

Our Ref WGS/OGH/ALH/N00112/PF7

TO THE CREDITORS

7 December 2009

Dear Sirs

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

T +44 (0)20 7383 5100
F +44 (0)20 7184 4301
www.grant-thornton.co.uk

NDF Administration Limited - In Administration (the Company)
High Court of Justice, Chancery Division, Companies Court
Ref 19593 of 2009

1 INTRODUCTION

- 1.1. Following the appointment of Martin Ellis and I as joint administrators of the Company by the Directors on 14 October 2009, I am submitting my proposals pursuant to paragraph 49(1) of Schedule B1 to the Insolvency Act 1986 for achieving the objectives of the administration.
- 1.2. This report contains the information required by Rule 2.33 of the Insolvency Rules 1986.
- 1.3. In accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986 the functions of the administrators are to be exercised by any or all of them.

2 STATUTORY INFORMATION

- 2.1. The Company's statutory details are as follows:

NDF Administration Limited

Registered number	2.2.	01955637
Date of incorporation	2.3.	7 November 1985
Registered office	2.4.	30 Finsbury Square London EC2P 2YU
Former trading address		25 Grosvenor Road St Albans AL1 3AW

Directors

Paul Bispham
John Waller

Shareholding

nil
1.8%

Chartered Accountants

Member firm within Grant Thornton International Ltd
Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: Grant Thornton House, Melton Street, Euston Square, London NW1 2EP
A list of members is available from our registered office.

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

Company Secretary
Versec Secretaries Limited

Shareholding
nil

- 2.5. The administration constitutes "main proceedings" under the EC Regulation on Insolvency Proceedings.

3 BACKGROUND TO ADMINISTRATORS' APPOINTMENT

- 3.1. I was first consulted by the directors of the Company on 22 September 2009 to provide advice on the financial position of the Company in light of a large number of investor claims lodged with the Financial Ombudsman Service (FOS).
- 3.2. The claims arose as a result of the failure of Lehman Brothers Holdings Inc and associated European entities (together the Leman Entities) who acted as counter-party for a number of structured products offered by the Company. The claims alleged that the Company's marketing literature did not adequately warn investors of the risks associated with counter-party failure.
- 3.3. Prior to that consultation, neither I nor the firm, acted for the Company, its directors or company secretary.
- 3.4. The firm carried out a brief investigation into the Company's financial position and produced an Independent Business Review (IBR) dated 2 October 2009 for the directors consideration.
- 3.5. Having given consideration to the Company's assets and trading position as well as the legal advice obtained by the directors in respect of the Company's marketing literature, the IBR concluded that, in the absence of a significant third party injection of capital, the Company's potential contingent liabilities arising from the failure of the Lehman Entities rendered the Company insolvent on a balance sheet basis.
- 3.6. Having contemplated all of the options available to the Company the directors came to the decision that there was no alternative other than to place the Company into administration. Subsequently, on 14 October 2009, the directors made the direct appointment of administrators.
- 3.7. The objective of the administration is to rescue the Company as a going concern or to achieve a better result for the Company's creditors as a whole than would be likely if the Company was wound up.

4 ASSETS AND LIABILITIES

- 4.1. The directors have prepared a statement of affairs in respect of the Company, which is attached at Appendix A.

Assets

4.2. Cash at bank on appointment

The Company had cash at bank of c.£1.54 million at the date of my appointment (excluding client account monies).

4.3. Book debts

The Company books and records indicated book debts amounting to c.£40k at the date of my appointment. It is not yet clear as to the quantum of these book debts that may be recoverable given potential set-offs.

However, I also understand that the Company may be owed c.£100k by Prudential plc in relation to historical overpayments. I will be investigating the potential of recovering this debt in due course.

4.4. Client Account Monies

We will be investigating the Company's client accounts to identify the identity of any matured investments where the investor cannot be traced. Also the client account needs to be reviewed to identify what company funds remain trapped.

4.5. Structured product book

I am in discussions with a number of potential purchasers of the Company's structured product book. However, given the liabilities associated with ensuring the products are administered to maturity, realisations are anticipated to be modest.

4.6. ISA Mortgage book

I am also inviting offers for the Company's book of ISA mortgage products. However, unlike the structured product book these products provide a regular monthly contribution in excess of the associated administration costs. Therefore, the Company is able to act as plan manager for the products under my direction for the time being.

Ultimate realisations from a sale of the Company's ISA mortgage book are hard to quantify. Due to the overall run-off of the book the value deteriorates over time. However, given the administration of the book is profitable and will in the short term make a positive contribution to the administration realisations whilst a sale is considered.

4.7. Possible claims in the insolvency of the Lehmans Entities

I have submitted a contingent claim in the insolvency of Lehman Brothers Inc and I am currently preparing contingent claims in the insolvencies of other European Lehman Entities.

These claims would only crystallise in the event that the Financial Services Compensation Scheme (FSCS) determines that some claims against the Company in respect of the mis-selling of structured products backed by Lehman Entities are valid. The extent to which the FSCS pays any compensation to the investor and takes an assignment of the debt, subsequently making a corresponding claim in the insolvency of the Company may give rise to a contingent claim for the Company against the respective Lehman Entities.

Liabilities

- 4.8. There are no charges over the Company's assets. Therefore, after a distribution to preferential creditors (employees) and the discharging of administration expenses, I anticipate that there will remain sufficient net asset realisations to enable a dividend to unsecured creditors.
- 4.9. **Preferential Creditors**
There are currently three employees of the Company. Five employees have been made redundant to date as a result of my appointment. Any redundancies will result in related preferential claims.
- 4.10. **Unsecured Creditors**
Unsecured liabilities are estimated to total £50,520.46 in NDFA and consist of c.25 creditors across the Companies. This does not include the potential contingent liabilities arising from the Lehman Entities backed structured products.
- 4.11. **Contingent Creditors**
As set out in section 3 there are significant contingent creditors arising as a result of the failure of Lehman Entities. These contingent claims amount to a theoretical maximum of c.£36 million in unsecured claims. The FSCS, having taken over from the FOS in assessing the claims in respect of miss-selling, will be adjudicating on these claim in due course.

5 CONDUCT OF THE ADMINISTRATION

- 5.1. There were a number of issues which required immediate attention following my appointment, notably, the Primary Pooling Event affecting client monies, the ongoing administration of the product books, the structured products due to launch following my appointment and liaising with the FSA to obtain waivers in relation to various rules governing insolvency processes. I have also been in negotiations with a number of parties in an attempt to secure a replacement plan manager for the Company's products.

Primary Pooling Event

- 5.2. My appointment triggered a 'Primary Pooling Event' (PPE) under FSA rules. This effectively provided a requirement for me to reconcile all monies in the Company's client accounts. These monies amounted to c.£31 million across some 85 accounts. Given the sensitivity of client monies I tackled the task of reconciling the client accounts as a matter of priority following my appointment.
- 5.3. This reconciliation process has now been completed and I am happy to confirm that no errors or omissions were noted.

Administration of the Product Books

- 5.4. The Company's commission in relation to its structured products book, deducted from investments in order to meet the plan manager's costs and fees to provide scheme

administration services which the Company sub-contracts to Outsourced Professional Administration Limited (OPAL), are front end loaded.

- 5.5. Upon my appointment I entered into discussions with OPAL, who have agreed to continue to provide scheme administration services into the new year. I subsequently entered into discussions with a number of parties who indicated an interest in acting as plan manager going forward. Negotiations with the parties are continuing and I am confident that the long term administration of the products will be secured.
- 5.6. In relation to the Company's ISA mortgage and pure insurance products. As mentioned above these products provide a regular monthly contribution to cover the costs of providing scheme administration. Therefore, although I am seeking an alternative plan manager for the long-term, the Company is capable of acting as plan manager under my supervision for the time being.

Structured products due to launch following my appointment

- 5.7. At the date of my appointment the Company was offering five structured product investments, these were as follows:
 - i. Defined Income Plan August 2009, due to commence on 16 October 2009
 - ii. Skyline, Royal Deposit, Navigator and Autopilot, all joint branded with Royal Bank of Scotland plc (RBS) and due to commence on 2 November 2009 (together the RBS Plans)
- 5.8. Unfortunately due to time constraints and the PPE, which froze the monies in the client account at the date of appointment, I had no option but to cancel the Defined Income Plan August 2009. I am now in the process of returning the original investment capital to clients.
- 5.9. Given that there was more time available prior to the commencement of the RBS Plans I entered into discussions with RBS, the FSA and OPAL in order to investigate the possibility that these plans could proceed to investment.
- 5.10. Having given consideration as to the best interests of investors it was concluded that progressing the RBS Plans to investment, if possible, whilst extending the cancellation period for investors whose decisions may have been different given the insolvency of the Company, was the best solution.
- 5.11. It was necessary to acquire a waiver of certain FSA rules governing the PPE to allow the plans to proceed. As a condition in the FSA granting the waiver I wrote to all investors in the RBS plans to explain the situation RBS also provided certain guarantees to act as plan manager in respect of the RBS Plans in the unlikely event that I am unable to secure an alternative plan manager for the Company's structured product book.

FSA Waivers

- 5.12. Given the structure of the Company, the mechanism of investing ISA mortgage funds, placing insurance and returning client monies, certain waivers of FSA rules were required to avoid technical breaches.
- 5.13. I began the process of discussing the waiver with the FSA on 30 October 2009. I am delighted to report that the required direction was received from the FSA on 30 November 2009. This direction has enabled the Company to continue trading as normal under my direction, for investment maturities and cancellations to be returned to investors and for the payment of income in relation to certain structured products to be re-instated.

Discussions with interested parties

- 5.14. As mentioned above I have secured an agreement from OPAL which secures the scheme administration of the structured products book into the new year.
- 5.15. Having entered into discussions with a number of parties who had expressed an interest in acting as plan manager in respect of the Company's structured products, I am now in advanced negotiations with the parties and hope to be able to conclude a deal shortly. This will ensure the ongoing scheme administration for non-Lehman Entity backed products through to their respective maturities.

Investor Communications

- 5.16. Immediately following my appointment I prepared and distributed an initial letter to c.40,000 individuals who had made an investment in a product offered by the Company. I also set up a dedicated helpline and website to provide information to investors.
- 5.17. Following the receipt of the FSA directions, allowing me to trade the Company as normal, I have written a more specific letter to investors outlining how my appointment has affected them and what action, if any, they should take.

Receipts & Payments

- 5.18. My receipts and payments account covering the period 14 October 2009 to 3 December 2009 is attached (Appendix B).

6 PROPOSALS FOR ACHIEVING THE OBJECTIVE OF THE ADMINISTRATION

- 6.1. The administrator will pursue the objective of a rescue of the companies or of achieving a better result for the companies' creditors as a whole than would be likely if the companies were wound up.
- 6.2. Initially I had entered into discussions with some parties who had expressed an interest in purchasing all of the business and assets of the Company. However, it now appears more likely that better value will be realised for the creditors with a piecemeal disposal of the Company's assets.

- 6.3. Therefore I propose that I continue to explore interest in the Company's structured product book (including the related database of investors) and the ISA mortgage business.
- 6.4. I will also continue to realise value where possible from the Company's other assets.
- 6.5. The administrator will continue the Company's defence to proceedings brought against the Company, so far as he believes appropriate, bearing in mind the objective of selling the Company's assets and being mindful of the need to balance the costs of continuing the defence against the potential detriment to creditors of abandoning the defence if it appears that funds may be available to the creditors following the conclusion of the administration.
- 6.6. It is proposed that the administration will end by the Company going into creditors voluntary liquidation, or if there are no monies available for unsecured creditors, by the dissolution of the Company. If the Company is placed into creditors voluntary liquidation it is proposed that Martin Ellis and I will be appointed joint liquidators. However, creditors may nominate a different liquidator if nomination to that effect is received before the approval of these proposals.

7 ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

- 7.1. The creditors' committee, if appointed, should determine the basis of the administrator's remuneration. If no committee is appointed, a resolution of the creditors will be required.
- 7.2. Background information regarding the fees of administrators can be found at <http://www.insolvency-practitioners.org.uk> (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively I will supply this information by post on request.
- 7.3. The administrators will request that their remuneration be calculated according to the time properly given by the administrators and their staff in attending to matters arising in the administration.
- 7.4. The administrator will charge out of pocket expenses at cost. Mileage is charged at standard rates which comply with HM Revenue and Customs limits or AA recommended rates. VAT is added to disbursement charges as necessary.
- 7.5. Payments of the administrator's remuneration and disbursements are to be met from funds held in the administration in priority to the claims of creditors, and, after approval of the basis, the administrator may draw sums on account.
- 7.6. Time costs up to 30 November 2009 amount to £332,999. Further details, including a breakdown by category of staff and work done are provided at appendix C.

8 CONDUCTING THE BUSINESS OF THE INITIAL MEETING OF CREDITORS BY CORRESPONDENCE

- 8.1. The business of the initial meeting of creditors pursuant to paragraph 51 of Schedule B1 to the Insolvency Act 1986 will be conducted by correspondence in accordance with paragraph 58 of Schedule B1 to the Insolvency Act 1986. Formal notice of the postal vote is enclosed.

- 8.2. The following resolutions are proposed:
- 8.3. Resolution 1: For the acceptance of the Joint Administrators proposals as set out in their Statement of 7 December 2009.
- 8.4. Resolution 2: That, if a creditors committee is not appointed, the basis of the Joint Administrators remuneration be agreed by reference to the time properly given by the Joint Administrators and their staff in carrying out their functions in accordance with the proposals.
- 8.5. Resolution 3: The Joint Administrators, on the approval of Resolution 2, be entitled to draw sums on account.
- 8.6. Resolution 4: For the appointment of Andrew Hosking and Martin Ellis of Grant Thornton UK LLP as Joint Liquidators of NDF Administration Limited should the Company move in to liquidation.
- 8.7. Under Rule 2.48(7) any single creditor, or group of creditors, of the Companies whose debts amount to at least 10% of the total debts may, within 5 business days from the date of sending out these proposals, require me to summon a meeting of creditors to consider the resolutions above. Please let me know as soon as possible if you propose to follow this course of action, in any event within 5 business days from the date of sending out these proposals, following Rule 2.37 of the Insolvency Act 1986.
- 8.8. Attached is formal notice of the conduct of the business by correspondence in place of an initial meeting of creditors, Form 2.25B. Creditors are requested to consider our proposals under paragraph 49, Schedule B1 of the Insolvency Act 1986.
- 8.9. Please note that in order for your vote to count you must return Form 2.25B indicating whether you are in favor or against each of the resolutions set out at the end of the proposals and statement by 12:00pm on 23 December 2009. Please ensure you attach a statement of debt to Form 2.25B.

Yours faithfully
for and on behalf of NDF Administration Limited



Andrew Hosking
Joint Administrator

The affairs, business and property of NDF Administration Limited are being managed by Andrew Hosking and Martin Ellis, appointed as joint administrators on 14 October 2009.

Statement of Affairs

Statement of affairs

Name of Company NDF Administration Ltd	Company number 01955637
In the High court of Justice Chancery Division Companies Court	Court case number 19593 of 2009

(a) Insert name and address of registered office of the company

Statement as to the affairs of (a) NDF Administration Ltd, 39 Alma Road, St Albans, Hertfordshire, AL1 3AT

(b) Insert date

on the (b) 14 October 2009, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 14 October 2009 the date that the company entered administration.

Full name PAUL BISHAM | JOHN WALLER

Signed 

Dated 27/11/09

A – Summary of Assets

Assets

Assets subject to fixed charge:

Assets subject to floating charge:

Uncharged assets: (From 30 September balance sheet)

Trade Debtors

Other Debtors

Cash

Tangible assets

Estimated total assets available for preferential creditors

	Book Value £	Estimated to Realise £
	NIL	
	NIL	
	40 358	40 358
	204	204
	1 813 893	1 813 893
	7 159	0
	1,861,614	1,854,455

Signature  Date 27/11/04

A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£
Liabilities	
Preferential creditors:- <i>Accrued Salaries</i>	£ 11 686
Estimated deficiency/surplus as regards preferential creditors	£ 1 842 769
Estimated prescribed part of net property where applicable (to carry forward)	£
Estimated total assets available for floating charge holders	£ 1 842 769
Debts secured by floating charges	£ —
Estimated deficiency/surplus of assets after floating charges	£ 1 842 769
Estimated prescribed part of net property where applicable (brought down)	£ —
Total assets available to unsecured creditors	£ 1 842 769
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ 242 000
<i>Estimated contingent liability</i>	£ 10 150 000
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£ (8 549 234)
Shortfall to floating charge holders (brought down)	£ —
Estimated deficiency/surplus as regards creditors	£ (8 549 234)
Issued and called up capital	£ 1 060
Estimated total deficiency/surplus as regards members	£ (8 548 174)

Signature ✓ Date 27/11/09

Date: 24/11/2009
 Time: 09:55:11

NDF Administration Limited
Aged Creditors Analysis (Summary)

Page: 1

Report Date: 31/10/2009
 Include future transactions: NO
 Exclude Later Payments: No

Supplier From:
 Supplier To: 77777777

** NOTE: All report values are shown in Base Currency, unless otherwise indicated **

A/C	Name	Credit Limit	Turnover	Balance	Future	Current	Period 1	Period 2	Period 3	Other
ABEYLM	Abheyman	£ 0.00	35.00	178.25	0.00	0.00	0.00	0.00	0.00	178.25
ADPPI	Adept Telecom	£ 0.00	-4.57	-5.26	0.00	0.00	0.00	-5.26	0.00	0.00
ALPHA	Alpha to Omega (UK) Ltd	£ 0.00	100.00	100.00	0.00	0.00	100.00	0.00	0.00	0.00
BSPOKE	Bespoke Envelopes Direct	£ 0.00	0.00	851.98	0.00	0.00	0.00	0.00	0.00	851.98
BREWLN	Brewin Dolphin Securities Ltd	£ 0.00	14,460.98	11.50	0.00	0.00	0.00	0.00	0.00	11.50
BICCNF	BT Conferencing	£ 0.00	119.25	42.21	0.00	0.00	42.21	0.00	0.00	0.00
CENT	Centaur Communications Ltd	£ 0.00	2,704.00	45.00	0.00	0.00	0.00	0.00	0.00	45.00
DRL	Defined Returns Limited	£ 0.00	0.00	3,048.15	0.00	0.00	0.00	0.00	0.00	3,048.15
ECONO	Econopent (UK) Ltd	£ 0.00	4,272.60	480.70	0.00	480.70	0.00	0.00	0.00	0.00
FPS	FPS Fritz Paul Seelig	£ 0.00	7,303.93	1,630.53	0.00	1,630.53	0.00	0.00	0.00	0.00
NORMAN	Norman Hart	£ 0.00	1,000.00	1,150.00	0.00	0.00	1,150.00	0.00	0.00	0.00
OPAL	Outsourced Professional Admin	£ 0.00	149,200.93	33,858.11	0.00	0.00	33,858.11	0.00	0.00	0.00
OSBORNE	Osborne Clarke	£ 0.00	310,193.54	-45,655.85	0.00	-44,846.89	-30,808.96	0.00	0.00	0.00
PHOENIX	Phoenix Financial PR Ltd	£ 0.00	11,798.00	4,075.21	0.00	0.00	4,075.21	0.00	0.00	0.00
ROYAL	Royal Mail	£ 0.00	20,874.66	3,197.73	0.00	0.00	3,197.73	0.00	0.00	0.00
SCAFF	S Cafe	£ 0.00	0.00	36.50	0.00	0.00	0.00	0.00	0.00	36.50
WALKER	Walker Capps Stockbrokers Ltd	£ 0.00	11,270.29	1,416.84	0.00	1,416.84	0.00	0.00	0.00	0.00
WARRENH	Warndorf	£ 0.00	1,339.34	403.06	0.00	403.06	0.00	0.00	0.00	0.00
Totals:			<u>534,774.92</u>	<u>1,861.61</u>	<u>0.00</u>	<u>-10,913.36</u>	<u>11,614.45</u>	<u>-5.26</u>	<u>0.00</u>	<u>4,171.38</u>

*Can
 Rebalance* £50,520.46

Shareholders' Details

	N DFA ORD	B ORD non voting
DBS Management Ltd Burleigh House Salford Priors Worcestershire WR11 8SP	2000	285
Nigel H Elliott 31 Box Lane Boxmoor Hemel Hempstead Hertfordshire HP3 0DL	1920	337
Noria Investment Ltd Partnership 33 La Noria Orinda 94563 California USA	1000	174
Mrs Helen Elliott 31 Box Lane Boxmoor Hemel Hempstead Hertfordshire HP3 0DL	80	11
John Waller 3 Marconi Way St Albans Hertfordshire AL4 0JG		19
Andy Forster P.O. Box 40666 Eugene Oregon 97404	1000	174
	<u>6000</u>	<u>1000</u>

NDF Administration Ltd - In Administration

Receipts & Payments

14 October 2009 to 03 December 2009

Receipts	Total (£)
Cash at Bank	1,543,726.24
Misc Float Receipts	295.8
Bank/ISA InterestGross	7.66
	1,544,029.70
Payments	
Investor Plan Administration Costs	25,476.64
Rents	3,550.00
Helpline & Website	66,850.00
Bank Charges	135.3
Early Bird Interest	6,554.25
Stationery	2,062.00
Postages	835.25
Net Wages	45,718.54
Public Relations & Advertising	12,667.70
Bank Charges	160
	164,009.68
Balance	<u><u>1,380,020.02</u></u>
MADE UP AS FOLLOWS	
Vat Receivable	16,688.24
Floating Current Account	1,393,407.61
Trade Creditors	(30,075.83)
	<u><u>1,380,020.02</u></u>

	Partner			Manager			Executive			Administrator			Total		
	Hrs	£	Avg. Hrly Rate	Hrs	£	Avg. Hrly Rate	Hrs	£	Avg. Hrly Rate	Hrs	£	Avg. Hrly Rate	Hrs	£	Avg. Hrly Rate
Administration and Planning Creditors	7.70	3,927.00	510.00	47.65	17,689.75	371.24	380.50	99,480.00	261.45	357.63	63,113.40	176.48	793.48	184,210.15	232.15
Investigations	-	-	-	2.80	1,112.00	397.14	47.70	13,358.75	280.06	56.60	7,976.75	140.93	107.10	22,447.50	209.59
Realisation of Assets	-	-	-	90.05	32,005.25	355.42	102.30	26,096.25	255.10	124.65	17,451.00	140.00	317.00	75,552.50	238.34
Trading	-	-	-	-	-	-	127.10	36,005.07	283.28	103.60	14,504.00	140.00	230.70	50,509.07	218.94
Total	7.70	3,927.00	510.00	140.50	50,807.00	361.62	657.60	174,940.07	266.03	644.48	103,325.15	160.32	1,450.28	332,999.22	229.61

Notice of conduct of business by correspondence

Name of Company NDF Administration Limited	Company number 01955637
In the High Court of Justice, Chancery Division, Companies Court [full name of Court]	Court case number 19593 of 2009

(a) Insert full name(s) and address(es) of the administrator(s)

Notice is hereby given by (a) Andrew Lawrence Hosking and Martin Gilbert Ellis of Grant Thornton UK LLP, 30 Finsbury Square, London EC2P 2YU

(b) Insert full name and address of registered office of the company

to the creditors of (b) NDF Administration Limited, c/o Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU.

(c) Insert number of resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) four resolutions for your consideration. Please indicate below whether you are in favour or against each resolution.

(d) Insert address to which form is to be delivered

This form must be received at (d) Grant Thornton UK LLP 30 Finsbury Square, London, EC2P 2YU

(e) Insert closing date

by 12.00 hours on (e) 23 December 2009 in order to be counted. It must be accompanied by details in writing of your claim. Failure to do so will lead to your vote(s) being disregarded.

Repeat as necessary for the number of resolutions attached

Resolution (1): For the acceptance of the Joint Administrators proposals as set out in their Statement of 7 December 2009. I am *in Favour / Against

Resolution (2): That, if a creditors committee is not appointed, the basis of the Joint Administrators remuneration be agreed by reference to the time properly given by the Joint Administrators and their staff in carrying out their functions in accordance with the proposals. I am *in Favour / Against

Resolution (3): The Joint Administrators, on the approval of Resolution 2, be entitled to draw sums on account. I am *in Favour / Against

Resolution (4): For the appointment of Andrew Hosking and Martin Ellis of Grant Thornton UK LLP as Joint Liquidators of NDF Administration Limited should the Company move in to liquidation. I am *in Favour / Against

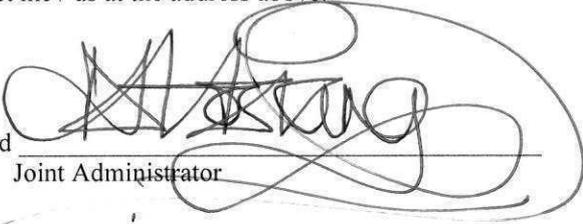
(* Please delete where applicable)

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of
creditor: _____

Signature of
creditor: _____

(If signing on behalf of creditor, state capacity e.g. director/solicitor)
If you require any further details or clarification prior to returning your votes, please
contact me / us at the address above.

Signed  _____
Joint Administrator

Dated 7th December 2009