

**PALMER CLAIMANTS GROUP
DECEMBER 2006 BULLETIN**

I am writing to update you on the latest developments.

In late November, we and the legal team in Spain met with the Spanish prosecutor who has conduct of the criminal proceedings against Palmer in Spain. The meeting was encouraging and, at the request of the prosecutor, we are this week due to submit an application to lift the criminal embargoes. The application details the background to the case and the difficulties caused by the criminal embargoes held over the remaining timeshare resorts. It follows an application to the English Court in the summer for a declaration as to the powers and duties of the Trustees in relation to Palmer's property, including his foreign property.

We are hopeful that the Judge will rule on whether to lift the criminal embargoes in the New Year. As you know, it is crucial that the remaining embargoes are lifted so that the resorts can be sold. Provided that all of the resorts are sold, we are confident that the money raised will be sufficient to pay the Group the compensation they are owed.

Unless we receive news from the Trustees of any important developments that we need to report to you immediately, we will send you a further bulletin in March 2007.

Yours sincerely



**PETER WYLDE
PARTNER**