

JBBT - GCM

Julius Baer Bank and Trust Co Ltd, Cayman

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Minutes of the Meeting January 13th, 2000
of the Management Committee of Julius Baer Bank and Trust
Company, Grand Cayman held at 2:30 pm

To Mrs. Sabina Duerr Gerber, Mr. Bernard Spilko, Mr. Martin Vogel, Ms. Dora Stocker, Mr. Roberto Kuettel, Mr. Charles Farrington, Mrs. Debra C. Humphreys, Mr. Rudolf Elmer, Mrs. Christine Godfray

Date January 11, 2000

Present Charles Farrington, Debra C. Humphreys, Christine Godfray & R. Elmer


Absent

Minutes Debra C. Humphreys

Chairman C. Farrington

Previous Minutes of December 15th, 1999 approved.

1 BANKING

- Year to date result CHF 16.4 M (CHF 7 M below Budget)
-  The decision of Management on 14/01/2000 to buy CHF 5 M of Pfandbrief Oster, Hypo 3.375 31/3/05 (AAA) at 100.05, yield 3.3625% for value 14/2/2000 was confirmed.
- A new Server to upgrade Lotus Notes has been installed. ~~Leon~~ Schwartz is to test – added functionality is expected.
- Direct Money Market dealing has started. Max Obrist has assumed responsibility for this activity.

2 TRUST & COMPANY.

- A new Fee Schedule is being finalized
- New Procedural Guidelines were implemented 1st January, 2000
- Government Annual Returns have been completed
- Edward Buckland will be visiting Cayman 20th February to 1st March
- Several new potential trust structures, referred by Michael Blank, are under review.

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3 MUTUAL FUNDS

- C. Farrington, and C. Godfray, visited CITCO on Tuesday to review our working relationship. Improvements are expected from CITCO by month-end.
- Paul Nathan is scheduled to visit Cayman next week. He, C. Farrington, and C. Godfray will again visit CITCO.
- Five Funds, which have been closed for a year or more, were put into liquidation last month.
- A new \$6.8 M fund was started 12th January 2000

4 STAFF

- C. Farrington thanked Managers for completing the Staff Performance Appraisals. Goals and objectives to be set for year 2000 – deadline for completion is Mid-February.
- Schedule of last year's staff absences were reviewed. Managers are to organise their respective travel and vacation dates.
- Marita Pereira has passed the Canadian Securities Course. She thanked the firm for sponsoring her.

4 OTHER

- A list of charities to whom donation are made was discussed.
- Internal Audit Report status was reviewed.
- Offsite archive project to be completed by Mutual Fund Dept within a couple of weeks.

Debra C. Humphreys

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Julius Baer Bank and Trust Ltd, Cayman

Minutes of the Meeting August 25th, 2000
of the Management Committee of Julius Baer Bank and Trust
Company, Grand Cayman held at 11:00 A.M.

To Mr. Cyrille de Kostine, Mr. Edward Buckland, Mr. Bernard Spilko, Mr. Martin Vogel,
Ms. Dora Stocker, Mr. Roberto Kuettel, Mr. Charles Farrington, Mrs. Debra C.
Humphreys, Mr. Rudolf Elmer, Mrs. Christine Godfray

Date September 1, 2000

Present Charles Farrington, Debra C. Humphreys, Christine Godfray & Rudolf Elmer

Absent

Minutes Debra C. Humphreys

Chairman C. Farrington

Previous Minutes of August 4th, 2000 approved.

Banking:

• Management ratified and confirmed:

- Sale of US\$5M of IBRD 5.75 2008 @ 93.43 for value 30/8/00
- Sale of 5 Mio US Treasury Strip maturing 15/5/02 at 89.955 for value 29/8/00
- Purchase of 5 Mio Chesapeake exc.

Trust and Company:

- New business in the pipeline : 2 trusts referred by law firm in Geneva, a STAR trust referred by Miami law firm, Private Trust Company referred by BJB New York.
- Complete update on "Jobstream" program expected when IT Specialist returns to office from Guernsey visit.

Mutual Funds:

- HL Global opportunities (6m Euro) due to start in September.
- Several pieces of new business in the pipeline.
- A meeting is scheduled with CITCO on Tuesday to review several issues.

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Staff:

- H. Seymour will be on sick leave next week.
- Candidates for clerical staff in the Mutual Fund area are to be interviewed next week.
- Katrina Romero starts on 4th September as MF Administrator.
- Amini Awe has transferred back to M Fund Dept. as a Senior Fund Administrator.
- Sally Moore has been promoted to Asst. Mgr., Mutual Funds.
- Mutual Funds Department has implemented new staff structure of 2 levels of Asst. Admin., 2 levels of Administrators, 2 levels of Senior Administrators.
- A staff meeting will be scheduled for 31st August at 9:00 A.M.

Debra C. Humphreys

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Minutes of the Meeting May 16th, 2000
of the Management Committee of Julius Baer Bank and Trust
Company, Grand Cayman held at 2:30 pm

To Mrs. Sabina Duerr Gerber, Mr. Bernard Spilko, Mr. Martin Vogel, Ms. Dora Stocker, Mr. Roberto Kuettel, Mr. Charles Farrington, Mrs. Debra C. Humphreys, Mr. Rudolf Elmer, Mrs. Christine Godfray

Date May 24, 2000

Present Charles Farrington, Debra C. Humphreys, Christine Godfray & Rudolf Elmer
Absent

Minutes Debra C. Humphreys

Chairman C. Farrington

Previous Minutes of March 21st, 2000 approved.

Banking:

- R. Elmer reported profit for April of CHF1.8 m (Budget 1.0m) and profit year to date CHF 5.3m (Budget 4.1m). Contributing factors were realized gain of CHF5.3m on sale of 30,000 Creinvest shares and loss of CHF4.4m on sale of investment securities

- The following trade decisions of management were ratified and confirmed:

Sale of:

- US\$10m Bellsouth 5.375% 2008 @ 85.96
- US\$10m Shell 5% 2003 @ 93.60
- US\$ 5m Credit Local 2009 @ 88.34
- 15,000 Shares Creinvest @ 415.00
- 15,000 Shares Creinvest @ 416.00

Purchase of:

- US\$5m Treasury 5.875 11/04 @ 99 3/64
- US\$5m World Trade Bank 5.75% Feb 2008 @ 92.00
- US\$5m Austria 8.25% 2005 @ 103.93
- US\$5m US Treasury Bd, 6.75%, 15/5/2030 @ 100.26/32 for value 8.5.00

Handwritten arrow pointing to the 'Sale of:' section

Handwritten arrow pointing to the 'Purchase of:' section

Large handwritten bracket and text: "Trading!!"

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Trust/Company:

- Trust assets as of 31/3/2000 were approx. US\$1.162 Billion
- Staff of the Banking Department will begin accounting support later this month.
- BJB, Palm Beach Rep. office continues to refer new business.
- It was noted that Sabina Duerr will reduce her workload and step down as head of EPTS, effective August 2000.
- Edward Buckland will visit our office the week of May 22nd.
- Debra Humphreys reported on the Caribbean STEP Conference.

Mutual Funds:

- JBTC has now paid CITCO fees for the period August to December 1999, (\$239,828) and January to March 2000 (\$316, 594).
- CITCO services continue to improve. A meeting was held with CITCO on May 11th to discuss current issues. Key issues: automatic link for portfolio/bank statements from BJB, NY (deadline May 31st), improve Cayman computer link (ongoing), minimum fees for daily funds (ongoing).

Staff:

- Resignations have been received from:
 - Eunice Morris (MF Admin.) effective 31st May
 - Dena Hydes (MF Admin) effective 31st May
 - Toni Greene (MF Admin) effective 20th April
 - Peter O'Neil's employment terminated 27th April

- New hires for the Mutual Funds Department are:

Marita Pereira – MF Administrator (May 3rd)
Sarrina Williams – Share Registration Administrator (May 16th)
Rhonda Livingston – Share Registration Administrator ((June 12th)
Karen Solomon is hired to work during her summer break from university

- R. Ebanks and L. Fraser have discontinued their Law School studies.

Staff
Fluctuation

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Other:

- The JBBT Board of Directors has approved the extension of the Group Medical Insurance benefit to retirees and spouse, with retirees to pay premiums.
- The staff's mortgage subsidy multiple has been changed from 6 to 5
- Computer systems were discussed - it was suggested that we start looking at new alternatives.

Debra C. Humphreys

JBBT - GCM

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Ms. Dora Stocker, Mr. Roberto Kruettel, Mr. Charles Farrington, Mrs. Debra C.
Humphreys, Mr. Rudolf Elmer, Mrs. Christine Godfray

Date September 28, 2000

Present Charles Farrington, Debra C. Humphreys, Christine Godfray & Rudolf Elmer

Absent

Minutes Debra C. Humphreys

Chairman C. Farrington

Previous Minutes of August 25th, 2000 approved.

Banking/Operations:

- Management ratified and confirmed:
 - Purchase of CHF2m PSK 4.5% 16.10.2015 for value 16.10.2000 (new issue guaranteed by the Austrian Government)
 - August month end gain CHF 1.6m
 - Office move to Safehaven still on target for end of November.

Trust and Company:

- A few Trusts have terminated because of maturity and estate restructuring of Settlers.
- New security measures have been implemented, as recommended.

Mutual Funds:

- Hi Private Equity Ltd. will start October 6th.
- Recent Management Meeting with CITCO went well – impressed with CITCO's control and facilities in place. CITCO now fully staffed.

Staff:

- Work permit application has been submitted for Senior Mutual Fund Administrator.
- Salary survey received from KPMG.
- Salaries/Budgets/Promotions to be reviewed.

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Other:

- Visitors to the office:
 - Sept 25th & 26th - Dr. Hannes Lubich
 - Oct 9th – Martin Vogel, Bettina Jenzer
 - Wk Oct 16th – Paul Nathan, Mike Quain
- Recent security recommendations were discussed.
- Duties/Responsibilities of Compliance officer were discussed,

Debra C. Humphreys

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Debra C. Humphreys

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Minutes of the Meeting June 13th, 2000
of the Management Committee of Julius Baer Bank and Trust
Company, Grand Cayman held at 2:30 pm.

To Mrs. Sabina Duerr Gerber, Mr. Bernard Spilko, Mr. Martin Vogel, Ms. Dora Stocker, Mr. Roberto Kuettel, Mr. Charles Farrington, Mrs. Debra C. Humphreys, Mr. Rudolf Elmer, Mrs. Christine Godfray

Date June 15, 2000

Present Charles Farrington, Debra C. Humphreys, Christine Godfray & Rudolf Elmer
Absent

Minutes Debra C. Humphreys

Chairman C. Farrington

Previous Minutes of June 2nd, 2000 approved.

Banking:

- CHF600,000 for month ended 31st May 2000
(CHF500,000 below budget)
- Industrial Park warehouse sold for US\$26,400.00
- Management ratified and confirmed the purchase of CHF2M BNG 4.5% 5/7/2010 @ 100 for value 5/7/2000, Val Nr. 1087622.
- Urs Wattenhofer's visit went well - he has submitted a report to management.

Trust/Company:

- A new trust referral has been made by the Palm Beach office.

Mutual Funds:

- Baer Global - new fund started with \$7M
- Yearling Fund reduced from \$6.5M to \$2.7M

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Staff:

- D. Humphreys will be on vacation 16th June to 4th July
- V. Mullen on vacation 9th June to 23rd June
- Hiring of an IT assistant is to be recommended.

Debra C. Humphreys

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Minutes of the Meeting January 20th, 2000
of the Management Committee of Julius Baer Bank and Trust
Company, Grand Cayman held at 2:30 pm

To Mrs. Sabina Duerr, Gerber, Mr. Bernard Spilko, Mr. Martin Vogel, Ms. Dora Stocker, Mr. Roberto Kuettel, Mr. Charles Farrington, Mrs. Debra C. Humphreys, Mr. Rudolf Elmer, Mrs. Christine Godfray

Date February 3, 2000

Present Charles Farrington, Debra C. Humphreys, Christine Godfray & R. Elmer

Absent

Minutes Debra C. Humphreys

Chairman C. Farrington

Previous Minutes of January 13th, 2000 approved.

JB, Holding, Zurich

1 BANKING



Dividend of CHF30M paid from JBBT to Holding Co. value dated 31st January.

- A new monthly reconciliation with Zurich is in place, resulting in less paperflow.
- Promisory Note procedures have changed.

2 TRUST & COMPANY

- C. Farrington and D. Humphreys met with prospective clients referred by Palm Beach Rep-Office

3 MUTUAL FUNDS

- Discussed the holding of Manhattan Fund in 5 of our Mutual Funds accounts – provide Directors for 2 of the accounts.
- C. Godfrey and C. Farrington will attend a meeting in NY tomorrow and Thursday.

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4 STAFF

- Staff leave allocation was discussed.

4 OTHER

- Had a lengthy review and discussion of draft layout for new office.

Debra C. Humphreys

Summary

The Management protocol shows or is intent to show that

- purchases/sales decisions are made in the Cayman Islands
- a high turnover of "Hold to Maturity" securities which is not in line with IFRS regulations
- a trading book was held in the Cayman Islands which confirmed by the portfolio as a separate attachment (Long Term Capital Funds, warrants, Liequibaer and even creInvest shares etc)
- 30 Mio Dividends are paid to Julius Baer Holding AG, Zürich representing tax free income