

August 2004

Dear

**PALMER CLAIMANTS' GROUP
AUGUST 2004 BULLETIN**

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

- Palmer's assets up to 4.5m have been frozen by the court.
- Palmer must disclose to us all documents relating to the proposed sale of any unsold timeshares.
- We are proceeding with the bankruptcy petition.
- The court will hold a bankruptcy hearing on 7th September.

The court has raised the amount of assets subject to the "Freezing Order" from £3.25m to £4.5m (to take into account all the damages of £3.8m plus half of the costs of £1.4m). That means Palmer cannot dispose of his assets up to that amount without being in contempt of court.

In April of this year Palmer told the court that he intended to sell all the unsold timeshare weeks he owns. The court has ordered that all the relevant documentation about that proposed sale should be disclosed to us and our team of barristers.

We have now served a bankruptcy petition on Palmer. This step should put him under extreme pressure to come up with the money.

The next court hearing is 7th September. If Palmer has no proposals to pay the money by then we expect that he will be declared bankrupt. If that happens a trustee in bankruptcy will be appointed to gather in all of Palmers assets and, if necessary, sell them to pay his debts, including the amount owing to the Group pursuant to the court judgment we have obtained.

I will report again in the September bulletin.

Yours sincerely



**PETER WYLDE
PARTNER**