

LIBERTY TRADE INTERNATIONAL, INC.,
IN RECEIVERSHIP

Raymond J. Peroutka, Jr., Receiver
c/o Invotex Group
1637 Thames Street
Baltimore, MD 21231

December 22, 2006

To: All Claimants and Participants

RE: Liberty Trade International, Inc., in Receivership

Dear Sir or Madam:

As many of you are aware, the Circuit Court for Baltimore County placed Liberty Trade International (“Liberty”) and David M. Robinson (“Mr. Robinson”) into receivership and appointed me as Receiver. The documents that evidence these actions can be found in the [Documents](#) section of this website.

As of November 28, 2006, 1,183 Proof of Claim forms, with claims totaling \$6,810,667, have been received.

As discussed in prior correspondence, the receivership process has several steps. They include:

- 1) Identifying and safeguarding the assets,
- 2) Converting the assets to cash,
- 3) Identifying all claimants,
- 4) Determining the proper amount of each claim,
- 5) Determining the total amount of all claims, and
- 6) Distributing available funds to all claimants in the proper proportion.

Steps One and Three are complete. My staff and I have finished our review of the bank records. The only remaining assets to consider are those associated with potential actions against individuals and businesses.

Step Two continues and will most likely continue until the final distribution of assets. Some furniture has been sold, and an auction is being planned for the balance. The automobiles in my possession have been sold at auction. The real estate investments, which mainly comprise unimproved lots, continue to be sold. In September’s letter, we discussed the builder who failed to complete several homes as contracted; these homes were sold at auction, and we are in discussion with the developer and others about recovery of damages. Overall, the lots and homes purchased by Mr. Robinson were bought at inflated prices: some lots are extremely difficult to build on and others are not worth the amount he paid for them.

Step Four continues as we complete a reconciliation of Liberty’s bank accounts. To complete this process, we are corresponding with each claimant to confirm that our reconciliation agrees with their claim and to resolve any differences. We will attempt to adjust claims in the order received, but please understand that there is no advantage to being first or last.

Claims adjustment will accomplish two goals:

1. Verification of specific claim amounts and assertions made in the Proof of Claims received, as well as,
2. Prioritizing the claim by the nature of the amount being claimed.

We anticipate that claims will consist of one or more of three components: principal, interest, and/or other costs. The goal of this endeavor is to attempt to pay back claimants' out of pocket amounts before paying interest and other costs. If funds remain after satisfaction of claims relating to principal, which appears unlikely, claims for interest, would be addressed next, followed by claims for other costs.

We will be submitting to the Court our plan for adjustment and our method of calculating the distribution to each investor. Further, we will send a letter to all investors and claimants providing more detail with regard to this court filing. If you do not agree with the Receiver's position, there will be instructions on how you can present your position and bring your disagreement to the attention of the Court.

It is the Receiver's position that Liberty Trade was a fraudulent scheme created by Mr. Robinson in which he took money from one person to pay his debts to others. Therefore, investors who have been paid have unintentionally but still wrongfully benefited from the Mr. Robinson's theft from others. To balance this out as reasonably as possible, the Receiver's distribution calculation will take into account payments previously made by LTI to investors.

As to those investors that have received more money than they invested, the Receiver will be seeking repayments to the LTI. See Step Six below.

Please understand that if you have filed a Proof of Claim, your right to assert and prove your claim is secure and reserved and will be fully considered in the claim adjustment process.

Step Five requires us to integrate investor claims with non-investor claims and, if the Court approves, prioritize claims.

Step Six, distribution, requires the completion of all steps one through five before it can commence.

We have identified payments from Liberty to individuals and companies for which we have no information regarding the purpose and propriety of the payment. If an address could be found, a letter requesting an explanation of the payment and the filing of a Proof of Claim was sent to the individual or company. Payments that cannot be supported as being reasonable and proper ***will be assumed to be subject to return or repayment to Liberty, and I will take action as needed to recover these payments or ascertain their purpose.*** It is anticipated that demand letters will be sent in coming months to begin the collection process.

Claimants may continue to contact the receivership through mail, e-mail or telephone. Please be aware that the telephone requires that you leave a message for my staff to return your call.

Sincerely,

Raymond J. Peroutka, Jr.
Receiver