

PRIVATE AND CONFIDENTIAL

**CLIENT: BENTLEY HOLDINGS
ALSTON HOUSE
WHITE CROSS BUSINESS PARK
SOUTH ROAD
LANCASTER
LA1 4XQ**

REGISTERED TRADING NAME: O.T.A.N. LTD; NO.: 02885635

Trading with the above client began in October 1994 the client's trading activities being the opening of a Country Hotel in Wales for gay men and women. The orders placed were for advertising the Hotel, named Saville Park, in several gay publications and the production of a brochure for which subsequent invoices were raised as per statement.

First doubts about the client surfaced when the Saville Park Hotel appeared on Page 3 of the Sun Newspaper shortly followed by a phone call from HTV Network asking for statements on the subject. A call was then received by Steve from HTV in early December stating that Bentley Holdings had been issuing cheques that were not clearing.

At this time we had in our possession a cheque from O.T.A.N. Ltd for the amount of £2921.05 for which we banked and on December 15 received a letter from our bank stating the cheque had bounced.

While all this was going on the client had purchased a Hotel in Morecambe by the name of the Midland Grand Hotel which would also be used for gay men and women. Obviously the company has sufficient funds to pay the amount which we are requesting after being able to afford 2 hotels.

I personally spoke to Lincoln Frazer, a director of the client company, on Friday December 9 requesting monies for the amount of £12,279.78 which was due on 30 days at that day. He explained to me that the company was in the process of changing over bank accounts and that once the cheque books had been received a cheque would be sent for the above amount. On Thursday December 15 I contacted Lincoln Frazer stating that the original cheque for £2921.05 had bounced and that the monies now due was for the sum of £15,200.83 and if we did not receive this amount then legal action would be taken.

In response to this Mr. Frazer explained that there were funds lodged with his solicitor (Blackhurst Parker and Yates, Tel: 0524 66277) and later that day I got a phone call from his solicitor confirming that a transfer would be made from the solicitors'

bank account to Heckfords bank account mid-week week commencing December 19 1994.

What we are concerned about is the fact that we close on Wednesday 21 December and require the funds before that date. We are determined to act early in order to avoid any loss of monies to which we have been subject in the past. I am currently trying to persuade the client to be transfer funds either today or Monday at the latest. This is to put you in the picture as to the situation if there is a need to pursue legal action but not to pursue the matter as of yet. Steve or myself will let you know if and when he wishes to commence legal proceedings. There is a Statement of Account with this fax. I will keep you informed.

RICHARD WALKER