

21 July 2004

**PALMER CLAIMANTS' GROUP
JULY 2004 BULLETIN**

I am writing to update you on the latest developments. In summary they are;

- Another Focus Group meeting has taken place.
- A statutory demand has been served on Palmer in prison. This is the first step in bankruptcy proceedings.
- We are continuing to pursue Palmer's assets which will be needed to pay the judgment and the group's costs.

The Focus Group met in June. We were able to have a frank and open discussion about the best way of recovering the damages and costs from Palmer. As a reminder the total damages awarded by the court are in the region of £3.8m. The group's total legal costs are in the region of a further £1.4m.

Much of what was discussed with the Focus Group must remain confidential as it is important that Palmer does not get prior warning of the group's strategy.

However as a preliminary step a statutory demand was served by us on Palmer. That is the first step in bankruptcy proceedings and it gives the group the option of pursuing Palmer to bankruptcy if that proves to be the best way of getting him to pay up.

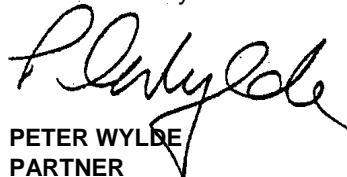
Keeping your timeshare even if you receive compensation

To repeat what we said in previous bulletins, the timeshare is yours to deal with as you see fit, even if you receive compensation from this action, or via the criminal proceedings. Of course if you decide to keep the timeshare (or exchange it) you will still have to pay the usual maintenance fees.

If you receive any correspondence from another source (such as South Eastern Financial Services) suggesting otherwise, then that is incorrect. We understand that SEFS have recently sent out letters of apology for the misunderstanding on their part.

I will report again in the next bulletin.

Yours sincerely



**PETER WYLDE
PARTNER**