

**JOINT OFFICIAL LIQUIDATORS
BEACON HILL MASTER LTD.
THEO BULLMORE
PHILLIP S. STENGER**

NOTICE OF CONFLICT OF INTEREST: ACTION REQUIRED.

January 16, 2006

Re: Beacon Hill Master, Ltd. (In Official Liquidation) ("Master Fund")

Dear Investor:

On March 28, 2005, the Hon. Lewis A. Kaplan approved the retention of Mr. Berman of Friedman, Kaplan, Seiler & Adelman LLP ("FKSA") (and formerly of Brown, Rudnick, Berlack & Israels LLP) as litigation counsel to the Master Fund for purposes of bringing litigation against the Master Fund's auditors and other service providers. At that time, Mr. Berman also represented investors in Fraternity Fund, Ltd., et al. v. Beacon Hill Asset Management, et al., 03 Civ. 2387 (LAK) and in two related actions, Gibraltar Fund I, L.P., et al. v. Beacon Hill Asset Management, et al., and Banca Nazionale del Lavoro S.P.A. v. Beacon Hill Asset Management, et al. (the "Investor Action").¹

On March 29, 2005, the Master Fund filed the matter of Bullmore, et al. v. Ernst & Young, et al., (Index No. 104314/05 in the Supreme Court of the State of New York) against Ernst & Young Cayman Islands ("E&Y CI"), Ernst & Young LLP ("E&Y"), Beacon Hill Asset Management, LLC ("BHAM"), John D. Barry, Thomas Daniels, John Irwin, Mark Miszkiewicz, and ATC Fund Services (Cayman) Limited ("ATC") (the "Master Fund Action").

Since commencement of the Master Fund Action, pursuant to the retention agreement between the JOLs and Mr. Berman, Mr. Berman and FKSA continued to investigate claims that may exist against additional service providers on behalf of the funds. As a result of this investigation, Mr. Berman advised the JOLs in late September, 2005, that the Master Fund has valuable claims against Banc of America Securities, LLC ("BAS") for aiding and abetting BHAM's fraud and its breach of fiduciary duty by providing false and inflated security values to third parties, including the auditors. Mr. Berman further opined that Bristol Fund Ltd. ("Bristol") has similar claims against the successors to Prudential Securities ("Prudential") for nearly identical activity, which occurred prior to the Master Fund's inception. Mr. Berman advised that it was important that the claims be filed on or before October 8, 2005 to avoid potential impairment of the claims.

On September 26, 2005, the Liquidation Committee for the Master Fund and the Liquidation Committee for Bristol approved: (a) the filing of actions against BAS and Prudential by Mr. Berman and his firm FKSA; and (b) a cost-sharing arrangement pursuant to which all litigation fees incurred in prosecuting Bristol's claim against Prudential will be borne by the Master Fund and any recovery from Prudential will, in turn, be an asset of the Master Fund to be distributed to the feeder funds on a pro rata basis with the other Master Fund assets (the "Cost-Sharing Arrangement").

¹ The investors previously waived conflict concerns in approving Mr. Berman's representation of the Master Fund in the Master Fund Action (Bullmore, et al. v. Ernst & Young, et al.).

Theo Bullmore

KPMG, Century Yard, P.O. Box 493GT, Grand Cayman, Cayman Islands Telephone: (345) 949-4800 Fax: (345) 949-7164 E-mail: tbullmore@kpmg.ky

Phillip S. Stenger

Stenger & Stenger, P.C., 4095 Embassy Drive, SE, Suite A, Grand Rapids, Michigan, 49546 Telephone: (616) 940-1190 Fax: (616) 940-1192 E-mail: phil@stengerlaw.com

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Feeder funds Safe Harbor Fund LP ("Safe Harbor") and Milestone Plus Partners LP ("Milestone") have consented to the institution of the litigation and the proposed Cost-Sharing Arrangement. The JOLs must also file a motion seeking Judge Kaplan's approval of the Cost-Sharing Arrangement. The JOLs and the Liquidation Committees of the Master Fund and Bristol have waived their conflicts of interest concerning Mr. Berman's and FKSA's joint representation related to the claims against BAS and Prudential.

Since time was of the essence, the Master Fund's claim against BAS and Bristol's claim against Prudential were filed in New York state court on October 6, 2005 by FKSA on behalf of the Master Fund and Bristol, respectively. Simultaneously, the JOLs filed a motion with Judge Kaplan seeking Court approval for the commencement of litigation against BAS and Prudential. The SEC did not comment on the substance of the state court litigation, but objected to filing the Complaint absent court approval. In addition, the SEC objected to the conflict involved in Mr. Berman's representation, lack of a fee holdback and the fact that Milestone had not at that time agreed to the Cost-Sharing Arrangement. Subsequently, Milestone consented to the Cost-Sharing Arrangement, and FKSA agreed to a fee holdback that is acceptable to the SEC.

Following these objections, on November 2, 2005, Judge Kaplan entered an order holding that Court authorization is required.²

Mr. Berman and FKSA have filed a motion with Judge Kaplan in the pending investor litigation requesting authorization to amend the Investor Action to include claims against BAS and Prudential based on the same or similar conduct as gave rise to the claims by the Master Fund and Bristol, respectively (the "Proposed Amendment to the Investor Action").

As a result, Mr. Berman and FKSA presently represent the Master Fund in the Master Fund Action and the investors in the Investor Action (including the Proposed Amendment to that action). The issue here is whether Mr. Berman and FKSA should also represent the Master Fund and Bristol in pursuing their claims against BAS and Prudential when **Mr. Berman's representation of Bristol, the Master Fund, and the separate investors raises a *conflict of interest*, or at least the appearance of a *conflict of interest*. Specifically, a conflict of interest arises because one attorney will represent more than one party, with the possibility that dual representation could allow the attorney to favor one client over the other in the prosecution or the settlement of claims.**

As an investor, it is up to you to decide whether or not you choose to waive the conflict of interest.

² Accordingly, the JOLs have not yet served the Complaint on BAS and Prudential. Pursuant to court rules, the Complaint must be served by February 3, 2006. The JOLs have filed a request with Judge Kaplan for authorization to serve the Complaints within the required time. Although BAS has not yet been formally served with the complaint, it filed an Answer to the Complaint, Disclosure Statements, and a Notice of Removal to federal court on December 6, 2005, and a subsequent Motion for Judgment on the Pleadings on January 4, 2006.

Theo Bullmore

KPMG, Century Yard, P.O. Box 493GT, Grand Cayman, Cayman Islands Telephone: (345) 949-4800 Fax: (345) 949-7164 E-mail: tbullmore@kpmg.ky

Phillip S. Stenger

Stenger & Stenger, P.C., 4095 Embassy Drive, SE, Suite A, Grand Rapids, Michigan, 49546 Telephone: (616) 940-1190 Fax: (616) 940-1192 E-mail: phil@stengerlaw.com

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The JOLs and the Liquidation Committees of the Master Fund and Bristol believe that Mr. Berman and FKSA are best situated to litigate these claims on behalf of the Master Fund and Bristol. However, given the conflicts of interest outlined above, the JOLs request that you complete and return the attached Waiver Form indicating whether you waive or do not waive the conflicts of interest concerning Mr. Berman and FKSA's representation of Bristol and the Master Fund in bringing the BAS and Prudential claims. Please submit the attached Waiver Form by no later than **January 30, 2006** to either of the JOLs at:

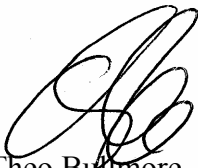
Phillip S. Stenger, Joint Official Liquidator
Beacon Hill Master, Ltd. (In Official Liquidation)
Stenger & Stenger, P.C.
4095 Embassy Drive, SE
Suite A
Grand Rapids, MI 49546
Facsimile: (616) 940-1190

Theo Bullmore
Beacon Hill Master, Ltd. (In Official Liquidation)
KPMG Cayman Islands
P.O. Box 493 GT
Century Yard
Grand Cayman, Cayman Islands
Facsimile: (345) 949-7164

After January 30, 2006, the JOLs will advise the Court of the results of the waiver process.

Please do not hesitate to contact us in the interim with any questions or concerns.

Yours faithfully,



Theo Bullmore
Joint Official Liquidator



Phillip S. Stenger
Joint Official Liquidator

Theo Bullmore

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WAIVER FORM

As an investor in (please circle appropriate fund) (i) Bristol Fund, Ltd., (ii) Safe Harbor Fund, L.P., or (iii) Milestone Plus Partners L.P, my position concerning the conflicts involved in the retention of Mr. Berman, and Friedman Kaplan Seiler & Adelman LLP ("FKSA"), to represent Beacon Hill Master, Ltd., Bristol Fund, Ltd. and the separate investors in pursuit of the claims they possess against Banc of America Securities, Inc. ("BAS") and Prudential Securities ("Prudential"), is as follows:

I agree to waive the conflicts involved in Mr. Berman and FKSA's joint representation of the Master Fund, Bristol Fund, and the separate investors in the claims against BAS and Prudential.

I decline to waive the conflicts involved in Mr. Berman and FKSA's joint representation of the Master Fund, Bristol Fund, and the separate investors in the claims against BAS and Prudential.

Signed by: _____
Investor Name

Dated: The ___ day of January, 2006.

Please return this form by **January 30, 2006**, to either of the Joint Official Liquidators at one of the following addresses:

Phillip S. Stenger, Joint Official Liquidator
Beacon Hill Master, Ltd. (In Official Liquidation)
Stenger & Stenger, P.C.
4095 Embassy Drive, SE
Suite A
Grand Rapids, MI 49546
Facsimile: (616) 940-1190

Theo Bullmore, Joint Official Liquidator
Beacon Hill Master, Ltd. (In Official Liquidation)
KPMG Cayman Islands
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Facsimile: (345) 949-7164