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DATE: October 25, 1992

PLEASE DELIVER THE FOLLOWING TO: _____ TIME: _____

NAME: HONORABLE D. SCHUTTE, DEPUTY MINISTER

COMPANY / FIRM: GOVERNMENT OF SOUTH AFRICA

RECIPIENT'S FACSIMILE NUMBER: 011 27 12 211178

REGARDING (Client): R.O. HILL

MATTER: _____

TOTAL NUMBER OF PAGES INCLUDING THIS PAGE: Four (1)

MY FACSIMILE TELEPHONE NUMBER IS: (212) 489 - 7966

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SE ATTACHED LETTER

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BY FACSIMILE

October 22, 1992

Honorable D. Schutte
Deputy Minister of Justice
Pretoria, South Africa

Re: Robert Oliver Hill

Dear Deputy Minister Schutte:

I represent Mr. Robert Oliver Hill ("HILL"). I refer you to the discussion you had with Mr. Porter concerning my clients pending case with the South African Attorney General and the United States Department of Justice. I cannot provide you with any legal papers at this time, since they are still in the process of being prepared, and the quantum of damages is still being assessed. However, I believe it would be prudent for both you and my South African correspondents to meet with the Attorney General to discuss this case. They are the firm of Moss-Morris in Johannesburg.

In assessing the substantial damages suffered by my client, we are considering the facts as set forth below. An arrest warrant was applied for by the South African Government for the extradition of Hill. Pursuant to this request, the arrest warrant was issued by the United States Federal Court for the extradition of Mr. Hill in December of 1990.

In opposition to the arrest warrant, an application was made to quash the arrest warrant on behalf of Hill. We sought dismissal of the warrant and introduced documentation to the United States

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authorities that the South African Government had abused the judicial process of the United States Federal Courts, and had used the extradition treaty both improperly and fraudulently. Although given ample opportunity to respond, the Attorney General of the Transvaal, at whose instance the request for extradition was brought, failed to respond to our charges.

In our application, it was explained that the Attorney General had issued a warrant for the arrest of Hill in May 1989. That warrant disclosed quite clearly that Hill's alleged violations in South Africa were merely Exchange Control offenses which are not extraditable offenses under the treaty. This conclusion, was admitted by the Attorney General in correspondence with Moss-Morris. In order to cure this legal deficiency, the Government of South Africa issued a second warrant for Hill's arrest in November 1990. This warrant was used as the basis for the provisional arrest warrant. This warrant was bare of any allegations of Exchange Control offenses, but alleged instead the crimes of forgery, uttering and fraud. No mention was made of the earlier warrant. Furthermore, the Attorney General refused to furnish Moss-Morris with a copy of the second warrant.

In the papers before the Court, it was alleged that the Attorney General had sought to conceal the first warrant from the Court, because that warrant disclosed that the real offenses for which the South African Government sought to extradite Hill were Exchange Control related, and to the knowledge of the Attorney General, were therefore not extraditable offenses under the extradition treaty. It was therefore asserted to the Court that

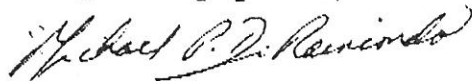
South Africa had not been truthful with the United States Government, the United States Federal Court and had unclean hands with respect to the extradition request. Once again, the Attorney General failed reply to these allegations.

In dismissing the warrant, the United States Federal Court held that there was criminal cause to dismiss the extradition application and to set aside the arrest warrant on August 21, 1992.

Considerable damage was done to my client, as he has been prevented from carrying on business in the United States as a direct result of the alleged fraud which has been perpetrated by the South African Government, apart from the personal damage to his name and reputation. We are currently assessing the quantum of damages which my client has suffered, for which redress will be sought in the United States courts.

As I mentioned earlier, if this matter can be resolved without resorting to legal action, I would recommend this to my client. I understand that you have suggested that a meeting could be arranged between my South African correspondents and the Attorney General. This can readily be done by contacting Mr. Tugendhaft at Moss-Morris and arranging a meeting at a mutually convenient time.

Very truly yours,



Michael P. DiRaimondo

cc: R.O. Hill

Mr. Tugendhaft