

To: The Unsecured Creditors of The Consumers Trust, debtor

From: Fulbright & Jaworski L.L.P., Legal Advisors to the  
Official Committee of Unsecured Creditors (the "Committee")

Date: May 7, 2007

Subject: ***Bankruptcy Court Approves Settlement***

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Ladies and Gentlemen,

We are the legal advisors to the Official Committee of Unsecured Creditors of The Consumers Trust (the "Committee"). As part of the bankruptcy process, the committee was formed act on behalf of all unsecured creditors as a group by monitoring the activities of The Consumers Trust (the "Debtor") and joining in, supporting or opposing the Debtor's actions in the case as necessary. The eleven members of the Committee are voucher holders, selected by the Office of the United States Trustee from among the largest voucher holders, who agreed to serve on the Committee.

You recently received a document entitled:

**NOTICE OF COURT HEARING TO CONSIDER SETTLEMENT  
AGREEMENT AMONG THE CONSUMERS TRUST, THE RECEIVERS,  
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS,  
CAPLANS SOLICITORS, RICHARD CAPLAN, AND WESLEY  
HARRISON**

The notice gave a summary of the terms of a proposed Settlement Agreement with British attorneys (the "Solicitor Trustees") who were the Trustees of The Consumers Trust. The Solicitor Trustees agreed to pay the estate \$3,200,000 to settle potential claims the estate has against them. On May 2, 2007, the Bankruptcy Court after conducting a hearing on the Settlement Agreement, approved the settlement. The Court heard from the Receivers, who are in control of the Debtor and the Committee in support of the settlement.

The Court found that the Receivers and the Committee had undertaken and completed a thorough investigation regarding the Debtor's business operations and the required legal analysis relating to causes of action which could be brought for the benefit of voucher holders. The Court held that facts of the case clearly reflected that the settlement was reasonable and in the best interest of the estate.

The Court approved the settlement by entry of an Order on May 2, 2007. A copy of the Order is attached.

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re: :

Chapter 11

THE CONSUMERS TRUST, :

Case No. 05 – 60155 (REG)

Debtor. :  
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**ORDER APPROVING SETTLEMENT AGREEMENT BY AND  
AMONG THE CONSUMERS TRUST, DAVID RUBIN AND  
HENRY LAN, SOLELY AS THE RECEIVERS OF THE CONSUMERS TRUST, THE  
OFFICIAL COMMITTEE OF UNSECURED CREDITORS, CAPLANS SOLICITORS,  
RICHARD CAPLAN, AND WESLEY HARRISON**

Upon the motion (the “Motion”) of The Consumers Trust, as debtor and debtor-in-possession (the “Debtor”), and the Official Committee of Unsecured Creditors (the “Committee”) for entry of an order under Rule 9019(a) of the Federal Rules of Bankruptcy Procedure authorizing and approving the settlement agreement, by and among, the Debtor, David Rubin and Henry Lan, solely in their capacities as the receivers of the Debtor (the “Receivers”), the Committee, Caplans Solicitors, Richard Caplan, and Wesley Harrison (the “Settlement Agreement”); and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that due and proper notice of the Motion and relief requested therein having been provided in accordance with the order of the Court dated March 26, 2007 prescribing the form and manner of notice of the Motion; and it appearing that no other or further notice is necessary; and the Court having

considered objections to the Settlement Agreement filed by certain Consumers;<sup>1</sup> and the relief requested in the Motion being in the best interests of the Debtor, its estate and creditors and that the settlement embodied in the Settlement Agreement is within the range of reasonableness; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted in its entirety and all objections to the Motion and Settlement Agreement are hereby overruled; and it is further

ORDERED that the Settlement Agreement is hereby authorized and approved pursuant to Bankruptcy Rule 9019; and it is further

ORDERED that the Debtor, the Receivers and the Committee are hereby authorized and empowered to execute any documents and take any actions reasonable necessary to perform their obligations under the Settlement Agreement; and it is further

ORDERED that the Court will retain exclusive jurisdiction to enforce and implement the terms of the Settlement Agreement and this Order and to resolve any disputes arising in connection therewith; and it is further

ORDERED that the requirement of the service and filing of a separate memorandum of law under Local Rule 9013-1(b) in connection with the Motion be, and hereby is, deemed satisfied.

Dated: New York, New York  
May 2, 2007

**S/ Robert E. Gerber**  
UNITED STATES BANKRUPTCY JUDGE

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<sup>1</sup> Capitalized terms used and not otherwise defined herein will have the meanings ascribed to them in the Motion.