

# **LIBERTY TRADE INTERNATIONAL, INC., IN RECEIVERSHIP**

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

May 4 , 2006

To: All Claimants and Participants

RE: Liberty Trade International, Inc., in Receivership

Dear Sir or Madam:

As many of you are already aware, the Circuit Court for Baltimore County has placed Liberty Trade International ("Liberty") and David M. Robinson ("Mr. Robinson") into receivership and appointed me as their receiver. The documents that evidence these actions can be found in the **Documents** section of this website.

Liberty's office at Rolling Crossroads has been closed. The expense of maintaining this office and its staff was inconsistent with the long-term interests of creditors. Claimants may continue to contact the receivership through mail, e-mail or telephone. Please be aware that the telephone may be answered by a recording. However, if you leave a message, a representative will return your call as soon as possible.

In addition, a few weeks ago, Proof of Claim forms were mailed to all known potential creditors and investors of Liberty. That mailing was in excess of 1,100 letters, and we have already received more than 700 claims totaling over \$4,800,000. More Proof of Claim forms are being sent and received daily as additional names of potential investors and claimants are submitted. Although the majority of claims may have been filed, it will be months before we receive the last Proof of Claim forms.

We have received and responded to many calls; the most difficult calls are those requesting payment. These inquiries are usually tied to significant hardships suffered by investors who were relying on the anticipated income from Liberty. Although I sympathize with the investors, I cannot pick and choose whom to pay, when to pay and how much to pay. That would be unfair to all other investors, many of whom have hardships of their own. Further, it is not likely that such payment would receive court approval.

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.

Not all of these steps have been completed, but my staff and I are dedicated to completing these tasks as quickly and efficiently as possible.

Seizing and securing assets has been among our initial priorities. In addition to the bank accounts secured at the beginning of the receivership, additional funds in excess of \$265,000 have been collected from a loan made by Liberty. Assets such as cars, furniture, jewelry and furs have been seized and will be sold as soon as the Court approves the disposal of the items. Real estate and loans secured by real estate have been located and examined. These properties are primarily either unimproved lots or lots with partially completed construction. Together these properties have significant value, but it is too early to estimate the return to Liberty when they are sold.

To date, investors have submitted claims in excess of the cash funds available. Further, we anticipate that total claims will exceed the value of all assets available which may result in eventual payments to creditors of less than their original investment.

I would like to close this note by thanking the Liberty staff that remained with us over the past weeks. Their diligent efforts and assistance in organizing records and creating the contact list was a great benefit to both the investors and me. In particular, I praise the efforts of the staff that handled innumerable calls from understandably confused and upset investors. Without this help in the beginning weeks, I would not have been as successful in collecting assets and moving the receivership process as far as I have to date.

Sincerely,

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