

To all known unsecured creditors

24 August 2010

**MEQ Realisations Limited (formerly Mint Equities Limited) and Mint Partners Limited
Both in Administration (the 'Companies')**

I was appointed Joint Administrator of the above Companies on 19 August 2010 together with my colleague Peter Spratt. I enclose the formal notices on Form 2.12B for your reference.

Sale of part of the business

On 19 August 2010 the business and the majority of the assets were sold to BGC Brokers L.P.

In accordance with the requirements of Statement of Insolvency Practice No.16 ("SIP16"), details of the transaction are provided as an appendix to this letter.

Suppliers and customers with outstanding orders at the date of my appointment, owners of stock subject to retention of title or property held by the Companies on hire or rental are asked to contact the purchaser by telephoning Sarah Smith on 020 7786 3825. Please also contact the purchaser if you are holding any property of the Companies.

Amounts due to creditors at the date of appointment

Please complete and return to the Companies at this address the attached statement of claim. This will help to ensure that your claim is reflected in the statement of affairs that the directors are required to prepare.

Reporting to creditors

As Administrator I am required to prepare my proposals for distribution to all known creditors providing the information required by Rule 2.33 of the Insolvency Rules 1986 as soon as reasonably practicable and, in any event, within eight weeks of the date of my appointment. These will be accompanied by a notice convening a meeting of creditors or, depending upon the circumstances, an explanation as to why no such meeting is required. You will receive notification of any creditors meeting, together with a copy of my proposals in due course.

I regret that I cannot enter into general correspondence with creditors regarding the Companies' affairs in the meantime.

Creditors whose claims include VAT may be able to obtain VAT bad debt relief six months after the taxable supply. If you are not familiar with the procedure you should contact your local VAT office.

Restrictions on the rights of creditors

The appointment of the Joint Administrators restricts the rights of creditors in a number of ways. In particular the rights to start or continue legal proceedings or to enforce security are suspended. Paragraph 43 of Schedule B1 to the Insolvency Act 1986 makes clear that goods in the possession of the Companies cannot be repossessed without the consent of the Court or the Administrator.

Directors' conduct

Under the insolvency legislation, the Joint Administrators have a duty to consider the conduct of those who have been directors of the Companies at any time within the three years preceding our appointment. I also have a duty to consider whether any action should be taken against the directors or others for the recovery of, or contribution to, the Companies' assets. If there is anything that you feel I should be aware of, please complete the relevant section of the attached statement of claim form or alternatively write to me separately at the above address. This is part of our usual procedures and does not necessarily imply any criticism of the directors' conduct.

Should you have any queries, please contact Katherine Joice of this office on 020 7804 7254.

Yours faithfully
For and on behalf of the Companies



RD Meens
For DC Chubb
Joint Administrator

Enclosures: SIP 16 Report
Form 2.12B
Statement of claim form

DC Chubb and PN Spratt have been appointed as Joint Administrators of MEQ Realisations Limited (formerly Mint Equities Limited) and Mint Partners Limited to manage the affairs, business and property as the agents and act without personal liability. DC Chubb and PN Spratt are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

Information regarding the sale of part of the business and assets of MEQ Realisations Limited (formerly Mint Equities Limited) ('MEQ') and Mint Partners Limited ('MPL') (together the Companies) on 19 August 2010 as required by Statement of Insolvency Practice No.16.

<p>1. Background</p>	<p>MPL is a non-trading holding company. MPL has negative net assets and will become cash flow insolvent as a result of MEQ making claims on it for intercompany debts totalling c. £870k.</p> <p>MEQ was incorporated in 2004 and the principal activity is agency brokerage. MEQ is a "special execution broker" for a range of financial and non-financial traded products. MEQ has offices in London and branch operations in Paris, Switzerland and Dubai.</p> <p>An error in the settlement of stamp duty was identified in August 2009 at which point the arrears were estimated at £3m. The arrears related to transactions since June 2007.</p> <p>MEQ entered into discussions with HM Revenue & Customs (HMRC) regarding a Time To Pay arrangement ("TTP) for the PAYE owed. This was adhered to until August 2009 after which it was paid intermittently.</p> <p>Following discussion between MEQ's advisers and HMRC, the latter ultimately wrote to MEQ on 31 July to advise that unless the whole debt was repaid within 7 business days, it would commence winding up proceedings.</p> <p>Since 2007, MEQ has actively sought new investment and this ultimately led to the board entering into discussions with BGC Partners LP (BGC) regarding a possible share sale in June 2010.</p> <p>In July 2010, MEQ entered into an exclusivity arrangement with BGC on receipt of a written offer of £16m, the majority of which related to the assumption of certain liabilities of the Company.</p> <p>However, as a result of the threatened petition from HMRC, the BGC offer was withdrawn. In addition the potential winding up petition forced the board to consider its options.</p> <p>Following withdrawal of its offer for the shares, BGC made an offer for the business and assets of MEQ on 13 August 2010 and the directors therefore sought professional advice in order to properly consider the options available to the Companies.</p>
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	<p>The subsequent negotiations with BGC resulted in an agreement regarding a sale of the business and assets of the MEQ and certain assets of MPL. In order to preserve the business and obtain a return for creditors as a whole, the board elected to appoint an administrator to enable completion of the sale of the business and assets to the Buyer.</p> <p>Due to a winding up petition being filed on 19 August 2010, by Base Interiors Limited which is owed approximately £400,000 by MEQ, the proposed out of Court appointment could not proceed. At an emergency hearing a verbal application was heard by Mr Justice Peter Smith. Mr Justice Peter Smith heard the arguments for the proposed administration and the petitioning creditor's request for an adjournment. The estimated outcome of the administration compared to a liquidation was explained in Court. Mr Justice Peter Smith dismissed the winding up petition and made the order to appoint administrators.</p> <p>The appointment of administrators over MPL occurred earlier the same day out of Court.</p>
<p>2. The source of the administrators' initial introduction</p>	<p>PricewaterhouseCoopers LLP ("PwC") was introduced to the Companies on 13 August by BDO Stoy Hayward LLP.</p>
<p>3. The extent of the administrators' involvement prior to the appointment</p>	<p>PwC was engaged by the Companies on 15 August 2010 to carry out an options appraisal for the directors in regard to the offer for business and assets by BGC.</p>
<p>4. Marketing activities conducted by the Company and / or administrators</p>	<p>Given the nature of the business in which a key asset is the employees who could become unsettled by the uncertainty created by a sales process, the directors have not undertaken a full marketing process. However, over the past 3 years, the Companies have been seeking either a financial investment or latterly, a sale of MEQ. At the outset, the Companies were advised by Fleming Family & Partners ("FF&P") who made an offer of a £10m investment in the business. Before the deal was completed however, MEQ suffered losses due to the actions of one of its traders. The loss was covered by insurance but the investment agreed with FF&P was withdrawn as a result of the uncertainty.</p> <p>From the beginning of 2008 the directors began pursuing a sale of shares in the Companies. In January 2009 negotiations were held with Hamilton Bradshaw for an investment in the Companies, but the parties were unable to agree on a value.</p> <p>From mid August 2009 the directors looked to explore other options available, preferably a strategic partner who could provide value for example by bringing intellectual capital into the business or delivering economies of scale. FF&P continued to act as advisors</p>

	<p>and introduced the directors to several interested parties.</p> <p>In July 2010 the directors were approached by JRJ Group Limited on behalf of Marex Group Limited who made a bid for the shares of MEQ for £5.5m. The offer was withdrawn shortly afterwards.</p> <p>Also in July, both ICAP and BGC were approached as potential buyers. ICAP carried out some limited due diligence but withdrew from the process without making an offer.</p> <p>A share deal was pursued with BGC and an exclusivity agreement was signed on 28 July 2010 with an offer of £16m subject to substantial deductions for liabilities. However, on being made aware of the threat of the winding up petition from HMRC, BGC withdrew its offer as it feared events would overtake the time it required to complete due diligence.</p> <p>At the time when PwC was engaged by MPL, the options available to the Companies were severely limited by the potential impending winding up petition. Given that some parties had previously expressed an interest in purchasing the business, we did consider the possibility of making contact with them in order to ascertain whether they would be interested in making a bid. However, for the following reasons, it was concluded not to do this:</p> <ul style="list-style-type: none"> • The directors took advice regarding their obligations to BGC under the exclusivity agreement and concluded that it would be a breach of this commitment if they did speak with other interested parties; • There was the risk that BGC might withdraw their offer if other parties were contacted and there was no certainty that another party would want to or be able to complete a transaction in the time available; • Widening the discussions about a pre-packaged transaction to other parties who also operated in the same financial markets increased the risk of information being leaked which could accelerate the disintegration of MEQ; • We were not convinced that any other party was likely to be able to step in and complete a transaction in the limited timescale left available to MEQ; and • The board discussed all these issues at length and there were views both for and against approaching other parties. Eventually, this discussion was concluded with a vote at which there was a very clear majority in favour of focussing on the BGC contract and not contacting other third parties.
<p>5. Valuations obtained of the business or the underlying assets</p>	<p>No formal valuation has been carried out for several reasons:</p> <ul style="list-style-type: none"> • An earnings related valuation is not possible because there are no earnings on which to place a multiple; Group PBT FY09 £(813k) and YTD at the

	<p>end of June £(1,673k);</p> <ul style="list-style-type: none"> • Lack of available comparable transactions; • Limited time available due to potential creditor action; <p>The BGC offer which was withdrawn on 13 August 2010 valued the assets at £4m because the balance of the consideration (£12m) was apportioned to pay liabilities</p> <p>The administrators have discussed the business and sector with experts in PwC's valuations and corporate finance teams.</p> <p>The PwC corporate finance team's view was that the business is highly dependent on the individuals within it rather than proprietary software or systems. We are informed that the key individuals are not on long term contracts and have a maximum notice period is 3 months.</p> <p>The volume based nature of the business means that the buyer population is limited and the majority of potential known buyers had already been approached by MEQ.</p> <p>It appears that even with earnings and a buoyant mergers and acquisitions market, the business is potentially difficult to sell.</p> <p>The offer from BGC for the business and assets values them at £2.5m and £2.8m including the consideration for MPL. This is comparable to the net £4m valuation placed on the assets by the BGC share offer when the distressed nature of the transaction is taken into account.</p> <p>Due to the lack of available comparable transactions and lack of earnings the most appropriate valuation basis is based on the latest balance sheet with discounts made to reflect the distressed nature of the business. Based on information provided by the directors, we have undertaken this analysis and estimated the potential value of assets in the context of a liquidation of the Companies.</p>
<p>6. Alternative course(s) of action considered by the administrator and the possible financial outcome(s) of the alternative course(s) of action, including why it was not appropriate to trade the business and offer it for sale as a going concern during the administration</p>	<p>At the point in time when the Administrators first became involved with MEQ, it was subject to the threat of a winding up petition, was restricted by an exclusivity agreement and had received an offer for the sale of the business and assets of the business for a price which would not repay all the creditors in full.</p> <p>This is the context in which the following options were considered:-</p> <p>Share sale.</p> <ul style="list-style-type: none"> ▪ As described above MEQ had received a share offer from BGC but this was subsequently replaced by an

offer for the business and assets following the threat of a winding up petition being presented by HMRC. This followed a similar pattern with a previous offer for the business.

Refinance via friends and family

- MEQ had previously been successful in raising funds from friends and family and £1.5m had been raised earlier in the year which was being held by lawyers pending completion by MEQ of certain conditions. Ultimately, these were never met.

Administration and sale following marketing process:

- A trading administration process would significantly damage the reputation of MEQ and brokers. The majority of the work is won through a strong relationship between individual brokers and clients, without which trading would not be possible. Key staff in this industry are highly mobile and we were advised that there were considerable concerns that a number of the key employees were seeking alternative employment given the uncertainty surrounding the company.
- It would be difficult for MEQ to trade in administration given the regulated nature of the business and the level of risk attaching to it. In addition, it is unlikely that it would have sufficient funds to trade.

Liquidation process:

- An analysis was undertaken in order to estimate the potential dividend which might arise. The result of this assessment was to provide a benchmark against which to measure the benefit of other options. The analysis suggested a dividend rate to unsecured creditors of c11%. During negotiations with BGC we were made aware of a number of issues that challenged our assumptions in respect of this estimate. In particular collection of the commission amounts owed was likely to be problematic where not supported by the ongoing business (particularly the brokers close relationship with the Clients). 38% of the debtor book was in respect of amounts outstanding for more than 90 days.
- The collateral amount was subject to the risk that the relevant clearer could close out unmatched positions at the date of administration and set any losses against the collateral.
- There were considerable contingent liabilities in respect of long term contracts for equipment and property lease interest.
- Considerable amounts were owed to employees for commission.
- The offer from BGC does we believe deliver greater certainty on the dividend range and in particular the

	<p>ability to deliver the estimate of a 12% dividend to unsecured creditors. We estimate that the dividend in a liquidation could be 11% and subject to execution risk which could cause actual recoveries to be materially lower than estimated. In addition a cessation of business may cause claims including damages materially higher than those estimated. As such the BGC offer represents a better alternative to a liquidation scenario.</p> <p>The offer from BGC for the sale of the business and assets through a pre-packaged sale was considered to be the best option available to MEQ's stakeholders because it maximised the realisable value of MEQ's assets and secured the majority of the employees' jobs.</p> <p>The outstanding obligations to employees by MEQ and assumed by BGC are carried at £2m payable on balance sheet liability but likely to be more on redundancy. The overall benefit of the transaction is therefore likely to exceed a 20% return to unsecured creditors.</p> <p>The return to creditors in MPL is expected to be 12% versus a liquidation scenario of 9%. Due to the retention of certain assets in MPL not required for ongoing trading, there is further potential upside recoveries in the administration.</p>
<p>7. Details of requests made to potential funders to fund working capital requirements</p>	<p>Discussions held with RBS on new facilities - HSBC recently renewed the overdraft facility.</p>
<p>8. Whether efforts were made to consult major creditors</p>	<p>HMRC as a major creditor were contacted before the appointment was made. Based on the information provided, HMRC did not object to the appointment. We made contact with HSBC, the Companies bankers, to advise them of the potential pre-packaged administration and supplied them with this analysis.</p>
<p>9. The date of the transaction</p>	<p>The sale of the business and certain assets of the Companies was completed on 19 August 2010</p>
<p>10. Details of the assets involved and the nature of the transaction</p>	<p><u>Assets being sold :-</u> <u>(figures as at 30/6/10):</u></p> <p><u>MEQ:</u> Fixed assets (BV of £3.2m): leasehold improvements c. £2m, computers, furniture Broker receivables (£2,5m): outstanding trade commission. Collateral held with clearers (£1,351k): collateral and commission balances held at four clearing houses. Employee loans (£452k): outstanding balances due from employees. Recoverable trader losses: costs attributable to employees that have not yet been re-claimed by MEQ.</p> <p><u>MPL:</u> Trademarks (£1) – principally the MINT name.</p>

	<p>Directors Loans (£306k)</p> <p>In addition to the sale of assets, the purchaser is also assuming certain liabilities of MEQ which will mitigate the claims in the Administration. With the exception of the staff in the Paris office, all other staff in MEQ will transfer under TUPE as a consequence of the sale.</p> <p>Certain assets of MPL are not included in the sale to BGC and will therefore be subject to a separate sale process. Including a rent deposit of £290k which may be returned if a successful assignment of a lease can be arranged and a profit share in a development project in Docklands.</p> <p>The nature of the transaction is a sale on appointment of specific business and assets of both MEQ and MPL to a third party. The transaction is designed to ensure minimal disruption to the business and hence maximise value for creditors. The continuance of the business will provide the best opportunity to mitigate claims from supplier creditors and employees (with the exception of those in Paris). The ability to preserve the business through the transaction is enhanced by the fact that the purchaser operates a similar business to MEQ and is registered with the Financial Services Authority.</p>
<p>11. The consideration for the transaction, terms of payment, and any condition of the contract that could materially affect the consideration</p>	<p>Amount of consideration: £2.5m for MEQ and £0.3m for MPL. Potential deferred consideration on upside of debtor collections 50% of amounts recovered on collections above 80% on £2.5m of debts sold to BGC and collections on £1.5m of book debts which are overdue by more than 90 days retained by MEQ.</p> <p>Liabilities being assumed of c.£1.8m plus certain key contracts. Transfer of all employees except 13 employees in respect of the Paris branch.</p> <p>Date consideration received – 19 August 2010</p>
<p>12. If the sale is part of a wider transaction, a description of the other aspects of the transaction</p>	<p>The sale is not part of a wider transaction</p>
<p>13. Likely Outcome for creditors</p>	<p>Secured creditor – HSBC hold a fixed and floating charge debenture created on 16 May 2005. At the date of the Administration HSBC's liability, inclusive of charges, amounted to c£500k. The administrators-in-waiting requested that HSBC release the debenture in return for full repayment of the debt due to it out of floating charge assets.</p> <p>Preferential creditors – On sale all the employees in London, Dubai and Switzerland would transfer to BGC under TUPE regulations. The Paris office in which there are 12 employees is not included in the transaction. It is estimated that claims for holiday pay and arrears of wages for the Parisian employees could amount to c. £50k.</p>

	Unsecured creditors – All of the consideration (£2.5m and £0.3m) is considered to be floating charge realisations. After statutory deductions, the remaining balance will be due to unsecured creditors.
14. The identity of the purchaser(s)	BGC Partners, 499 Park Avenue, NY 10022
15. Any connection between the purchaser(s) and the directors, shareholders or secured creditors of the Company	This is a third party sale. There is no known connection between BGC, the directors, the shareholders or the secured creditor of the Companies.
16. Whether the purchaser was independently advised	The purchaser was independently advised by Berwin Leighton Paisner LLP.
17. The names of any directors, or former directors, of the Company who are involved in the management or ownership of the purchaser, or of any other entity into which any of the assets were / will be transferred	Richard Barnett and Tim Bullman have been offered positions in the acquired business.
18. Whether any directors had given guarantees for amounts due from the Company to a prior financier, and whether that financier is financing the new business	A joint and several guarantee was given by the directors for the £500k overdraft facility with HSBC.
19. Any options, buy-back arrangements or similar conditions attached to the contract of sale	No

The Insolvency Act 1986

Notice of administrator's appointment

2.12B

Name of Company Mint Equities Limited	Company Number 05071454
In the In the High Court of Justice Chancery Division Companies Court <small>(full name of court)</small>	Court case number 6789 of 2010

(a) Insert full name(s) and address(es)

We (a) Mr David Christian Chubb and Mr Peter Norman Spratt of PricewaterhouseCoopers LLP, Plumtree Court, London, EC4A 4HT

give notice that we were appointed as administrator(s) of the above company on:

(b) 19 August 2010

Signed  _____

(b) Insert date

Dated 23.8.10.

Joint Administrator(s) (IP No(s) 9357 and 6278)

The Insolvency Act 1986

Notice of administrator's appointment

2.12B

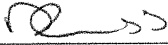
Name of Company Mint Partners Limited	Company Number 04795286
In the In the High Court of Justice Chancery Division Companies Court <small>(full name of court)</small>	Court case number 6747 of 2010

(a) Insert full name(s) and address(es)

We (a) Mr David Christian Chubb and Mr Peter Norman Spratt of PricewaterhouseCoopers LLP, Plumtree Court, London, EC4A 4HT

give notice that we were appointed as administrator(s) of the above company on:

(b) 19 August 2010

Signed  _____

(b) Insert date

Dated 25. 8. 10

Joint Administrator(s) (IP No(s) 9357 and 6278)

**MEQ Realisations Limited (formerly Mint Equities Limited) - in Administration
Statement of Claim**

Creditor's name and address.	
Registered number (if creditor is a company)	
<p>Claim amount</p> <ul style="list-style-type: none"> • Total amount of your claim (including VAT) at the date the administration commenced* <i>[or, if the company was in liquidation when it entered administration, at the date the prior liquidation commence].</i> • Any payment received by the creditor in relation to the claim after the appointment of the administrators <i>[or, if applicable, prior liquidators]</i> • Total value (including VAT) of any monies owed by the creditor to the company. • Total value (including VAT) of any retention of title in respect of any goods to which the debt relates 	<p>£</p> <p>£</p> <p>£</p> <p>£</p>
Please provide details of any documents that substantiate your claim including where applicable, details of any reservation of title. If available, please attach a statement of account.	
What goods or services did you provide?	
<p>If you have security for your debt, please provide details of the type and value of the security, the date it was given, and provide details of how you have valued your security.</p> <p>If no security held, leave this section blank.</p>	
<p>We have a duty as administrators to consider the conduct of the directors prior to our appointment. Are there any particular matters relating to the purchase of goods and services from yourselves, or any other matters that you feel should be reviewed?</p> <p>If so, please provide brief details on this form, or on a separate sheet if there is insufficient room.</p>	
Signature of creditor or person authorised to act on behalf of the creditor.	Date
Name in block capitals.	
Position with or relation to the creditor (e.g. director, company secretary, solicitor).	

DCC/MA/KJ/D355Ev2

* You must deduct any trade or other discounts which would have been available to the company but for its administration, except any discount for immediate, early or cash settlement.