

OffshoreAlert

From: "Jared Brook" <impcon@globalnet.co.uk>
To: <info@offshorebusiness.com>
Sent: Wednesday, July 18, 2001 10:05 PM
Subject: IN CONFIDENCE. WITHOUT PREJUDICE

Dear Mr Marchant,

You have never heard from me before directly.

I apologise in advance for any spelling errors, as spelling is not my strong point and my computer operates in Dutch. I write without prejudice and as an individual, I do not write in the name of Imperial Consolidated or any other. I am also trusting you to accept my communication in strict confidence and I transmit it to you on the basis that it is not published in whole or in part without my express permission (which I would be likely to deny).

I have chosen to open a confidential line of communication with you simply to protect the interests of 500 employees, to break a deadlock and protect the business of Imperial.

In light of the litigation pending it is no surprise that you are aggravated by Imperial and vice versa. It should also be understood that the face of the litigation by Imperial is a mere ice berg tip to the overall legal action plan which is far more severe involving far more than just libel in the US. Imperial and its lawyers which include several major firms around the world have worked tirelessly to target a campaign in light of your relentless attack on the group, which is hardly surprising. The whole event could go on and on at a monumental cost.

This aside, the fact is Imperial is a good and strong company. I no longer have any officership within the group, simply, because I have other interests and you have made matters untenable. I am responsible enough to accept that personal abuse against me that drags Imperial in and risks jobs through no fault of the company or its employees is unacceptable.

I wish to talk about financial stability. You have claimed that Imperial has no consolidated accounts, and/or companies in the Imperial chain are unaudited. Let me assure you that this is not correct. All companies in the group are audited and in September of this year a consolidated result will be shown. Not only will it be in good order but quite profitable too. You also said that its paper note companies are unaudited, this is also untrue they are. In fact every company in the group is audited. What you may not have realised is that Imperial until 1st April this year was a co-operative co brand, not a single ownership group. That is the simple reason why a consolidated audit has not been available historically. More importantly because of your articles the group has gone through special and forensic audits including PWC to verify to banks and regulators that the group is in good shape and does NOT launder money.

Imperial's hesitance (certainly during my custody) to respond to your questions was simple. Any publication in OBNR can be viewed as negative. Answering questions only protracts the article. This was not in the groups interest. This position remains from the new boards perspective even now.

I can assure you that the group is in excellent financial shape and all deployed assets perform in excess of obligations of yield, growth and cost and that is why there will be a good profit this year. However:

The group is damaged, reputation has been hit HARD, insurance and banking relationships have been compromised, why? your articles and actions, no other reason. In every case the response has been " If you are in this type of media, whether the claims are true or not, you are a reputational media risk for us" (or words to that effect).

Well, the fact is that no matter what damage is done in this sector it will not compromise investor capital, nor the groups year end profit, but what it may well do is damage the groups ongoing ability to operate, which will result in job loss of substance. Frankly speaking your articles frighten banks and institutions, you've frightened HSBC, Girobank, Lloyds TSB, Barclays, Lloyds Underwriters, Henry Ansbacher, 10's of assurance companies and many

others, but by frightening them you've also unstabilised 500 jobs, people who work hard for a living and respect their employer who has at all times treated them well and fairly. You have undermined investor and broker confidence in a company that has never missed a redemption, yield or any other investor obligation in all the years it has traded.

Lets talk of the reality. Imperial was formed from near scratch several years ago and like any business just beginning you have to sell yourself hard to get going. You have been in the same position and hopefully can relate to this. We, and in this instance I mean Mr. Fraser and I do not deny working and selling hard to get the organisation going. This resulted in some upset in the market, particularly in New Zealand and the Bahamas. (For the record Barbados and Cayman were fine until you started writing about New Zealand). This hard sell pushed noses out of joint, but contrary to what you may of heard from the likes of Hobbs, or read, we were not in contrevention of any legislation. We did not offer unacheivable returns or guarantee anything unacheivable. There were, in the late 90's, several forged and unauthorised documents flying about with Imperials name on, just like many other financial groups (I suppose we should be flattered that such a small organisation at that time was worthy of unauthorised emulation).

In fact every thing that Imperial has ever offered whether fixed, variable, protected or market driven has always performed in accordance with what we have said.

If Mr. Fraser and I have been too aggressive for the market, the offshore regulators (who time after time in certain cases have proven unfit and corrupt) and bankers (the same) and have pushed noses out of joint to build the group in its early stages then sorry, but we did what we thought was best at the time and for the good of the company our staff and investors. We are not nor have we ever been greedy.

Imperial today is an organisation that trys its hardest to comply with all legislation and protocol no matter how enduring (or unreasonable as it can be offshore).

The new board are running Imperial well with absolute dedication and to the best of their ability as an institution, (far better than Mr Fraser or I could run the group at this stage of its development) but they are hitting hard barriers because of your website. I could go on and on dealing with item after item, this I am prepared to do in due course if you want, but the fact remains that the "July 2001 Imperial" is a quality organisation with sound objectives and a strong business that has responsibilities to thousands of investors, hundreds of thousands of borrowers and over 500 staff. If left alone and excluded from this "integrity shattering" abuse they will prosper well and both staff and investors will have a healthy future. If not, investors will be be protected, but the business could be damaged beyond repair resulting in upto 500 job losses.

Simply I put this to you, if you leave them alone, I am sure they could agree to leave you alone immeadiatly, but I can suggest more than that, (at my own peril maybe). Many of the people and companies you are presently refering to on your site are known to me and officers, present and past of Imperial, many of the people you mention really are scam artists, I can vouch for that, having heard their rediculas stories. We have hair raising information on many of them. Far more information than you know at present or could ever know in certain cases. We have heard proposals that would make your toes curl and from some of the people you are naming personally and have court actions pending. In some cases we have even reported them, but the regulators did nothing, (Not dissimilar to the French advising the FSA on the problems at Independent Insurance, but on a smaller scale)

Mr Fraser and I are aggresive business men. Yes, we have had our falls in the past.

Progressive Leisure being the main:

(though for the record we did not uplift laundry or anything else, I know, I was there. We paid all the creditors including Heckford advertsing. Having been dragged through court time and time again on the matter one things for sure no abuse of crown money and no issues of proberty! Things didn't work out or mature, maybe being so young at the time we were over optimistic, but we were scammed and paid a heavy price, unfortunate for all concerned but we worked hard, did not profit and did our best along with paying our debts [which we were not obliged to do] in more ways than one).

Further more, for the record we do not nor have we ever had any dealings, nor would we ever know where to start with Osama Bin Laden. Also for the record we have never, nor would we ever be involved in drugs or arms. Your picture of Mr Fraser with Monzer Al Kassar, is most unfair. This was taken unwittingly in a crowded environment

with many people having photos with others, its context is incorrect and inappropriate. Neither Mr Fraser , nor Imperial nor I have dealings with this man. Mr Fraser was duped into the photo and MAK tried to force his way into a deal between Mr Fraser and another group on a land aquisition. Mr Fraser and I have launched both civil and criminal actions against MAK, (which we will persue until we win) along with actions against El Mundo in Spain for publishing this picture.

Frankly, You may not like Mr Fraser and I for all sorts of reasons, but I ask that you leave Imperial alone, maybe even work with them in a positive light if possible and as soon as possible.

Imperial has never compromised an investor, borrower, broker, banker or insurer. It treats its staff well and with respect. It is a major contributor to the economy of rural Lincolnshire. Whether you retain any affection for the UK or not, I am sure you appreciate that employment in rural areas is limited. Imperial is a significant employer and purchaser of services.

If you want to attack for whatever reason then attack Mr. Fraser and I (although we are not in the offshore areana any more), but please leave Imperial alone and if at all possoble work with them. They are sound and responsible in all ways. They and their staff do not deserve to be abused. In return, they, I suggest will work with you. I notwithstanding (and this goes without being any form of suggestion, trade off or compromise) will also be pleased to offer any insight I can of my experiences of Offshore over the last 5 years, which I promise are many, revealing and in some cases almost unbeleivable, particularly in the Bahamas.

I re-iterate that I write this in confidence, on my own part as an individual and not in the name of others or as an officer of any comany or group. It is WITHOUT PREJUDICE and with all good will intended. I also wish to point out that my email address is that of my home computer and an overhang of Imperial Consolidated days, it is not an Imperial computer or account.

I hope and trust you to accept this message with the positive and good spirit that is intended and as such I look foward to your early reply in confidence.

Yours sincerely

Jared Brook