

LIBERTY TRADE INTERNATIONAL, INC
IN RECEIVERSHIP

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

March 10, 2008

To: All Claimants and Participants

Re: Liberty Trade International, Inc., in Receivership

Dear Sir or Madam:

Today the Circuit Court for Baltimore County (the "Receivership Court") held a hearing on the Receiver's Petition to Approve Procedures for the Adjustment, Adjudication and Priority of Claims (the "Claims Procedures"). This hearing was originally scheduled for January 17, 2008 but was postponed due to other matters coming before the court on that date.

After providing claimants with notice of the Claims Procedures, the court received several letters and a response objecting to these procedures. The principal objection was the provision within the Claims Procedures requiring claimants to return funds received from Liberty Trade prior to the adjustment of claims. Although such a procedure would make marshalling of assets a more accurate process, it could place an unintended burden on some claimants. During today's hearing, the Receiver proposed an order that would only require, during the initial phase of the Claims Procedures, the return of funds to the extent that those funds received from Liberty Trade exceeded the amounts paid to Liberty Trade (the "Profits"). The Receiver estimated that approximately 35 investors have received funds greater than the amount they invested or Profits. The revised order that the Receiver proposed and the Receivership Court ultimately approved provided that only these Profits must be returned to the Receivership during the initial phase of the Claims Procedures.

The second phase of the Claims Procedures will identify any funds received by claimants relative to funds they paid to Liberty Trade (the "Individual Distribution Percentage"). These will be contrasted with the average percentage of funds available for distribution to claimants relative to all funds paid to Liberty Trade (the "Average Distribution Percentage"). If the Individual Distribution Percentage is greater than the Average Distribution Percentage, then the excess may be asserted as a claim against the individual investor. If the Individual Distribution Percentage is less than the average Distribution Percentage, then the shortfall will be recorded as a claim by the individual claimant against the Receivership.

The following facts and example may be helpful to everyone's understanding. Currently, the Receivership holds cash assets of approximately \$1.6 million. If no other assets were recovered and no other costs incurred, these funds would be available for distribution. Investors paid in approximately \$8 million. This would result in an Average Distribution Percentage of approximately 20%. (\$1.6 million divided by \$8 million). A claimant who paid in \$5,000 and received no payout could expect approximately \$1,000 (20% of \$5,000). A claimant who paid in

\$5,000 and received prior cash distributions of \$2,500 would be expected to return the excess they received over 20% or approximately \$1,500. The funds returned by those who received more than the average will be used to increase the average and create equality among all claimants. The objective is to create a fair distribution mechanism through which everyone receives the same percentage of their claim as everyone else.

After recording the above proposed adjustments, the Receivership will inform all claimants of the status of their claim. All claimants will be provided an opportunity to contest these proposed adjustments. If a claimant contests the Receivership's proposed adjustment and a resolution can not be reached, the dispute will be scheduled for a claims review hearing before the Receivership Court. If the claimant agrees with the proposed adjustment or no adjustment is proposed, the claim will be submitted to the court for immediate approval.

Copies of the relevant filings and orders that describe this process and these procedures in more detail can be found on the website.

Finally, we have been informed that David Robinson is currently undergoing evaluation in a federal facility in North Carolina. Following that, he will be returned to Baltimore for sentencing on or about April 17, 2008. This follows the entry of a plea of Guilty on all counts of the federal indictment.

Sincerely,

Raymond J. Peroutka, Jr.
Receiver for Liberty Trade International, Inc.