

LIBERTY TRADE INTERNATIONAL, INC.
IN RECEIVERSHIP

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

August 28, 2008

To: All Claimants and Participants

Re: Liberty Trade International, Inc., in Receivership

Dear Sir or Madam:

We have been working on the Receiver's revised Determination of Claim Value – Claim Adjustments. All investors should have received a letter in the mail detailing the investor's recovery percentage. The recovery percentages are crucial due to the fact that when the Receivership makes distributions we will compare the payout percentage to the recovery percentage. For example, if the distribution brings investors to a minimum overall recovery percentage of 30%, an investor with a recovery percentage of 0% will receive 30% of their investment during the initial distribution. Another example, if the Receivership pays out 30% and the investor has a 20% recovery percentage; then the investor would receive 10% of their investment to bring them to the 30%.

The Receivership was contacted by a number of investors who disputed the method used in calculating their recovered percentage. These investors argued that we should not count funds that were reinvested or rolled back into Liberty. We researched the issue and agreed with the investors. This required a recalculation of the recovery percentages for investors who had received payments from Liberty but rolled them back into the company. Investors that are impacted by the revised calculation will be provided notice of the change and an opportunity to dispute the Receiver's position.

A basic example of the change is as follows:

PRIOR CALCULATION SAMPLE: Where an investor made an initial deposit, received a payment and re-deposited the funds.

(Initial) Deposit 1:	\$2,500	
Distribution 1:		\$3,000
(Rollover) Deposit 2:	\$3,000	
Totals:	\$5,500	\$3,000

Total Deposits: \$5,500 and Total Distributions: \$3,000 equals a 54.5% recovery percentage.

REVISED CALCULATION SAMPLE:

(Initial) Deposit 1:	\$2,500	
Distribution 1:		\$3,000
Rollover Credit:	(\$3,000)	(Reduce Distribution from Calculation)
(Rollover) Deposit 2:	\$3,000	
Rollover Credit:	(\$3,000)	(Reduce Deposit 2 from Calculation)
Totals:	\$2,500	\$0

The revised calculation cancels out the \$3,000 second deposit against the first disbursement because the investor did not retain the \$3,000 distribution. So the investor will have a 0% recovery percentage on a \$2,500 investment.

This issue created a delay in scheduling a hearing to make distributions. Currently, we have completed the new Rollover Calculation Model and have since petitioned the Court to schedule a hearing. On a positive note, the Receivership has scheduled an auction for David Robinson's jewelry that was purchased with investor funds. Alex Cooper, a well known auction house, will hold the auction on September 14th and 15th. There are multiple ways of bidding including in person, by telephone or a left bid. You can visit the Alex Cooper web site for instructions on bidding, or you call them at 410-828-4838. The proceeds will be deposited into the Receivership and eventually distributed to the investors. Distribution of assets will occur following the approval by the Receivership Court, which awaits a better understanding of the assets available to fund those payments.

Thank you for your patience regarding this matter.

Sincerely,

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