

EC 9/4/11



This Agreement is made this 10th day of March, 1998 between **FINSAC LIMITED**, a Company duly incorporated under the laws of Jamaica and having its registered office situate at 76 Knutsford Boulevard, Kingston 5 in the Parish of Saint Andrew (hereinafter called "Finsac") of the FIRST PART and **FIDELITY FINANCE MERCHANT BANK LIMITED**, a Merchant Bank duly licenced under the Financial Institutions Act and having its registered offices at ³² Duke Street in the City and Parish of Kingston (hereinafter called "Fidelity") of the SECOND PART and **HUNTLEY MANHERTZ**, Economist of [REDACTED] and **OMEGA INVESTMENTS LIMITED** a company duly incorporated under the laws of Jamaica and having its registered office at 7 Oxford Park Avenue, Kingston 5 in the parish of Saint Andrew the Principal Shareholders of Fidelity of the THIRD PART

WHEREAS

Fidelity is experiencing difficulty in carrying on its operations as a going concern and in accordance with its obligations under its licence

Finsac has been established by the Government of Jamaica inter alia to provide financial assistance to the financial sector and in particular to depositors in ailing financial institutions.

Fidelity has entered into negotiations with Finsac and has requested Finsac's assistance in respect of its difficulties.

Finsac is prepared to cause Citizens Merchant Bank Limited a Merchant Bank duly registered under the laws of Jamaica and having its registered office at 17 Dominica Drive, Kingston 5 in the Parish of Saint Andrew (hereinafter called "Citizens") to

assume certain deposit liabilities of Fidelity and in connection therewith will be assigned certain deposits for which Fidelity will remain liable to Finsac.

NOW IT IS HEREBY AGREED as follows:-

1. In consideration of Finsac causing Citizens to assume certain deposit liabilities and for other consideration, the receipt and sufficiency of which is hereby acknowledged:

(a) Fidelity hereby agrees:-

- (i) to the terms of its letter of Acknowledgment of Notice of Assignment to Finsac, dated March 20, 1998 and attached hereto as Exhibit I (hereinafter called "the Acknowledgment").
- (ii) to facilitate the assignment of the rights of the depositors in respect of their deposits to Finsac in accordance with the terms of the Deed of Assignment attached to the Acknowledgment (hereinafter called "the Deed of Assignment").
- (iii) to execute such documentation as Finsac may require to evidence Finsac's rights and entitlements as a creditor of Fidelity pursuant to deposits assigned by Depositors (as defined in the Acknowledgment and hereinafter referred to as "the Depositors") to Finsac by the Deed of Assignment (such deposits being hereinafter referred to as "the Deposits")

- (iv) that it will be liable to Finsac and will undertake to pay to Finsac or as Finsac shall direct any liabilities which it would have had to the depositors in respect of the Deposits.
- (v) that Finsac will be a creditor entitled to prove in a liquidation/winding up of Fidelity along with other creditors of Fidelity to the extent of the Deposits.
- (vi) to do execute and perform such further acts deeds documents and things as Finsac may require to effectively vest beneficial ownership of the Deposits in Finsac.
- (vii) at Finsac's request, and subject to applicable law, to deliver, transfer or assign to Finsac any cash, securities, security or other assets held by Fidelity directly or indirectly for the benefit of the Deposits.
- (viii) to assist and otherwise facilitate those of its Depositors who wish to assign their Deposits to Finsac and wish Citizens to assume their individual deposit liability.
- (ix) to advise Finsac fully of the terms and conditions under which it held the Deposits.
- (x) not to pay, prepay or repay any of its debts without the prior written consent of Finsac.
- (xi) not to purchase or otherwise acquire any assets without the prior written consent of Finsac.

- (xii) Not to make any payment outside of the ordinary course of business and not to make any payment in excess of Ten Thousand Dollars (\$10,000.00) other than for salaries on existing terms and conditions of employment without the prior written consent of Finsac.
- (xiii) Not to make any payment directly or indirectly to any shareholder of any class of shares whatsoever or to any Director of Fidelity without the prior written consent of Finsac.
- (xiv) not to accept any new deposits without the prior written consent of Finsac.
- (xv) not to grant or enter into any agreement to grant new security to any creditor or enter into any other arrangements with its creditors without the prior written consent of Finsac.
- (xvi) not to increase the interest, fees or commission rates in favour of any creditors or other third parties without the prior written consent of Finsac.
- (xvii) not to sell, transfer or otherwise dispose of its assets to or any part thereof to any connected party without Finsac's prior written approval.
- (xviii) not to sell, lease, transfer or otherwise dispose of any of its assets having a value in excess of \$5,000.00 or any part thereof other than with the prior written consent of Finsac and for full consideration.

- (xix) not to do or omit to do anything which will or may accelerate the repayment of any loans to it or cause demand to be made against it by any creditor without the prior written consent of Finsac.
- (xx) to take appropriate steps requested by Finsac in writing to enforce any security interest held in its favour and to call in any guarantees held by it.
- (xxi) to take promptly on request by Finsac in writing such action as is permitted by law to petition the Court or file for insolvency proceedings including a creditors' voluntary winding up
- (xxii) not to make or attempt to make any alteration in the provisions of its Memorandum or Articles of Association without the prior written consent of Finsac.
- (xxiii) to comply with the provisions of any statute or order or regulation thereunder which governs the conduct of its business.
- (xxiv) not to give time for payment of any bill or bills of exchange or promissory note or notes or other security or security which it holds without the prior written consent of Finsac.
- (xxv) not to make any loan or advance or give any guarantee for the payment of money or provide any credit without the prior written consent of Finsac.
- (xxvi) not to assume or incur any additional liabilities whatsoever after the date hereof without the prior written consent of Finsac.

(xxvii) not to repay any of its Directors or Shareholders any moneys lent to it by them.

(xxviii) not to create any charge, lien or encumbrance against any of its assets without the prior written consent of Finsac.

(xxix) not to declare any dividend or make any distribution to its Shareholders.

(xxx) not to neglect or forebear to enforce payments of any moneys or interest due to it or otherwise vary the terms of any security without Finsac's prior approval in writing.

(xxxi) to send notice of all its general meetings and meetings of its Directors to Finsac at the same time as notice of such meetings is sent to the Shareholders or Directors and to enable a representative of Finsac to attend and participate but not vote at such meetings.

(xxxii) not to employ or engage the services of anyone and not to change the terms of the engagement employment or appointment of any persons engaged, employed or appointed by it.

(xxxiii) to grant Finsac and its agents full access to the books and records of Fidelity.

(b) The Principal Shareholders agree not to take any steps or to cause Fidelity to take any steps to materially impair the business operations or fortune of Fidelity including violation of the terms of this Agreement.

(c) Fidelity hereby represents and warrants that:-

- (i) its financial condition as represented by the financial statements attached hereto as Exhibit II (hereinafter called "the Financial Statements") are true and correct in all material respects at the date specified therein.
- (ii) each person executing this Agreement on its behalf is duly authorised to do so, and this Agreement constitutes a valid binding agreement of Fidelity enforceable against it in accordance with its terms.
- (iii) no resolution has been passed to wind it up nor has any petition been filed or presented in any Court in Jamaica for its winding up.
- (iv) no material transactions or contracts have been entered into by it since the date of the Financial Statements except in the ordinary course of business and it has not since that date mortgaged charged or pledged or parted with any of its assets tangible or intangible.
- (v) there is no pending or threatened litigation or claim against it which might result in any material adverse change in the financial position, business, assets, property or operations except as notified in writing to Finsac.
- (vi) it has filed all Income Tax and other Statutory Returns required to be filed by the laws of Jamaica in respect of all periods up to and including the period ending December 31, 1997 and has paid all assessments shown to be due or claimed to be due thereon or has made adequate provision for the payment of such taxes which have

become due pursuant to such Returns or Declarations or pursuant to any such assessment received by the Company and no claims or additional assessments other than those reflected in the accounts provided to Finsac have been made and so far as known to it there is no basis for any such claim or additional assessment.

- (vii) there is no outstanding amount owed in respect of taxation (whether by way of taxes on property, profits or otherwise) by it except for such sums as are disclosed by its Financial Statements.
- (viii) except as shown in its Financial Statements there are no debts or contingent liabilities owing to it by any of its Directors or Shareholders nor by it to any of its Directors or Shareholders.
- (ix) it has no mortgages, charges, liens or other encumbrances secured over any of its assets, save as disclosed by the financial statements.
- (x) its books of account, minute books and records have been duly entered up and contain a true and accurate record of the matters to which they relate.
- (xi) its present Directors are Huntley Manhertz, Janet Taylor and Lloyd Vermont and its Secretary is Carolyn Young and none of the Directors or the Secretary has resigned.
- (xii) the Acknowledgment attached hereto when signed by Fidelity shall be valid and legally binding on Fidelity.

2. **Costs**

Each party shall pay their own costs and expenses incurred in relation to the negotiation, preparation and execution of this Agreement.

3. **Notices**

All notices which are required to be given hereunder shall be in writing and shall be sent to the address of the recipient set out in this Agreement or such other address as the recipient may designate by notice given in accordance with the provisions of this clause. Any such notice may be delivered personally or by first class prepaid letter, and shall be deemed to have been served if by personal delivery when delivered if by first class post 96 hours after posting.

4. **Successors Bound**

This Agreement shall be binding on and shall enure for the benefit of the successors and assigns and personal representatives (as the case may be) of each of the parties hereto.

5. **Assignment**

No party hereto may assign its rights or obligations in whole or in part hereunder without the prior written consent of the other party hereto.

6. **Good Faith**

Each party hereto undertakes with the other to do all things reasonably within its power which are necessary or desirable to give effect to the spirit and intent of this Agreement.

7. Further Assurance

Fidelity shall use its reasonable endeavours to procure that any necessary third parties shall, do, execute and perform all such further deeds, documents, assurances, acts and things as Finsac may reasonably require by notice in writing to Fidelity to carry the provisions of this Agreement into full force and effect.

8. Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto with respect to the matters dealt with therein and supersedes any previous agreement between the parties hereto in relation to such matters. The parties hereto hereby acknowledge that in entering into this Agreement they have not relied on any representation or warranty save as expressly set out herein or in any document referred to herein. No variation of this Agreement shall be valid or effective unless made by one or more instruments in writing signed by such of the parties hereto which would be affected by such variation.

9. Law

This Agreement shall be governed by and construed in accordance with Jamaican law and the parties hereto irrevocably submit to the non-exclusive jurisdiction of the Jamaican Courts in respect of any dispute or matter arising out of or connected with this Agreement.

10. **No Partnership**

Nothing in this Agreement shall constitute or be deemed to constitute a partnership between any of the parties hereto and neither of them shall have any authority to bind the other in any way.

11. **Duration**

The terms of this Agreement shall remain in full force and effect for so long as Finsac or its assignee or transferee continues to hold any of the Deposits or until Finsac or its assignee or transferee has proved and Finsac has received payment from a liquidator in respect of such debts.

12. **Termination**

The termination of this Agreement however caused and the ceasing by Finsac or its assignee or transferee to hold the Deposits herein mentioned shall be without prejudice to any obligations or rights of either of the parties hereto which have accrued prior to such termination or cesser and shall not affect any provision of this Agreement which is expressly or by implication provided to come into effect on or to continue in effect after such termination or cesser.

13. **Severability**

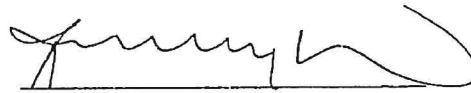
Notwithstanding that any provision of this Agreement may prove to be illegal or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.

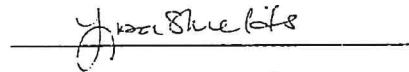
14. References

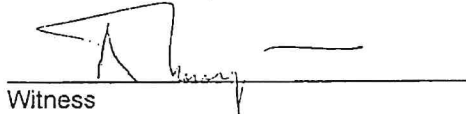
In this Agreement, the singular includes the plural and vice versa, and references to any gender include any other gender and words importing bodies corporate and unincorporate include persons and vice versa. The clause headings are inserted for convenience only and shall be ignored in construing this Agreement. References to clauses, sub-clauses and schedules are references to clauses and sub-clauses hereof and schedules hereto.

IN WITNESS WHEREOF the parties have executed this Agreement the day and year first hereinbefore written.

Executed under the Common Seal
of **FINSAC LIMITED**
by *PATRICK HYLTON*
Director and *LISA SHIELDS*
Director/Secretary
in the presence of:

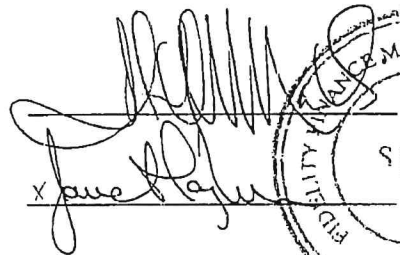
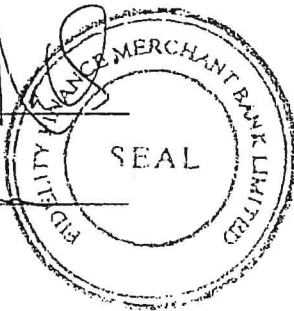


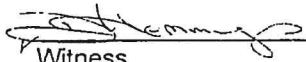



Witness

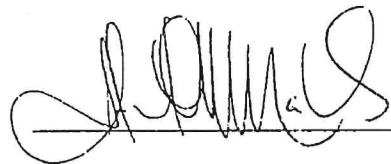


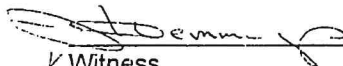
Executed under the Common Seal of)
 FIDELITY FINANCE MERCHANT)
 BANK LIMITED)
 by)
 Director and)
 Director/Secretary)
 in the presence of:)


 X James H. Hays


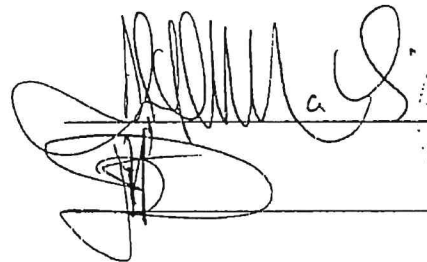
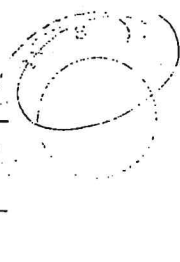

 Witness

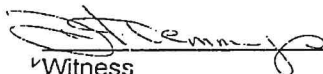
Signed by the said HUNTLEY)
 MANHERTZ, in the presence of:)




 Witness

Executed under the Common Seal of)
 OMEGA INVESTMENTS LIMITED)
 by)
 Director and)
 Director/Secretary)
 in the presence of:)


 Witness

Appeared before me at _____ in the Parish of _____
 on the _____ day of _____ 1998,
 the attesting witness to this Agreement who being by me duly sworn
 made oath and said that he/she was present and did see the Common
 Seal of FINSAC LIMITED put and affixed to the said Agreement and
 did further see the said Agreement signed by _____,
 a Director and Countersigned by _____, a
 Director/Secretary of the Company and duly executed and delivered
 as and for the proper act and deed of the said Company for the
 purposes therein mentioned.

 Justice of the Peace
 for the Parish of _____

Appeared before me at _____ in the Parish of _____
 on the _____ day of _____ 1998,
 the attesting witness to this Agreement who being by me duly sworn
 made oath and said that he/she was present and did see the Common
 Seal of FIDELITY FINANCE MERCHANT BANK LIMITED put and affixed to
 the said Agreement and did further see the said Agreement signed by _____,
 a Director and Countersigned by _____,
 a Director/Secretary of the Company and duly executed and
 delivered as and for the proper act and deed of the said Company
 for the purposes therein mentioned.

 Justice of the Peace
 for the Parish of _____

APPEARED before me at _____ in the Parish of _____
on the _____ day of _____ 1998
the attesting witness to this Agreement and
declared that an individual who identified himself as HUNTLEY
MANHERTZ signed the Agreement in his/her presence whose signature
the said _____ attested, and that he appeared to be
of sound mind and did freely and voluntarily sign such Agreement.

Justice of the Peace
for the Parish of _____

Appeared before me at _____ in the Parish of _____
on the _____ day of _____ 1998,
the attesting witness to this Agreement who being by me duly sworn
made oath and said that he/she was present and did see the Common
Seal of OMEGA INVESTMENTS LIMITED put and affixed to the said
Agreement and did further see the said Agreement signed by
_____, a Director and Countersigned by
_____, a Director/Secretary of the Company and duly executed and
delivered as and for the proper act and deed of the said Company
for the purposes therein mentioned.

Justice of the Peace
for the Parish of _____

FIDELITY FINANCE MERCHANT BANK
32 Duke Street
Kingston

March 20th, 1998

Finsac Limited
76 Knutsford Boulevard
Kingston 5, Jamaica

Dear Sirs:

Re: Acknowledgement of Notice of Assignment

We Fidelity Finance Merchant Bank Limited (the "Bank") acknowledge and confirm that in respect of each Deed of Assignment substantially in the form attached hereto, that is signed by a depositor of the Bank whose name is listed on the attached list or a (a " Private Depositor") or any of the Jamaica Development Bank, the Sugar Industry Authority, Petroleum Corporation of Jamaica, National Investment Bank of Jamaica or Bauxite & Alumina Trading Company (a "Government Depositor") (a Government Depositor or a Private Depositor being hereinafter referred to as a "Depositor"):

1. The Depositor holds a deposit at the Bank in the amount set forth opposite his name, under the reference number set forth opposite his name and at the rate of interest set forth opposite his name (hereinafter, a "Deposit").
2. Bank has received or waived due notice of the intention of the Depositor to assign the Deposit to Finsac and will acknowledge and accept such assignment in accordance with its terms;
3. Bank does not have, and will not make or exercise, any claims or demands, any rights of counterclaim, rights of set-off or any other equities against the Depositor or his assignee in respect of the account stipulated by the reference number opposite each name (the "Account") and/or the Deposit and/or the debt represented by the Deposit or any part of any of it or them;
4. Bank has not, as at the date of this acknowledgement, received any notice that any third party has or will have any right or interest whatsoever in or has made or will be making any claim or demand or taking any action whatsoever against the Account and/or the Deposit and/or the debt represented by them or any part of any of it or them.
5. Bank undertakes that, in the event of it becoming aware at any time before the assignment herein is effected that any person or entity other than Finsac or the Depositor has or will have any right or interest whatsoever in or has or will be

making any claim or demand or taking any action whatsoever against the Account and/or the Deposit and/or the debt represented by it or them, Bank will immediately give written notice of the terms of such right or interest claim or demand or action to both Finsac and the Depositor;

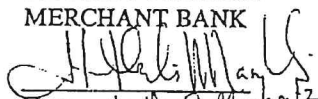
6. Upon the receipt of a Deed of Assignment executed by a Depositor, Finsac will be a creditor entitled to prove in a liquidation or winding up of the Bank along with other creditors of the Bank to the extent of any deposits assigned to it under the Deed of Assignment.
7. Bank will do execute, and perform such further acts, deeds documents and things as Finsac may require to effectively vest beneficial ownership of the Deposits assigned by the Deed of Assignment to Finsac.

Bank has made the acknowledgements and confirmations and has given the undertakings set out in this letter in the knowledge that they are required by you and will be relied upon by you in connection with: (i) your agreement with Citizens Bank Limited to provide for them to assume certain Deposit liabilities of the Bank, and (ii) your receipt of a legal, valid and binding assignment of Depositors' claims on Deposits (as defined in the Deed of Assignment) to support your obligations to Citizens Bank Limited.

Bank confirms that it shall not permit the whole or any part of a Deposit that has been assigned pursuant to a Deed of Assignment to be withdrawn without your prior written consent.

This letter shall be governed and construed in accordance with the laws of Jamaica.

Yours faithfully,
FIDELITY FINANCE
MERCHANT BANK


Name: Huntley G. Manhe
Title: Chairman

Accepted and Agreed
FINSAC LIMITED

Name:
Title

FEDILITY FINANCE MERCHANT BANK LIMITED
 FIXED DEPOSIT LISTING
 As at March 22, 1998

DEPOSITOR	CD NO	Principal \$	Rate %
MITCHELL: RUDYARD	02135	34,101.98	12
STANLEY: EUGENIE &/OR SEYMOUR &/OR GRIFFITHS: ANN-MARIE	02136	35,000.00	12
JACKSON: CLARENCE	02188	283,990.34	16
JOHNSON: ALICE	02189	531,932.56	17
GOODEN: DANIEL &/OR EUNICE	02191	111,589.38	16
REID: CAROL	02192	110,318.22	16
GOODEN: ALSIA	02193	104,904.19	14
JACKSON: CLARENCE	02195	142,501.99	14
BURKE: RICHARD C. &/OR JENKINS: HAZEL	02200	30,252.74	14
JACKSON: CLARENCE	02201	1,029,109.75	17
BERT N. MITCHELL ENDOWMENT FUND FOR PORUS SCHOOL	02215	120,828.79	15
SCOTT: JOYCE &/OR SHAW: PATRICK	02216	104,515.23	14
TAYLOR, DEACON & JAMES (TRUST)	02219	320,301.56	15
TAYLOR, DEACON & JAMES (TRUST)	02220	2,724,673.28	17
WILLIAMS: REGINALD &/OR ELETHE	02221	473,993.87	16
BRYAN: SYLVIA	02222	17,416.87	12
KELLY: DONNETT &/OR IMOGEAN	02232	297,886.51	16
JAMAICA CANE PRODUCT SALES	02239	1,044,729.30	26
JACKSON: CLARENCE	02240	147,963.76	17

FEDILITY FINANCE MERCHANT BANK LIMITED
 FIXED DEPOSIT LISTING
 As at March 22, 1998

DEPOSITOR	CD NO	Principal \$	Rate %
LAWSON: DENNIS &/OR NINA	02241	1,003,853.92	18
GUARDIAN INSURANCE BROKERS LIMITED	02242	158,563.21	16
TAYLOR: HOWARD &/OR LILIETH	02249	29,411.18	17
BECKFORD: MAISY &/OR MANHERTZ: ALICIA	02250	56,818.23	18
GOODEN: ANN-MARIE	02251	151,260.20	20
JAMAICA CANE PRODUCT SALES	02255	3,113,840.61	29
MANHERTZ: WILBERT	02257	1,619,633.15	22
JAMAICA CANE PRODUCT SALES	02266	3,045,863.02	29
JULY: JAMES &/OR SHEPHERD: MARJORIE	02268	108,895.49	20
DUNDAS: MERL	02269	57,384.80	18
BERT N. MITCHELL ENDOWMENT FUND FOR PORUS SCHOOL	02271	1,562,348.38	22
DOLPHY: SELMA (HYPOTHECATED)	02272	167,327.95	20
GRANT: INEZ &/OR HOHN: WESTON	02274	155,749.03	
JENKINS: KARL &/OR VETA	02275	12,372.32	17

FIDELITY FINANCE MERCHANT BANK LIMITED
SAVINGS CUSTOMER LIST
As at February 20, 1998

CUSTOMER	A/C NO	BALANCE \$	Rate %
TAYLOR: SELVIN	01-000002	3,722.27	15
TAYLOR: SELVIN A.	01-000004	3,724.54	10
WATSON: CLIVE	01-000005	2,206.66	10
HAMILTON: LEONARD	01-000006		
PUSEY: JOSEPHINE	01-000009	92.51	10
PUSEY: ANDREW	01-000010	560.58	10
PUSEY: KIRK M.	01-000011	41.72	10,
PUSEY: JACQUELINE	01-000012	145.54	10
LLOYD: JENIFER &/OR SMITH: YOHAN	01-000013	560.58	10
SMITH: YOHAN &/OR LLOYD: JENIFER	01-000014	560.57	10
PERKINS: TILDA &/OR LLOYD: JENIFER	01-000015	560.57	10
SMITH: OMAR &/OR LLOYD: JENIFER	01-000016	560.57	10
DAVIDSON: ESMIE	01-000017	500.92	15
TERRELONGE: CHARMAINE &/OR MILLER: SHARON	01-000020	195.20	10
DAVIDSON: ESMIE &/OR PATTERSON: VENNITA	01-000021	627.98	15
VERMONT: LLOYD A.	01-000022	3,299.21	15
MCDONALD: TRACEY-ANN &/OR BAILEY: CLAUDINE	01-000026	110.57	10
NELSON: HYACINTH &/OR RUSSELL: MEISHER	01-000027	2,334.84	15
MARSHALL: JENNIFER &/OR KIDD: DANNICKA	01-000029	2,544.06	10
BAILEY: ESTINA	01-000030	1,725.56	10

FIDELITY FINANCE MERCHANT BANK LIMITED
SAVINGS CUSTOMER LIST
As at February 20, 1998

CUSTOMER		A/C NO	BALANCE \$	Rate %
BRISCOE:	JOHN &/OR	01-000033	2,711.35	15
BROWN:	SUZETTE			
GRAHAM:	CLIFTON	01-000035	1,176.37	15
PHOENIX:	SONIA	01-000036	482.76	10
TAYLOR:	CLAUDETTE &/OR	01-000037	83.60	10
WHITTINGHAM:	NORMA &/OR			
CLARKE:	PETA-GAY &/OR JERMAINE			
NELSON:	STEPHEN	01-000039	35.19	10
SYMPOSIUM ON ENTRENEURSHIP		01-000042	5,814.18	15
MUNROE:	AUDREY &/OR			
JENKINS:	HAZEL	01-000043	6,817.16	15
JUNOR:	PEARL &/OR SHREE &/OR	01-000044	1,573.02	15
	TIVILA			
BUCK:	ELIZABETH	01-000045	1,130.96	15
MITCHELL:	KERRIE	01-000047	718.78	10
WALKER:	HERMAN &/OR JOY	01-000048	4,646.37	15
TUCKER:	PATRICK	01-000049	24,889.84	15
BLAKE:	LORNA	01-000050	1,531.13	10
FOSTER:	CONSETA	01-000051	1,532.82	10
PALMER:	ANDREA	01-000052	104.84	10
HENRY:	PRINCESS	01-000053	102.84	10
WHYTE:	OTIS MARK	01-000054	455.02	10
JOHNSON:	JERMAINE	01-000055	53.11	10

FIDELITY FINANCE MERCHANT BANK LIMITED
SAVINGS CUSTOMER LIST
As at February 20, 1998

CUSTOMER	A/C NO	BALANCE	Rate
JOHNSON: SOYINKA	01-000056	\$ 200.00	10 %

DEED OF ASSIGNMENT

TO: FINSAC LIMITED a company incorporated under the laws of Jamaica having its registered office at 76 Knutsford Boulevard Kingston 5.

WHEREAS, Citizens Bank Limited ("Citizens") has agreed with Finsac Limited ("Finsac") to assume or to cause Citizens Merchant Bank or Citizens Building Society to assume certain deposit liabilities of Fidelity Finance Merchant Bank (the "Bank") to the undersigned depositor (the "Depositor"); and

WHEREAS, Finsac Limited has provided financing and arranged for Citizens to assume the said deposit liabilities at the request of the undersigned Depositor.

NOW THIS DEED WITNESSETH AS FOLLOWS:

In consideration of Finsac Limited providing financing and arranging for Citizens to assume the said deposit liabilities at the request, made hereby, of the undersigned Depositor:

1. **The Deposit Warranty.** The undersigned Depositor represents and warrants that said Depositor has on deposit with the Bank, under Reference Number: _____, the sum of _____ Dollars \$ _____ (the "Deposit") which amount (i) includes all interest accrued and unpaid to date, (ii) is not in any way the subject of any set off, mortgage, lien, charge, security interest, security agreement or encumbrance of any kind, and (iii) is solely and beneficially owned by the Depositor(s).
2. **Assignment of Deposit to Finsac.** Depositor hereby absolutely assigns all of Depositors right, title and interest in the Deposit to Finsac and agrees not to exercise any claims, demands or rights against the Bank or Finsac in respect of the Deposit.
3. **Effect of Assignment.** This Deed of Assignment shall not be affected or prejudiced by the death, bankruptcy or insanity of the Depositor or of any one or more of the persons constituting the Depositor or by any change affecting the persons constituting the Depositor or where the Depositor is constituted as a company or corporation, by any amalgamation, reorganisation, reconstruction or merger involving such company or corporation.
4. **Further Assignment by Finsac.** Finsac may at any time or for any reason assign to any person all or a part of the rights, obligations, agreements and benefits assigned to it under this Deed of Assignment and all such rights, obligations, agreements and benefits shall remain valid and effectual in all respects as if such person had been named in this Deed of Assignment instead of Finsac Limited.
5. **Joint and Several Liability.** Where this Deed of Assignment is signed by or on behalf of two or more persons, the obligations and liabilities of such persons under it shall be joint and several.

6. **Governing Law; Submission to Jurisdiction.** This Deed of Assignment is governed by and construed in accordance with the laws of Jamaica. The Depositor hereby irrevocably stipulates for the exclusive benefit of Finsac Limited and its successors and assigns that the courts of Jamaica are to have jurisdiction to settle any disputes which may arise out of or in connection with this Deed of Assignment. No suit, action or proceeding ("Proceeding") arising out of or in connection with this Deed of Assignment shall limit the right of Finsac Limited or its successors or assigns to bring a Proceeding in any other court of competent jurisdiction, whether concurrently or not.
7. **Counterparts.** This Deed of Assignment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Signed Sealed and Delivered by the Depositor:

Signed Sealed and Delivered by the Depositor:

Name: _____

Name: _____

Title: _____

Title: _____

Depositor: _____

Depositor: _____

Address: _____

Address: _____

Reference Number: _____

Reference Number: _____

Date: _____

Date: _____

Witnessed: _____

Witnessed: _____

Name: _____

Name: _____

Acknowledged and Accepted by the Bank

FIDELITY FINANCE MERCHANT BANK

Name: _____

Title: _____

Date: _____

Witnessed _____

Name: _____

FIDELITY FINANCE MERCHANT BANK LIMITED
NOTES TO BALANCE SHEET AS AT DECEMBER 31, 1997

	DECEMBER 1997	NOVEMBER 1997
	\$	\$
(1) OTHER LIABILITIES		
Unearned Income	0	0
Lease Depreciation	0	0
G.C.T Payable	0	0
Withholding Tax	1,887,928	1,557,757
Sundry Accruals	62,574	288,119
Accounts Payable	616,014	650,526
	2,572,516	2,396,502
(2) ACCOUNTS WITH OTHER BANKS		
CIBC Limited	855,564	110,710
Eagle Commercial Bank	42,159	12,159
Bank of Nova Scotia Jamaica Limited	27,211	28,514
Foreign Currency A/C - BNS US	175,432	469,831
Island Victoria Bank	4,974	4,974
BNS - Canbio	26,376	109,486
	1,101,715	733,774
(3) FURNITURE & EQUIPMENT		
Furniture & Fixtures	2,651,915	2,588,976
Office Machines & Equipment	543,323	556,104
	3,195,237	3,144,079
(4) LEASEHOLD IMPROVEMENT		
	63,548	74,127
(5) MOTOR BIKE AND CARS		
	867,035	887,359
(6) SUNDRY RECEIVABLES		
Taxation Prepaid	2,095,208	2,095,208
Other Receivables	2,386,283	2,675,059
	4,481,502	4,770,267

FIDELITY FINANCE MERCHANT BANK LIMITED
BALANCE SHEET AS AT DECEMBER 31, 1997

LIABILITIES	DECEMBER	NOVEMBER
	1997	1997
	\$	\$
DEPOSITS		
Certificate of Deposits	96,290,070	94,706,659
Savings Account	164,409	165,585
	96,454,479	94,872,244
Money/Asset Management Portfolio	23,594,712	32,526,135
Liability under Guarantee	3,049,879	3,049,879
OTHER LIABILITIES		
Loan - Victoria Mutual Investment	3,759,955	3,626,817
ACB/NDB	3,135,475	3,152,893
Interest Payable: Deposits	1,642,614	1,814,063
Other Liabilities (1)	2,572,616	2,386,502
	11,010,560	11,190,305
SHAREHOLDERS EQUITY		
Share Capital - Ordinary Shares	26,963,473	26,963,473
Share Capital - Preference Shares	11,000,000	11,000,000
Share Premium	174,249	174,249
Reserve Fund	840,552	840,552
Accumulated Surplus/(Deficit)	(49,977,992)	(47,643,752)
	(10,899,718)	(8,565,478)
TOTAL	123,208,912	133,073,085

EXHIBIT II

FIDELITY FINANCE MERCHANT BANK LIMITED INCOME & EXPENDITURE ACCOUNT PERIOD ENDED DECEMBER 31, 1997

INCOME	NOTES	ACTUAL YTD	%	BUDGET	%	VARIANCE	%	NOV. '97	DEC. '97	BUDGET	VARIANCE
Interest on Loans		15,801,405	75	23,924,351	77	8,122,945	-37	610,592	429,983	2,854,010	2,424,047
Interest on Stocks	3	3,024,610	14	3,777,993	12	773,383	-15	141,584	161,389	600,000	338,621
Other Income		2,418,302	11	3,288,134	11	872,832	-78	192,280	137,889	450,000	312,121
		21,224,318	100	30,990,478	100	9,869,170	-38	944,452	729,261	3,904,010	3,074,209
LESS EXPENSES											
Interest - Certificate of Deposit		19,392,753	92	15,545,842	55	(2,445,916)	6	1,634,228	1,676,232	2,010,870	135,638
Depreciation		865,898	4	800,200	3	(186,699)	30	79,742	79,742	79,600	(142)
Loan Loss		0		400,000	1	400,000	85	0	0	100,000	100,000
Interest on Loans		1,364,458	6	1,164,000	4	(200,458)		102,937	101,100	110,887	8,787
Interest - Preference Shares		2,221,098	10	2,100,000	7	(121,098)		0	183,025	227,836	44,807
Administration	7	12,548,386	59	10,849,082	35	(1,789,294)	28	1,148,077	824,339	1,341,006	616,661
		36,553,697	157	32,390,134	105	(4,323,453)	15	2,865,781	3,063,441	3,870,177	806,731
Profit/(Loss)		(15,552,278)	-57	(1,655,845)	5	12,872,767		(2,020,219)	(2,334,240)	(66,162)	2,256,076
Surplus/(Deficit) b/y		(34,415,710)									
		(49,977,892)									

PREPARED BY PAUL A. COPE
CREDIT MANAGER
DECEMBER 31, 1997

FIDELITY FINANCE MERCHANT BANK LIMITED
BALANCE SHEET AS AT DECEMBER 31, 1997

ASSETS	NOTES	DECEMBER 1997	NOVEMBER 1997
		\$	\$
Cash		378,928	446,842
Stocks, Shares & Units		111,642	111,642
Cash Reserves - BOJ		16,788,188	16,858,188
Gov. local registered stock		1,000,000	1,000,000
Investments - Fixed Deposit		5,871,565	6,639,008
Account with other Banks		1,101,715	733,774
		28,050,040	24,798,455
Funds under Management - Invested		23,594,712	32,628,136
ADVANCES			
Demand Loans		60,070,447	60,446,131
Installment Credit Loans		0	0
Lease Financing		0	0
Agriculture Credit Bank/NDB		2,817,040	2,972,225
Leas: Bad Debt Provision		(22,182,603)	(22,192,603)
		30,694,884	31,244,763
CUSTOMER LIABILITY UNDER A.G.I. & G		3,049,879	3,049,879
OTHER ASSETS			
Land & Building		16,311,088	16,311,088
Premises & Equipment		3,174,959	3,144,078
Leasehold Improvement		63,648	74,127
Motor Vehicles		787,316	887,369
Inherent Receivables - Loans		16,550,284	16,618,012
Interest Receivables - Deposits		85,064	166,373
Sundry Receivables		4,481,602	4,770,267
Prepaid Expenses		266,638	381,568
Subsidiary: Fidelity Investment Ltd./Cambio		100,000	100,000
		40,820,397	41,453,863
TOTAL		123,209,912	133,073,086