

TRUST SERVICES S.A.

MEMORANDUM

1997
20TH January, 1996

To: Carl Dilley

From: P. Robin Baily

Re: Asset Trade for Preferred Shares

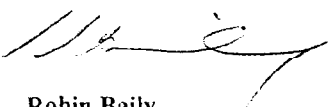
I inform you that the minutes increasing the capital of Marc M. Harris et Cie, S.A. by the creation of two classes of preferred shares have been passed to the agents for filing in the BVI.

Unfortunately I am not prepared to proceed with the preparation of the paperwork relating to the swap of the assets for the preferred shares including the drafting of the required resolutions as I am not satisfied with the valuations submitted to me of the underlying assets being transferred which include Havana Holdings, Havana Holdings Warrants, LARE and TW Costa Rica which carry a valuation for the purpose at hand of in excess of six million dollars.

I have to bear in mind that there are three or perhaps four beneficial owners of Marc M. Harris et Cie, S.A. and it is not in the interests of the minority beneficial owners if such a transaction were processed if significant over valuation of assets has occurred. We cannot prejudice the minority beneficial owners at the expense of the one majority owner.

I will be happy to cooperate provided that I am supplied with concrete evidence that valuations of the four securities referred to above are accurate.

I assume that anyone who takes over this transaction will adopt the same views.


P. Robin Baily
Managing Director

c.c. Beth Ann Gray
Pedro Coronado
Derek Sambrook
