

-----Original Message-----

From: Craig, Gregory [mailto:Gregory.Craig@williamsandconnolly.com]
Sent: Wednesday, 12 January 2000 8:13 a.m.
To: 'Harmon & Carolyn'
Subject: RE: Treasury Department Update

The initial response from the Treasury Department is that the bonds are "crude forgeries." They point out a variety of typographical errors on the face of the bonds -- e.g., misspellings such as "The United Staes" -- as well as references to "the Ministry of Finance of USA" which does not and has not ever existed. The Office of General Counsel for the Treasury Department inquired about the origin of these documents. I told them that the originals are in the hands of a Chinese Association in Canada. I went on to say that I have never met with the owners of the bonds. I told them that I had been asked to present these bonds to the Treasury Department by someone who was only playing the role of intermediary. I have the copies back and will send them to you.

Greg

-----Original Message-----

From: Harmon & Carolyn [mailto:harmony@execulink.com]
Sent: Tuesday, January 11, 2000 1:46 PM
To: Gregory Craig
Subject: Treasury Department Update

CONFIDENTIAL FAX TRANSMISSION

Mr. Gregory Craig Copy From e-mail
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C/O Catie Forrest

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Number of Pages (Including cover): 1

Dear Greg,

Since my last update to your attention on December 20, 1999 on my case and my request for a progress report from the US Treasury Department, I have been contacted by the Chinese Association on several occasions urgently seeking a progress report. I am assuming that your non-response to my last request and recent calls has been due to the holidays and your busy first of the year schedule. It is the Chinese Association's sincere desire to work directly with the US treasury Department and they are being very patient, however, they are now in discussions as to alternative opportunities to authenticate and transact these instruments. Certainly, if the US Treasury Department does not wish to be directly involved in the transacting of these US Gold Bonds, then they simply need to communicate their intent at his time.

Please communicate your update on this matter through e-mail, fax or phone at your earliest convenience. I will follow with a separate update on my legal case in progress.

Regards,

Harmon