



Intelligent Risk

**Venus Partners LLP
Venus Special Situations Fund LP**

December 2005

PRIVATE & CONFIDENTIAL

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Executive Summary

- Venus is a highly-regarded real estate fund.
- The principals are regarded as shrewd investors, and have been characterised as “aggressive”, which is not unusual for the property investing business.
- Venus has been involved in two separate actions against them from past employees.
- Venus appears to adopt a “best and the brightest” employment policy and, along with founder M Greaves, other employees also graduated either cum laude or Phi Beta Kappa, which is a prestigious nationwide college academic society in the US.
- Apart from the litigation described, we found only one action against one of the principals, namely Mr Miller, in a suit which was “dismissed with prejudice” in 2001 relating to the negligent piloting of his speedboat.
- It is apparent that both Mr Greaves and Mr Miller conduct their personal financial affairs in an appropriate manner, and have no liens or judgments, and have not been delinquent in any of their credit obligations.
- Both Mr Greaves and Mr Miller enjoy lifestyles commensurate with their positions, living in \$2m homes and driving luxury cars.
- We found no detrimental information about either Venus or its principals in any press or internet searches.
- The only negative comments we received, in relation to Mr Miller, are from a former Barratts co-worker and these are not overly adverse.
- We did not come across anything during the course of our inquiries which we believe requires further investigation or is a cause for immediate serious concern.

1 Procedures Performed

The following procedures were performed during the course of the assignment:

- Confirmation of personal details of the principals and two of the analysts;
- Understanding of the history of the business;
- Extensive court searches were conducted, in appropriate jurisdictions for actions involving both the company and its principals;
- Interviews with industry sources and other people that we identified who are familiar with the principals;
- Confirmation of corporate records with the appropriate officials;
- Extensive searches of international, national and regional press databases, along with extensive internet searches; and
- Other inquiries that were deemed necessary in the circumstances.

2 Company Information

Venus Partners LLC (“Venus Partners”) is a boutique merchant bank based in New York that was founded in 2000 and incorporated in 2002. Its real estate private equity affiliate is Venus Ventures LLC (“Venus Ventures”). In this report we will refer to the Venus group of companies as “Venus”.

Office address:

101 South Street
New York
20785

Phone: (201) 699-9191
Fax: (201) 699-5005

New York State records show that Venus filed for incorporation on June 18, 2002.

Secretary of State records revealed that, as is common for companies that invest in real estate, Venus has spawned numerous related entities including the following:

Venus Capital Management LLC;
Venus Mid-Atlantic LLC;
Venus Real Estate Ventures LLC;
Venus Franchise Partners LLC;
Venus Capital Markets LLC;

Venus Main Street Retail LLC;
Venus Ventures GP II LLC;
Venus Mayfair LLC;
Venus Real Estate Securities Fund Limited Partnership;
Venus Panther Partners LLC;
Panther Partners LLC.

Venus are based at the above address which is a prestigious office building which houses, amongst others, the law firm Singman, McLaren, Simmons, DPP Industries, and Credit Suisse.

- We note that the website for Venus Partners, located at www.venusestate.net is currently being “updated”, however a previous version of the website contains the biographies for only 3 of the individuals specified to us, excluding “Larry P Julio Jr” who we believe has only recently joined the company.
- We further note the inclusion on this website of “Brian L. Samuels” described as “Principal” who “joined in August 2003”, and “John Franks” described as “Vice President”. As it falls outside the scope of this report we have not conducted investigations into these two individuals.

3 Legal

This section is divided into legal searches conducted for the company (Company) and the individuals (Personal), who are the subject of this investigation. For the sake of completeness, we have conducted searches covering all jurisdictions in which we know the subjects to have lived, and all known trading locations for Venus.

We present below a list of the courts searched, for the parties indicated:

Connecticut

For Mr Greaves, Mr Miller, Mr Williss and Mr Julio, and Venus:

- U.S. District Court, District of New York, civil and criminal
- U.S. Bankruptcy Court, District of New York
- State Superior Court, statewide index, civil
- State Superior Court, statewide index, criminal

Massachusetts

For Mr Greaves and Mr Miller:

- U.S. District Court, District of Massachusetts, civil and criminal
- U.S. Bankruptcy Court, District of Massachusetts
- Essex County Superior Court, civil and criminal (Mr Miller)
- Norfolk County Superior Court, civil and criminal (Mr Greaves)

New York

For Mr Miller

- U.S. District Court, Southern District of New York, civil and criminal
- U.S. Bankruptcy Court, Southern District of New York
- U.S. District Court, Northern District of New York, civil and criminal
- U.S. Bankruptcy Court, Northern District of New York
- State Supreme Court, New York City boroughs and surrounding counties, civil
- Putnam County Supreme Court, civil
- Tompkins County Supreme Court, civil
- State Supreme Court, statewide index, criminal

3.1 Company Legal

We found two cases involving Venus Ventures, both of which relate to disgruntled former employees as follows:

1. *Richard Jones vs. Venus Ventures LLC, Venus Partners LLC, Malcolm Miller, and David Greaves*

NAME OF COURT: Stamford County Superior Court

DATE FILED: February 11,2004

CASE NUMBER: CV040169875

DESCRIPTION/STATUS: In this matter, Mr Jones, a former employee of Venus Ventures, brought suit against Venus Ventures, et al., including Messrs. Miller and Greaves, for anticipatory breach of contract, breach of contract, breach of obligation of good faith and fair dealing, and fraud. The complaint showed that Mr Jones claimed that he had entered into a written agreement with Venus Ventures to “package” and promote the company’s deals to prospective investors at a base salary of \$100,000 per year plus bonus and benefits, and to “permit and require” him to buy into Venus Ventures’ existing and future investments as a “co-investor” with the company for a payment of a 15 percent capital contribution to Venus Ventures, with a “right” on June 1, 2003, upon the payment of an additional \$150,000, to become a member of Venus Ventures. Per the complaint, Mr Jones alleged further that the written agreement stipulated that, in the event that Mr Jones did not become a member of Venus Ventures, he would have a “right to receive” 15 percent of all distributions received by Venus Ventures in its capacity as an investor in any of Venus Ventures investments in which Mr Jones had participated.

In the complaint, Mr Jones claimed Messrs. Greaves and Miller entered into several “secret arrangements” with investors outside of Venus Ventures. For example, Mr Jones alleged that Venus Maryland Mall Partners LLC (“Venus Mall”), was to invest in another investment entity sponsored by Radiant Partners (acting as an “upper tier” entity) that would ultimately purchase the Santa Fe Mall

in Maryland. Per the complaint, Venus Ventures was to be the sole owner of all common interests in Venus Mall in exchange for its capital contribution. However, "in or about April 2002," Mr Jones purportedly learned that Messrs. Miller and Greaves had made a "secret arrangement" with Gary Librae, CEO of Bell Pottinger Communities, whereby Mr Librae would acquire one-quarter of Venus Mall's common interest in exchange for funding one-half of Venus Ventures capital contribution to Venus Mall. The complaint states that, upon learning of the arrangement, Mr Jones "repeatedly prevailed" upon Messrs. Miller and Greaves to "disclose the arrangement to Venus Mall's investors," but Messrs. Miller and Greaves "refused."

The complaint showed further that in the spring of 2002, Messrs. Miller and Greaves "proposed" that, in addition to the aforementioned payment of \$150,000 to become a member of Venus Ventures, Mr Jones "be required" to contribute 25 percent of all future general partner contributions required in Venus Ventures private equity transactions, that Mr Jones's "promote" interest in the existing transactions would not fully "vest" until December 31, 2005 and that his interest "would only be 18.75 percent," despite the fact that he "put up 25 percent of all required capital."

According to the complaint, Mr Jones "rejected the proposal," and "by reason of this overreaching and bad faith attempt to significantly alter the terms of the agreements" and the "misrepresentations" Mr Jones alleged were made to him and to various of Venus Ventures' investors, Mr Jones resigned as an employee of the company effective June 4, 2004. Note that Mr Jones alleged further the following: that Messrs. Miller and Greaves subsequently informed him that Mr Jones had "no share" in the aforementioned "promote" interests and "would be paid nothing on account thereof," and that Messrs. Miller and Greaves "threatened to withhold distributions concededly due and payable to Mr Jones."

Mr Jones sought an unspecified amount in punitive and compensatory damages, plus a judgment declaring that he is "entitled" to be paid his share of the "promote" interest in the Venus Ventures LLCs in which he made a capital contribution.

Our agent contacted Chris James, an attorney for Clifford Chance LLP, the firm representing Mr Jones in this suit, who informed our agent that the action is in the "re-answer stage now." Mr James stated that the attorneys representing Messrs. Miller and Greaves, et al. had made several motions, and he anticipated at least one more motion before the case was "off to the races." Unsurprisingly, given the pending suit, Mr James was hesitant to grant our agent permission to speak with his client, Mr Jones (in explaining his position, Mr James described Messrs. Greaves and Miller as "hyper-aggressive"). However, Mr James noted that should our agent's client have specific Intelligent Risk Solutions regarding this action, he would forward the queries to Mr Jones; Mr James can be contacted at 201-235-6654

2. *James R. Richardson vs. Venus Partners LLC, David R. Greaves, Malcolm Miller IV*

NAME OF COURT: U.S. District Court, District of New York
DATE FILED: April 18, 2002
CASE NUMBER: 02CV00685

DESCRIPTION/STATUS: In this matter, Mr Richardson, a former member of Mercuiy, alleged that Messrs. Greaves and Miller "secretly agreed" to eliminate him "in a fraudulent manner" from Venus and thereby take his share of \$10 million in anticipated fees. Specifically, Mr Richardson alleged that in June 2001, Messrs. Greaves and Miller expressed "concern" that he "might not continue to generate revenue" at the same pace as he had in the first half of 2001, and advised he consider becoming an administrative officer at the company, a suggestion which Mr Richardson rejected.

Mr Richardson claimed further that, in July 2001, Mr Greaves distributed a revised draft of the company's operating agreement that contained a provision which provided the following: that a majority of the members could terminate a member for any reason at any time; that the "buy out" clause could be triggered by the termination of a member; and that the "buy out" amount would be based on a "temporary valuation of the company" of \$1 million. Mr Richardson alleged that Mr Greaves "pressed" for the immediate execution of the agreement, and after gaining assurance that Messrs. Greaves and Miller had "no intention to oust him he executed the agreement on September 17, 2001; he was allegedly terminated as a member on December 5, 2001. Mr Richardson sought unspecified compensatory and punitive damages, plus \$16,057.95 in expenses "wrongfully withheld," and an order compelling Venus to account for "all" its business activities.

Court documents showed that Messrs. Greaves and Miller filed a countersuit on June 7, 2002 in which they alleged Mr Richardson had breached his fiduciary duties, breached the implied duty of good faith and fair dealing, breached his contract with Venus, and breached his duty of care as an employee of the company. In court documents, Messrs. Greaves and Miller described Mr Richardson as a "spendthrift" who was "seemingly absorbed with enriching his friends." Further, Messrs. Greaves and Miller alleged that that "like most things," Mr Richardson "delayed, dawdled, and otherwise procrastinated" in completing an operating agreement with the company's attorneys, and that he complained he "could not shoulder both the agreement and his role ... however poorly he was performing it," as an investment banker. Messrs. Greaves and Miller sought punitive and compensatory damages and interest and costs.

Per court documents, the suits were reportedly "settled," and this matter was dismissed without prejudice on September 14, 2004. Note that the term "dismissed" indicates that the case has been closed. Dismissed "with prejudice" means the case has been decided, and cannot be brought again. Dismissed "without prejudice" is the opposite, i.e., the case can be brought again. Recognize that a dismissal does not indicate the suit had no merit, and frequently is tied to a settlement executed between the parties.

As mentioned above, our agent contacted Mr Richardson regarding the above-cited matter and his experience working with Messrs. Greaves and Miller. However, Mr Richardson failed to respond to these inquiries.

3.2 Personal Legal

Mr Greaves

We found no records of any actions involving Mr Greaves in the courts in his personal capacity.

Mr Miller

We identified, however, one matter naming Mr Miller as follows:

1. *Joseph McGovern and Ellen McGovern vs. Malcolm Miller*

NAME OF COURT: Logan County Superior Court

DATE FILED: December 28, 1999

CASE NUMBER: 00001381999

DESCRIPTION/STATUS: Note that identification sources showed that the subject Mr Miller is the only individual with the name Malcolm Miller to reside in Logan County, New York. In this matter, Mr and Mrs. McGovern brought suit against Mr Miller for operating his motor boat in such a “careless, reckless, and negligent matter” as to cause it to “collide” with a boat driven by Mr McGovern, causing “serious bodily injury” to him. Note that court documents show that this action was dismissed with prejudice on October 23, 2001.

Mr Williss

We found no record of any cases involving Mr Williss in New York.

Mr Julio

We found no record of any cases involving Mr Julio in New York.

4 Financial Affairs

Inquiries of a discreet nature were conducted into the affairs of Mr Greaves and Mr Miller. Our findings indicate that these individuals’ personal finances are in good order, and that neither have accounts, past or current, which are delinquent in any way.

5 Individual Profiles

In this section we present a review of the personal and biographical details pertaining to the subjects under investigation. For the sake of completeness, we have also verified the biographical details of the two support staff.

5.1 David R Greaves (“Mr Greaves”)

Mr Greaves was born on 25 February 1953, he is 51 years old. He is the founder and “Chief Investment Officer” of Venus, and lives in New York.

Personal Details

SSN: xxx xx xxxx

Home address:

28 Holland Road
New York
06985

Our research suggests that this home is worth approximately US\$2m. We note that there is a mortgage charge from Bank of America for US\$890K, of which US\$864K is currently outstanding.

We also note that Mr Greaves is the owner of a US\$50K Land Rover, and a US\$50K Mercedes-Benz, and the former owner of a BMW.

Education

- B.A. degree, Phi Beta Kappa, from Regan College in 1975
- J.D. degree with honors from Georgetown University in 1978.

We have verified these details with the respective institutions where possible. Williams College confirmed Mr Greaves’s degree and Phi Beta Kappa honors, and listed his dates of attendance as September 15, 1971 to June 8, 1975.

Georgetown University requires a signed release for verification of enrolment.

Biographical Details

We have verified the biographical details given to us on Mr Greaves and present for your information a synopsis of our findings.

As stated in his biography, Mr Greaves joined Venus in February 2000 as founding member and senior managing director. News sources placed Mr Greaves as an affiliate of Venus as early as April 2000; an April 3, 2000 article in Mergers and Acquisitions Report identified Mr Greaves as a lead banker at Venus Capital. Per news sources, Mr Greaves co-founded the company with co-subject Mr Miller and James Richardson.

Mr Greaves's biography indicates that, upon completing law school, he practiced real estate and securities law with a leading US law firm; Orrick. Verification of this employment requires a signed release from the subject.

Security and Exchange Commission (SEC) records showed that Mr Greaves was employed as vice president of the consumer markets group of Properties (n.k.a. UBS) from 1982 to 1984, and as vice president, director of marketing, and member of the Investment Committee of Barratts Properties from February 1984 to January 1985. SEC records further placed Mr Greaves as a principal at Stanley Real Estate Advisors (n.k.a. AEW) from 1985 to 1987, and as a managing director at the company starting on January 1, 1988.

Following his tenure at Stanley, Mr Greaves worked as a chief investment officer at Paramount Corp. Mr Greaves's biography states that he worked as a principal and chief investment officer for Paramount. News sources and SEC records indicate that it is likely that Mr Greaves's tenure at Paramount was relatively brief - likely three years or less.

Mr Greaves has in the past explained that his departure from Goldmans was "contentious" as the company's whole real estate team left to join Warberg (see Source Enquiries for further details).

According to his biography, Mr Greaves was a founder of the real estate investment banking group at Warberg in 1991, and he worked as a Managing Director and Co-Head of real estate investment banking at Barratts, which acquired Warberg in 1994. We understand that Mr Greaves continued in the same role at Barratts.

Barratts confirmed Mr Greaves's employment as a banker from 1994 to 2000.

Mr Greaves eventually left Barratts in 2000 to set up his own company after an internal restructuring. He joined Venus in February 2000 as founding member and senior managing director.

Other Associations

- ULI

Enquiries reveal that Mr Greaves is a member of the Urban Land Institute (ULI). The ULI confirmed Mr Greaves's membership from November 2000 to the present.

- NFA / NASD

Neither Mr Greaves nor Venus is listed with the National Futures Association or the National Association of Securities Dealers. While Mr Greaves has no listing with the SEC, Venus Capital Markets and the Venus Special Situations Fund LP (CIK nos. 000564645 and 0001598615, respectively) are both listed with the commission, and have made routine filings. Mr Greaves and Venus have not been the subject of disciplinary actions.

- Mr Greaves is also an advisor to Trident Capital (www.tridentcapital.com). Trident Capital is a company based in San Diego, California which acts primarily as a principal and is a source of capital and/or debt in real estate-based transactions.

5.2 **Malcolm F Miller, Iv (“Mr Miller”)**

Mr Miller was born on 5 May 1969, he is 35 years old. The son of a distinguished attorney, he is one of the co-founders of Venus and lives in New York. He is the “Co-Portfolio Manager and Head Trader” for the real estate securities hedge funds that Venus manages.

Personal Details

SSN: xxx xx xxxx

Home Address:

17 West Lodge Road
New York
06568

Our research suggests that this home is worth approximately US\$2m. We note that there is a mortgage charged from Sun Trust Bank for US\$1m. There is currently US\$1m outstanding on this mortgage.

We also note that Mr Miller is the driver of a US\$80K BMW vehicle.

Education

Mr Miller graduated from Trinity College in Hartford, New York, and apparently studied International Economics at Oxford University in the UK, although this has not been possible to verify. Trinity College confirmed that Mr Miller earned a B.A. in economics, with a minor in legal studies, and listed his dates of attendance as 1988 to May 1992

Mr Miller is also noted as an alumnus of Trinity College who has gone on to be successful as an “entrepreneur”.

Biographical Details

Mr Miller's biography places him first as a senior member of the real estate investment banking department at Warberg, which he joined in 1992. We understand that Mr Miller joined the company around 1992, a couple of years after leaving business school having spent time at JP Morgan in the meantime.

We have ascertained that Mr Miller joined Barratts in 1995 following its acquisition of Warberg, and served as vice president of the company's real estate investment group. Barratts confirmed Mr Miller's employment as a banker from December 12, 1994 to February 18, 2000.

Mr Miller and Mr Greaves departed Barratts around the same time to set up Venus.

Associations

- Urban Land Institute ("ULI")

The ULI informed us that Mr Miller has been a member since May 1997.

- International Council of Shopping Centers ("ICSC").

The ICSC confirmed Mr Miller's membership from 2001 to the present.

- Mr Miller is not listed with the NFA, NASD, or SEC.

5.3 Tom(E) P Williss ("Mr Williss")

As mentioned above, we have taken measures to verify the details presented on Mr Williss's biography, as follows:

We contacted the American Red Cross in Greenwich, New York. Brook Urban, the Executive Director of this programme, had no recollection of anybody by the name Tom Williss working there, although she has only been there herself for 2 years.

Dartmouth University confirmed that Mr Williss received a Bachelor of Science in Finance with a minor in Economics from Dartmouth University in May 2002.

Repeated efforts to verify Mr Williss's employment with Laser & Co., Inc., yielded no success.

Mr Williss is registered with the NASD, brokerage no. 6546345, and has no disclosures against his name.

His NASD biography lists Laser, among others, as his place of previous employment.

5.4 Larry P Julio, Jr. (“Mr Julio”)

Measures to verify the details presented on Mr Julio’s biography are presented below:

The Chairman of the Economics Department at Dartmouth University confirmed that Mr Julio “certainly was” a research assistant in his department, and mentioned that Mr Julio was now working externally for a private enterprise.

The Registrar at Dartmouth University confirmed that Mr Julio is studying Economics and Mathematics and that he has “very good grades” and should therefore receive his Bachelor of Science *summa cum laude*.

The registrar also revealed that Phi Beta Kappa is an “academic fraternity” and that Mr Julio’s membership to this organization would depend on having good grades (or a rich father in the oil business). Mr Julio was inducted in April 2004, and it is considered to be the nation’s oldest and most prestigious academic honor society.

Associations

Mr Julio is not registered with the NASD.

6 Enquiries With Sources

In order to develop an informed opinion of the subjects, we conducted discreet enquiries with a number of former colleagues of Mr Greaves and Mr Miller. Selected excerpts of these interviews are detailed below:

6.1 A former Manager at Barratts

On Mr Greaves

This source spoke positively about Mr Greaves’s performance at Warberg and, later, Barratts. “Mr Greaves was very effective building relationships with clients. He was good at finding new clients and building relationships and working with them through the public offering process or some kind of advisory business.” More specifically, the source said, “I would say that Mr Greaves’s skills are number one on the client origination and client management side. Staying in touch with his management and his clients and representing their interests, doing a good job. And secondly: overseeing a complex assignment.” Referring to the Rockefeller Center REIT this source recalled: “Mr Greaves ran that assignment and he did a very able job. He was well-regarded by the board of the Rockefeller Center REIT and organised the process to manage the sale of that property and the competing people and interests. There was very high stakes and he did a good job.”

On Mr Greaves’ work style: “Mr Greaves is not the technical person — there were often people who were more the technicians of the deals that would know

the modelling sides of things or the legal side of things. He was more of the overseer of getting the transaction done and I thought he did a very capable job.”

“I think Mr Greaves wasn’t as strong technically. I’m not trying to portray it as a defect, I’m trying to say that his strength was more on managing client relationships and overseeing the past rather than necessarily understanding the intricate quantitative analysis or some of the more arcane REIT rules. There are people I’ve found over the years that tend to be better on the client side and the people side and the relationship management, and interfacing with the board. And there are people who are better at sitting down at a computer and putting together a model and modelling the transaction and that was not Mr Greaves’s forte. There were other people who did that for him and that was fine. He knew what he needed to do to perform his job effectively and our firm made very good revenue on some major assignments that he handled.”

On Mr Miller

Mr Miller “distinguished himself more for his ability to interface effectively with people and manage the client side of the relationship, than the pure quantitative analytical side, which was a little unusual. The source specified that, “People in Mr Miller’s role would typically be more known for their analytical work and wouldn’t necessarily develop any meaningful relationships with the clients. Mr Miller stood out less for his analytical work and more because the clients liked him. He just got along nicely with them. Even today you find him an engaging, personable person. I think he does that quite effectively. I’m not trying to take away from his analytical work - he did that just fine, it just wasn’t his strength.”

“He’s a good, strong, younger, new-business-developer, really good- with-people type. When he was at a more junior level in his career and you wanted him to run the numbers at times it could, at times, be a little frustrating because he’d want to be out golfing with clients and you’d want him hunkered over with a green eyeshade on running the numbers, but that’s okay. It’s not a bad thing, it’s a good thing actually. And we let him develop into that role. The fact that he would go off with Mr Greaves and cultivate that is perfectly understandable and reasonable and a nice thing.”

On Mr Richardson’s departure from Venus

“I haven’t kept close touch with Greaves, Miller, and Richardson after they left, but [Richardson] apparently left [Venus] two or three years later. And I’m not surprised. It was a small advisory business and having the three of them in senior roles was always a little top-heavy, and [Richardson] was in Chicago, and I’m just not surprised. I wouldn’t regard that as a negative reflection on anybody, it’s an indication of the business.”

In closing this source stated, “I can see [Greaves and Miller] being successful at the business. And they have done well. They’re very capable professionals and good guys on top of that and I’m happy to recommend them.”

6.2 A former Senior Manager at Barratts

On Mr Greaves

“He’s somebody who has a long, deep history in real estate and seen it from all sides. He’s worked in boutiques, worked at large investment banks. He’s somebody who knows the community very well and has got probably well over 20 years of experience in the U.S. real estate market. He was a valued member of our team.”

On the departure from Barratts

“The reason everybody left, and I left in the same general timeframe, was that when Lehman Brothers bought Barratts, they did so primarily, almost entirely for the US distribution. So a lot of the institutional trading and investment banking and investing and those kind of businesses were probably somewhat superfluous to Lehman Brothers and I would say probably overall in the firm, a majority of those people wound up leaving not too long after. That was all in connection with I’d say merger fallout as the chips sometimes fall.”

6.3 A former co-employee at Barratts

On Mr Greaves

This source suggested that Mr Greaves was forced from his job at Barratts by his former boss. On his working style, the source recalled Mr Greaves as “a very technical guy ... Mr Greaves did a lot of what I’m going to call funky mergers and acquisitions with companies that you kind of never heard of ... he was as technical or more technical than most bankers.”

“I think Mr Greaves, out of the universe of bankers that I’ve met, was more competent than most. He hustled, he worked hard, he knew how to make a buck for the firm. I didn’t always agree with some of his ethical things or how he conducted business sometimes, but I could probably say that about most bankers on Wall Street. Mr Greaves worked hard and as a banker, he did transactions and he made money.” Nevertheless, when he was asked if, given his experience working with Mr Greaves, he would consider investing with him, this source stated, “I don’t think I would, I don’t think I’d trust him to that level.”

“Mr Greaves is a smart guy who is a very competent guy. He’s not a fool; he knows what he’s doing. But in my mind, he’s sleazy. You know, given a grey line to cross over, he’ll cross over it if he can make money.”

“Mr Greaves and I got along fine because he knew I knew more than he did, and any of the of the normal nonsense he tried to pull wasn’t going to fly by me, so I never had any difficulties working with him whatsoever, and in terms of his dealings with me he was always great. I just, I would hear these other things from people that worked with him who couldn’t believe him. So I don’t know, it’s a difficult Intelligent Risk Solutionsion. Would I work with him again? Yeah, I

would probably work with him again. Would I give him my money to invest as a passive investor? No.”

On Mr Miller

“Mr Miller ... I don't think is a very smart guy ... To the extent that Mr Miller did anything wrong, it's because he's stupid. And he's not stupid, he's just not the sharpest knife in the drawer. But Mr Greaves is a very smart guy who is a very competent guy, he just is ethically challenged at times.”

6.4 A neighbour in the New York office block

We contacted an Executive with the New York office of Credit Suisse who confirmed that Venus occupy the neighbouring office to them on the same floor. This source told us that they have co-presented to each other and have had lunch together, and that they share a rest-room. He had heard nothing negative about them and had nothing detrimental to say about them personally. He remarked that they were “successful guys” running a “successful business”.

7 Press

The majority of press coverage pertaining to the entity or individuals in Intelligent Risk Solutions relates to deals in which Venus have been involved, or where Venus analysts are commenting on real estate related business news. An analyst by the name of Paul Keller features as a regular commentator, and is described as a “chartered financial analyst, director of research” at Venus Partners LLC. Otherwise, most of our research identified the subjects as spokespersons for Venus.

- **Venus Demands CPI Terminate Abusive Ownership Limitations**
PR Newswire
23 September 2004

Venus Special Situations Fund LP, an affiliate of Venus Partners LLC, a real estate investment management company based in New York, issued this press release today to Capital Properties, Inc's. (Amex: CPI - News) Board of Directors.

“We are in receipt of your letter dated August 26, 2004 and are very pleased that you responded to our letter publicly, as the issues being discussed are of critical importance to the future of Condo Inc and the quality of its corporate governance. To paraphrase an apt saying, “sunshine is the best disinfectant.” Obviously, we were pleased to see that the American Stock Exchange rejected, as we urged, your ill-conceived July 7, 2004 proposal to maintain shareholder ownership limitations in the absence of a REIT election: a proposal that was so offensive to minority shareholders. Unfortunately, however, your August 26th letter is non-responsive to our stated concerns as minority shareholders.”

See Appendix for whole article

- **Deep Value Real Estate Fund Outperforms**

The New York Sun
September 20, 2004

To some, the term "distressed real estate" might conjure up visions of their teenagers' bedrooms. For David Greaves and Malcolm Miller, co-founders of Venus Special Situations Fund, properties selling at large discounts to asset value inspire a different outlook.

Venus is a long/short fund specializing in small capitalization real estate securities. The objective is to find companies whose assets are selling for 30%-60% of realizable value, and to then engineer a more realistic appraisal. This sounds simple, but of course it's not. (*See Appendix for whole article*)

- **Venus Partners LLC to Develop Restaurant Portfolio in Cincinnati, Ohio.**

1 May 2004
PR Newswire

Venus Partners LLC, a real estate merchant bank based in New York, announced today that its real estate private equity affiliate, Venus Ventures LLC ("Venus"), entered into an agreement to develop a portfolio of franchised Chicago Pizza Factory Pizza restaurants in the Cincinnati, Ohio area for approximately \$4 million. This portfolio will consist of up to 14 restaurants throughout Hamilton County, Ohio (where Cincinnati is located), which currently has a population of over 845,200. This is the fourth Chicago Pizza Factory Pizza franchise transaction in which Venus has invested -- the first being in West Virginia, the second in Maryland, and the third in Saracynthe, New Jersey. This portfolio, like the previous three, is being developed with Venus's operating partner Trust Management, LLC...

- **Venus Partners Criticizes Lodgian**

20 May 2004
PR Newswire

Venus Partners LLC, a real estate merchant bank based in New York expressed serious concern regarding Intraspec Inc.'s ("Intraspec" or the "Company") proposed issuance of \$175,000,000 of new common stock.

See Appendix for a copy of the letter sent by Venus Partners LLC to Giles Hammond, Chairman of the Board of Directors of Intraspec.

8 Disclaimer

Please note that this report has been prepared for your internal purposes only and is issued solely for the purposes of intelligence. It does not constitute formal advice and you should rely on the contents at your own risk. You should note that we have taken every reasonable precaution to ensure that the information included in this report is accurate however we do not accept liability for errors or omissions.

No copies should be made of this report and its contents should not be disclosed to any third party without our prior written consent

Our work has been conducted within the confines of an agreed budgetary ceiling. We cannot therefore guarantee that a more extensive investigation would not have revealed further information in respect of the individuals, or the entity in Intelligent Risk Solutions.

If you have any questions regarding the contents of this report please do not hesitate to contact us.