

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

September 9, 2004

Dear Investor:

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

The Joint Official Liquidators ("JOLs"), with the direction and approval of the Informal Liquidation Committee (the "Committee"), have retained the law firm of Brown Rudnick Berlack & Israels, LLP ("Brown Rudnick") to represent the Master Fund in litigation the Master Fund is contemplating bringing against the Master Fund's auditors, Ernst & Young. Brown Rudnick will also investigate other potential litigation targets for the Master Fund and will analyze claims which may exist for Bristol Fund, Ltd. and Safe Harbor Fund, LP. The decision to retain Brown Rudnick was made after interviewing several other qualified potential candidates.

As many of you know, Brown Rudnick already represents 36 investors in litigation against Ernst & Young, LLP; Ernst & Young Cayman Islands; Beacon Hill Asset Management, LLC; ATC Fund Services (Cayman) Limited; Amsterdam Trust Corp. B.V.; Asset Alliance Corp.; John D. Barry; Thomas Daniels; John Irwin; Mark Miskiewicz; Milestone Global Advisors, L.P.; and Safe Harbor Asset Management (collectively the "Investor Litigation"). The JOLs and the Committee believe that the knowledge acquired by Brown Rudnick in the Investor Litigation will be beneficial to the Master Fund in its litigation and enhance the recovery for both the Master Fund and the participants in the Investor Litigation. In addition, the Master Fund and the Investor Group will share the cost of Brown Rudnick which should result in significant savings to both sets of litigants. Brown Rudnick's time and expenses will be allocated equitably between the Investor Litigation and the Master Fund.

One of the claims raised in the Investor Litigation is for securities fraud. It is possible that other investors who are not part of the Investor Litigation may also have individualized claims for securities fraud or perhaps other claims. We have been advised that securities fraud claims under Section 10b of the Securities Exchange Act of 1934 and Rule 10b-5 may be brought not later than the earlier of: (1) 2 years after the discovery of the facts constituting the violation; or (2) 5 years after such violation. On October 8, 2002, Beacon Hill announced that the Funds had lost 54%, of their value. Some investors may have learned of this loss a day or two before October 8, 2002.

Accordingly, under the above statute of limitation, a securities fraud claim arguably could be barred if it is not commenced by October 4, 2004, if not sooner depending on your individualized circumstances (e.g., if you learned of the loss on September 28, 2002, your claim must be brought by September 28, 2004). As a result, an analysis of your

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

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

particular circumstances should be undertaken as soon as possible to preserve claims that might otherwise be time barred.

It should be emphasized that the litigation being contemplated by the JOLs will relate solely to claims of the funds and not the unique claims of the investors. As a result, the JOLs urge investors to retain their own counsel to assess whether or not each such investor may have a claim against any of the parties named as defendants in the Investor Action or perhaps other parties. While the JOLs cannot recommend any particular attorney to investors, we are advised by Brown Rudnick that the Investor Litigation is open to other investors.

If you have any questions, please do not hesitate to contact either of the undersigned or Sara Fazio at Stenger & Stenger by phone at 616.940.1190 or by email at sara@stengerlaw.com, or Tsui Donnelly by phone at 345.949.4800 or by email at tsuidonnelly@kpmg.ky.

Yours faithfully,



Theo Bullmore

Joint Official Liquidator



Phillip S. Stenger

Joint Official Liquidator

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