa a la presente para su referencia.

Asuntos que se Presentaron

Una cantidad de asuntos fueron tratados en la Reunión, de los cuales los más significativos se resumen a continuación:

- Tal y como se detalla en la sección 5.5 del Reporte, el 13 de agosto de 2004 fue conocida por la Gran Corte de las Islas Caimán (en lo sucesivo "la Corte") una solicitud de disolución de GFN International Investment Corporation (en lo sucesivo "GFNII") por parte de la Compañía.

Se explicó en la Reunión que la audiencia fue aplazada por la Corte sobre la solicitud de GFNII, para ser celebrada el 13 de octubre de 2004. En la audiencia del 13 de octubre de 2004, se aplazó nuevamente el conocimiento de la solicitud de disolución hasta el 21 de octubre de 2004. Se acordó que si la Compañía recibía fondos respecto de la deuda de GFNII los acreedores serían informados por los Liquidadores.

Los Liquidadores también explicaron que se encuentran en proceso de considerar, con sus abogados, los fundamentos sobre los cuales se tomarán las acciones para recuperar las sumas debidas a la Compañía de parte de partes relacionadas y terceras partes, incluyendo partes que se encuentran fuera de las Islas Caimán.

- Los Liquidadores confirmaron que estuvieron al tanto de un acuerdo suscrito entre el Banco Central de la República Dominicana (en lo sucesivo "el Banco Central") para pagar ciertas obligaciones de algunas compañías del grupo GFN/Bancrédito. Sin embargo, los Liquidadores explicaron que la Compañía no fue parte ni beneficiario de dicho acuerdo y por lo tanto, no se encuentra en posición de ejecutarlo.

Como se detalla en la sección 6.1 del Reporte, los Liquidadores entienden que ningún pago bajo ese acuerdo ha sido hecho por el Banco Central desde el 13 de octubre de 2003 y que no se esperan que se hagan futuros pagos a los depositantes.

- Una cantidad de personas que poseen certificados de inversión emitidos por GFN Capital Corporation o Creditcard International, S.A., que establecen que son redimibles a través de la Compañía, asistieron a la Reunión. Los Liquidadores explicaron que la Compañía actuó solo como agente de pago con respecto de los certificados y que éstos no constituyen obligaciones de la Compañía. Las sumas debidas bajo esos certificados no pueden ser objeto de compensación contra balances de préstamos debidos a la Compañía. Los Liquidadores confirmaron que no están en capacidad de hacer pagos con relación a los certificados a menos que sean puestos los fondos a su disposición por el emisor.

Comité de Liquidación

En la Reunión de acreedores, quedó conformado un Comité de Liquidación, el cual está integrado por:

- Banco Central de la República Dominicana
- Banco Múltiple León, S.A.
- Lave, S.A.
- Compañía Nacional de Arrendamientos, S.A. (CONARESA)
- María del Pilar Pellerano y/o Miguel Barbero D.

El Comité de Liquidación actuará como el órgano que representa a todos los acreedores durante la liquidación y el cual recibirá los reportes regulares del progreso de la misma.

Reclamaciones de los Acreedores

En caso de que usted no haya sometido su reclamación, favor de someter el formulario de prueba de deuda anexo, conjuntamente con documentación que sustente dicha reclamación.

Proyección de Pagos


Es difícil en esta etapa de la liquidación, predecir la cuantía o tiempo en el cual se producirá el pago de dividendos, por lo que ningún pago puede esperarse antes de que transcurran algunos meses.

Los Liquidadores harán circular un reporte escrito adicional a los acreedores en 12 meses o al momento de la conclusión de la liquidación, cualquiera que ocurra primero. Sin embargo, actualizaciones periódicas e información importante estarán disponibles por el momento en el siguiente sitio web: www.bancreditcayman-liquidation.ky. Hemos tenido algunos retrasos en cuanto la publicación de la página web, debido al impacto del Huracán Iván en las Islas Caimán. Por lo que, estimamos que dicha página web estará disponible dentro de 1 mes, a partir de la fecha de esta carta.

Muy atentamente

Por y en representación de

Bancredit Cayman Limited (En Proceso de Liquidación Oficial)



Richard E L Fogerty
Liquidador Oficial Conjunto

**Bancredit Cayman Limited – In Official Liquidation
Status Report
3 June 2005**

APPENDIX II

Receipts and payments account to 27 May 2005

Bancredit Cayman Limited - In Official Liquidation

**Joint Official Liquidators' receipts and payments account
For the period 4 September 2003 to 20 May 2005**

Receipts	At 30 November 2004		Movement US\$	At 20 May 2005	
	US\$	US\$		US\$	US\$
Cash recovered from banks:					
HSBC	17,671.55		-	17,671.55	
Union Planters	25,367.33		-	25,367.33	
Dresdner	940,284.27		-	940,284.27	
American Express	158,216.97		-	158,216.97	
Hemisphere	362,258.67		-	362,258.67	
		1,503,798.79			1,503,798.79
Customer loan repayments		10,570,472.32	1,378,281.31		11,948,753.63
Sale of investment		1,245,095.14	-		1,245,095.14
Intercompany debts		61,048.35	-		61,048.35
Interest received		14,936.86	111,490.23		126,427.09
Total receipts		13,395,351.46	1,489,771.54		14,885,123.00
Payments					
Controllers' fees		(414,498.00)	-		(414,498.00)
Controllers' expenses		(39,243.87)	-		(39,243.87)
Liquidators' fees		(292,873.33)	(348,652.17)		(641,525.50)
Liquidators' expenses		(8,775.28)	(29,719.17)		(38,494.45)
Legal fees and expenses		(255,817.64)	(243,707.76)		(473,646.01)
Dresdner - subrogated claim		-	(20,943.03)		(20,943.03)
Document management		(27,764.78)	-		(27,764.78)
Bank charges		(969.23)	(413.80)		(1,383.03)
Total payments		(1,039,942.13)	(643,435.93)		(1,657,498.67)
Net position at 20 May 2005		12,355,409.33	846,335.61		13,227,624.33
Financed by					
Cash at Royal Bank of Canada		12,792,797.85			13,227,624.33

**Bancredit Cayman Limited – In Official Liquidation
Status Report
3 June 2005**

APPENDIX III

**Analysis of the Joint Official Liquidators' fees from 1 June 2004 to 30 April
2005**

Bancredit Cayman Limited - In Official Liquidation

Total Joint Official Liquidators' fees and expenses to 30 April 2005

	Hours						Total hours	Total costs (US\$)
	Managing Partner	Partners	Manager	Assistant Manager	Seniors	Case Administrators		
A								
Administration and planning	0.1	40.9	13.7	-	168.2	146.9	53.4	87,284.9
Stakeholders	0.4	116.7	1.8	-	254.8	67.9	-	118,411.5
Statutory Requirements	-	21.4	2.0	-	87.6	43.3	-	33,717.9
Asset Realisation	2.4	377.6	7.4	-	616.7	254.2	2.5	354,784.7
Liquidators' Reporting	1.0	7.2	4.1	-	46.8	-	-	15,319.8
Travel	-	54.0	-	-	36.9	-	-	32,006.7
Total time	3.9	617.8	29.0	-	1,211.0	512.3	55.9	641,525.5
Average charge-out rate (US\$)	489	459	333	-	216	153	105	264
Total cost (US\$)	1,907.5	283,667.5	9,666.5	-	262,081.0	78,333.5	5,869.5	641,525.5
Expenses								<u>38,494.5</u>
Total Liquidators' fees and expenses								<u>680,020.0</u>

A Administration and planning includes:

- Case administration
- Case management and planning
- Internal discussions and supervision
- Client accounting and banking
- Monitoring media coverage
- Review and analysis of legal and professional fees

B Stakeholders includes:

- Correspondence and meetings with shareholder
- Correspondence with creditors
- Correspondence and meetings with directors
- Correspondence with the liquidation committee
- Review of creditor claims

C Statutory Requirements includes:

- Correspondence with CIMA
- Appointment notifications
- Statutory advertising
- Review of statutory records
- Registered office
- Meeting of creditors and preparation
- Statutory letters to creditors

D

Asset Realisation includes:

- Collection of outstanding loans
- Collection of outstanding overdrafts
- Collection of intercompany balances
- Collection of other assets

E

Liquidators' Reporting includes:

- Preparation of reports to creditors
- Preparation of reports to the liquidation committee
- Preparation of reports to the court
- Receipts and payments accounts
- Supporting analysis and investigations

F

Travel

Bancredit Cayman Limited - In Official Liquidation

Joint Official Liquidators' fees and expenses for November 2004

	Classification of work function	Hours						Total hours	Total costs (US\$)
		Managing Partner	Partners	Manager	Seniors	Case Administrators	Administrative Assistant		
A	Administration and planning	-	5.0	1.4	19.3	8.1	10.2	44.0	9,764
B	Stakeholders	-	22.2	-	26.3	6.5	-	55.0	17,701
C	Statutory Requirements	-	-	-	-	-	-	-	-
D	Asset Realisation	-	44.6	0.3	72.7	34.6	-	152.2	43,950
E	Liquidators' Reporting	-	2.2	-	11.9	-	-	14.1	3,774
F	Travel	-	15.0	-	14.9	-	-	29.9	10,542
	Total time	-	89.0	1.7	145.1	49.2	10.2	295.2	85,730
	Average charge-out rate (US\$)	-	475	350	229	173	105	290.41	
	Total cost	-	42,275	595	33,273	8,516	1,071	85,730	85,730
	Expenses								900
	Total Liquidators' fees and expenses								86,630

A Administration and planning includes:

- Case administration
- Case management and planning
- Internal discussions and supervision
- Client accounting and banking
- Monitoring media coverage
- Review and analysis of legal and professional fees

B Stakeholders includes:

- Correspondence and meetings with shareholder
- Correspondence with creditors
- Correspondence and meetings with directors
- Correspondence with the liquidation committee
- Review of creditor claims

C Statutory Requirements includes:

- Correspondence with CIMA
- Appointment notifications
- Statutory advertising
- Review of statutory records
- Registered office
- Meeting of creditors and preparation
- Statutory letters to creditors

D Asset Realisation includes:

- Collection of outstanding loans
- Collection of outstanding overdrafts
- Collection of intercompany balances
- Collection of other assets

E Liquidators' Reporting includes:

- Preparation of reports to creditors
- Preparation of reports to the liquidation committee
- Preparation of reports to the court
- Receipts and payments accounts
- Supporting analysis and investigations

F Travel

Bancredit Cayman Limited - In Official Liquidation

Joint Official Liquidators' fees and expenses for December 2004

	Classification of work function	Hours						Total hours	Total costs (US\$)
		Managing Partner	Partners	Manager	Seniors	Case Administrators	Administrative Assistant		
A	Administration and planning	-	3.7	1.5	3.0	5.3	2.9	16.4	4,231
B	Stakeholders	-	6.3	-	1.2	-	-	7.5	3,269
C	Statutory Requirements	-	-	-	-	-	-	-	-
D	Asset Realisation	-	27.6	0.7	32.7	8.1	2.5	71.6	22,597
E	Liquidators' Reporting	-	-	-	6.0	-	-	6.0	1,380
F	Travel	-	4.0	-	-	-	-	4.0	1,900
	Total time	-	41.6	2.2	42.9	13.4	5.4	105.5	33,376
	Average charge-out rate (US\$)	-	475	350	230	180	105	316.36	
	Total cost	-	19,760	770	9,867	2,412	567	33,376	33,376
	Expenses								1,632
	Total Liquidators' fees and expenses								35,008

A Administration and planning includes:

- Case administration
- Case management and planning
- Internal discussions and supervision
- Client accounting and banking
- Monitoring media coverage
- Review and analysis of legal and professional fees

B Stakeholders includes:

- Correspondence and meetings with shareholder
- Correspondence with creditors
- Correspondence and meetings with directors
- Correspondence with the liquidation committee
- Review of creditor claims

C Statutory Requirements includes:

- Correspondence with CIMA
- Appointment notifications
- Statutory advertising
- Review of statutory records
- Registered office
- Meeting of creditors and preparation
- Statutory letters to creditors

D Asset Realisation includes:

- Collection of outstanding loans
- Collection of outstanding overdrafts
- Collection of intercompany balances
- Collection of other assets

E Liquidators' Reporting includes:

- Preparation of reports to creditors
- Preparation of reports to the liquidation committee
- Preparation of reports to the court
- Receipts and payments accounts
- Supporting analysis and investigations

F Travel

Bancredit Cayman Limited - In Official Liquidation

Joint Official Liquidators' fees and expenses for January 2005

	Classification of work function	Hours						Total hours	Total costs (US\$)
		Managing Partner	Partners	Manager	Seniors	Case Administrators	Administrative Assistant		
A	Administration and planning	-	5.4	1.0	9.6	13.1	9.5	38.6	8,479
B	Stakeholders	-	5.9	-	11.2	25.8	-	42.9	10,023
C	Statutory Requirements	-	-	-	-	-	-	-	-
D	Asset Realisation	-	38.4	-	46.5	7.1	-	92.0	30,213
E	Liquidators' Reporting	-	-	-	-	-	-	-	-
F	Travel	-	-	-	-	-	-	-	-
	Total time	-	49.7	1.0	67.3	46.0	9.5	173.5	48,714
	Average charge-out rate (US\$)	-	475	350	230	180	105	280.77	
	Total cost	-	23,608	350	15,479	8,280	998	48,714	48,714
	Expenses								3,806
	Total Liquidators' fees and expenses								52,520

A Administration and planning includes:

- Case administration
- Case management and planning
- Internal discussions and supervision
- Client accounting and banking
- Monitoring media coverage
- Review and analysis of legal and professional fees

B Stakeholders includes:

- Correspondence and meetings with shareholder
- Correspondence with creditors
- Correspondence and meetings with directors
- Correspondence with the liquidation committee
- Review of creditor claims

C Statutory Requirements includes:

- Correspondence with CIMA
- Appointment notifications
- Statutory advertising
- Review of statutory records
- Registered office
- Meeting of creditors and preparation
- Statutory letters to creditors

D Asset Realisation includes:

- Collection of outstanding loans
- Collection of outstanding overdrafts
- Collection of intercompany balances
- Collection of other assets

E Liquidators' Reporting includes:

- Preparation of reports to creditors
- Preparation of reports to the liquidation committee
- Preparation of reports to the court
- Receipts and payments accounts
- Supporting analysis and investigations

F Travel

Bancredit Cayman Limited - In Official Liquidation

Joint Official Liquidators' fees and expenses for February 2005

	Classification of work function	Hours						Total hours	Total costs (US\$)
		Managing Partner	Partners	Manager	Seniors	Case Administrators	Administrative Assistant		
A	Administration and planning	-	3.3	0.7	7.8	18.5	13.4	43.7	8,336
B	Stakeholders	-	0.8	-	11.3	4.0	-	16.1	3,687
C	Statutory Requirements	-	-	-	-	-	-	-	-
D	Asset Realisation	-	41.2	0.5	41.6	55.0	-	138.3	39,171
E	Liquidators' Reporting	-	-	-	-	-	-	-	-
F	Travel	-	2.8	-	-	-	-	2.8	1,330
	Total time	-	48.1	1.2	60.7	77.5	13.4	200.9	52,524
	Average charge-out rate (US\$)	-	475	350	229	180	105	261.44	
	Total cost	-	22,848	420	13,899	13,950	1,407	52,524	52,524
	Expenses								4,707
	Total Liquidators' fees and expenses								57,231

- D Asset Realisation includes:
- Collection of outstanding loans
 - Collection of outstanding overdrafts
 - Collection of intercompany balances
 - Collection of other assets

- E Liquidators' Reporting includes:
- Preparation of reports to creditors
 - Preparation of reports to the liquidator committee
 - Preparation of reports to the court
 - Receipts and payments accounts
 - Supporting analysis and investigations

F Travel

- A Administration and planning includes:
- Case administration
 - Case management and planning
 - Internal discussions and supervision
 - Client accounting and banking
 - Monitoring media coverage
 - Review and analysis of legal and professional fees
- B Stakeholders includes:
- Correspondence and meetings with shareholder
 - Correspondence with creditors
 - Correspondence and meetings with directors
 - Correspondence with the liquidation committee
 - Review of creditor claims

- C Statutory Requirements includes:
- Correspondence with CIMA
 - Appointment notifications
 - Statutory advertising
 - Review of statutory records
 - Registered office
 - Meeting of creditors and preparation
 - Statutory letters to creditors

Bancredit Cayman Limited - In Official Liquidation

Joint Official Liquidators' fees and expenses for April 2005

	Hours						Total hours	Total costs (US\$)
	Managing Partner	Partners	Manager	Assistant Manager	Seniors	Case Administrators		
A Administration and planning	-	4.5	-	-	13.4	16.0	41.1	8,119
B Stakeholders	-	9.9	-	-	54.3	1.8	66.0	16,377
C Statutory Requirements	-	0.2	-	-	2.1	-	2.3	536
D Asset Realisation	-	36.1	-	-	54.2	10.2	100.5	30,067
E Liquidators' Reporting	-	-	-	-	-	-	-	-
F Travel	-	-	-	-	-	-	-	-
Total time	-	50.7	-	-	124.0	28.0	209.9	55,099
Average charge-out rate (US\$)	-	475	-	-	210	151	262.50	-
Total cost	-	24,083	-	-	26,040	4,220	55,099	55,099
Expenses	-	-	-	-	-	-	-	3,857
Total Liquidators' fees and expenses	-	-	-	-	-	-	-	58,955

Asset Realisation includes:

- Collection of outstanding loans
- Collection of outstanding overdrafts
- Collection of intercompany balances
- Collection of other assets

Liquidators' Reporting includes:

- Preparation of reports to creditors
- Preparation of reports to the liquidation committee
- Preparation of reports to the court
- Receipts and payments accounts
- Supporting analysis and investigations

Travel

A Administration and planning includes:

- Case administration
- Case management and planning
- Internal discussions and supervision
- Client accounting and banking
- Monitoring media coverage
- Review and analysis of legal and professional fees

B Stakeholders includes:

- Correspondence and meetings with shareholder
- Correspondence with creditors
- Correspondence and meetings with directors
- Correspondence with the liquidation committee
- Review of creditor claims

C Statutory Requirements includes:

- Correspondence with CIMA
- Appointment notifications
- Statutory advertising
- Review of statutory records
- Registered office
- Meeting of creditors and preparation
- Statutory letters to creditors

**Bancredit Cayman Limited – In Official Liquidation
Status Report
3 June 2005**

APPENDIX IV

Analysis of the Joint Controllers' fees from 4 September 2003 to 31 May 2004

Bancredit Cayman Limited (In Controllership)

Total Controllers' fees and expenses to May 31, 2004

Classification of work function	Hours				Administrative Staff	Total hours	Total costs (US\$)
	Managing Director	Directors	Senior Executives	Executives			
A Administration and planning	13.3	11.8	21.3	50.0	169.7	266.1	42,453.16
B Stakeholders	87.0	61.5	64.2	204.9	129.9	547.5	133,656.71
C Statutory Requirements	8.8	68.6	28.2	56.7	3.0	165.3	50,449.65
D Asset Realisation	1.6	113.9	47.9	254.1	59.2	476.7	113,928.73
E Controllers' Reports	13.0	37.7	57.2	109.9	13.0	230.8	59,376.91
F Travel	25.4	4.0	-	8.0	-	37.4	14,632.85
Total time	149.1	297.5	218.8	683.6	374.8	1,723.8	
Average charge-out rate (US\$)	453	399	283	191	95		
Total cost (US\$)	67,550.00	118,577.50	61,943.50	130,821.00	35,606.00		414,498.00

Expenses

39,243.87
453,741.87

Total Controllers' fees and expenses

- A** Administration and planning includes:
- Case administration
 - Internal discussions and supervision
 - Review of documents
 - Research on related parties
 - Client accounting
 - General document translation

- D** Asset Realisation includes:
- Correspondence with banks
 - Work relating to bank accounts
 - Collection of outstanding loans
 - Collection of other assets

- B** Stakeholders includes:
- Correspondence & meetings with Intervener of parent company
 - Correspondence with creditors
 - Correspondence & meetings with directors
 - Correspondence with Cap Cana founders and investors

- E** Controllers' Report includes:
- Preparation of reports to CIMA and supporting analysis

- C** Statutory Requirements includes:
- Correspondence with CIMA
 - Appointment notifications
 - Statutory reporting
 - Review of statutory records
 - Registered office

- F** Travel