

April 26, 2007

McLENNAN ROSS LLP / McNALLY CUMING RAYMAYKER

CLIENT UPDATE re HMS FINANCIAL

This e-mail is to update you on developments since our December 15, 2006 update on the status of this litigation.

The Certification Application took place on April 23rd and 24th, 2007. The Application for Certification was opposed by the following Defendants:

HSBC Bank Canada
The Alberta Lawyers Insurance Association
The Canadian Lawyers Insurance Association
Mountain View Credit Union Limited
Community Credit Union Ltd.
Canadian Imperial Bank of Commerce
Dana I. Carlson
John W. Willock
Stan W. Remin
1037149 Alberta Ltd. operating as Cedar
Management
Dave Miller
Douglas A. Cowan
Labalta Ltd.
993638 Alberta Ltd.
Michael McCullough
McCullough Financial Corporation
tom Oldridge
Arnold Henry
David Henry
Datas Consulting
Claude Seguin
Casselman MCS Financial Inc.
Robert Bartel
Connie Bartel
Mountain Star Capital Corp.
Arie Schalk
Peter Mol
Vitron Consulting Inc.
Delmer W. Strobel
Verna A. Strobel
Tripple-SSS Alberta Ltd.
George Lennox
Peter Morrisseau
990137 Alberta Ltd.

Robert J. Sellars
Sellars Financial Inc.
Wayne Johnson
Ethan Equities Inc.
Heather Vance
Allan A. Gray
Phoenix Global Resources Ltd.
Edwin Knott
Maritime LLC
Alfred Barnfield
Barbara L. King
1070199 Alberta Ltd.
Guessworks Foundation
Guessworks
David Guess
Neal Guess
Victor Bauman
Pine Grove Management Inc.
Nancy J. Buford
NDX Development LLC
Brad Mooney
M & M Investments 101 Ltd.
M & M Computer Consulting
Enrique Toscano a.k.a. Chico Toscano
Lee-Anna Toscano
Five Continents Consulting Corporation
Randy Seabrook
Christine Williams
Arthur Klassen
Klass "A" Strategies
Robert F. ter Borg
Wilma Uijterlinde
Henk Uijterlinde
Arnold Dyck

Justice J.D. Rooke reserved his decision and advised counsel that his schedule is quite hectic in the next few months and they should not expect a decision anytime before June, at the earliest.

We continue to work with counsel in the United States to have the HMS investor funds frozen in the First National Bank of San Diego transferred to the Alberta Courts.

We are also working with counsel in Indiana to recover funds which were invested by Garth Bailey, and which we believe are HMS investor funds.

Yours truly,

Lynn Dechaine (for Graham McLennan)

Paralegal - Litigation

McLennan Ross LLP

Toll Free: 1-800-567-9200

Direct Line: (780) 482-9281

Fax: (780) 482-9100