

FORM ECSRC - Q

Quarterly Report

For the period ended: **December 31st 2007**

or

TRANSITION REPORT: **Not Applicable**
(Applicable where there is a change in reporting issuer's financial year)

For the transition period from April 2007 to December 2007

Issuer Registration Number: **HMB160990GR**

EASTERN CARIBBEAN HOME MORTGAGE BANK (ECHMB)

(Exact name of reporting issuer as specified in its charter)

GRENADA

(Territory or jurisdiction of incorporation)

Eastern Caribbean Central Bank (ECCB) Complex, Bird Rock Road, Basseterre, St. Kitts

(Address of principal executive Offices)

(Reporting issuer's): **EASTERN CARIBBEAN HOME MORTGAGE BANK (ECHMB)**

Telephone number (including area code): **1-869-466-7869**

Fax number: **1-869-466-7518**

Email address: **theechmb@sisterisles.kn**

(Former name, former address and former financial year, if changed since last report)

1. Financial Statements

a). Balance Sheet

EASTERN CARIBBEAN HOME MORTGAGE BANK UNAUDITED BALANCE SHEET AS AT DECEMBER 31ST, 2007

ASSETS	Notes	Dec. 31st, 2007	Dec. 31st, 2006
		\$	\$
Cash and Short Term Funds	4	27,938,717	6,045,686
Accounts Receivable & Prepayments	5	3,123,920	3,008,280
Mortgages	6	111,797,841	75,987,020
Capitalised Costs	7	894,450	891,369
Deferred Assets	8	53,604	87,674
Investments	9	26,100,000	44,100,000
Fixed Assets	3 c	169,857	165,349
		=====	=====
TOTAL ASSETS		\$170,078,389	\$130,285,378
		=====	=====
LIABILITIES			
Current Liabilities	10	1,448,804	1,336,614
Bonds in Issue	11	150,182,000	111,480,000
		=====	=====
TOTAL LIABILITIES		\$151,630,804	\$112,816,614
		=====	=====
SHAREHOLDERS' EQUITY			
Share Capital	12	10,000,000	10,000,000
Reserve Funds	13	3,967,520	3,555,642
Retained Earnings		4,480,065	3,913,122
		=====	=====
TOTAL SHAREHOLDERS' EQUITY		\$18,447,585	\$17,468,764
		=====	=====
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$170,078,389	\$130,285,378
		=====	=====

The Notes on pages 5 to 11 form an integral part of these Financial Statement

b) **Statement of Income**

**EASTERN CARIBBEAN HOME MORTGAGE BANK
UNAUDITED STATEMENT OF INCOME
FOR THE NINE MONTHS ENDED DECEMBER 31ST 2007**

	<u>April to Dec. 2007</u>	<u>April to Dec. 2006</u>
	\$	\$
Interest Income		
Mortgage Interest Income	6,332,641	5,455,833
Interest on Short Term Deposits	3,227,285	2,870,152
Other Interest Income	105,511	105,480
	=====	=====
Total Interest Income	9,665,437	8,431,465
Bond Expense	(5,885,910)	(4,788,864)
	=====	=====
Net Interest Income	3,779,527	3,642,601
Other Income		
Seminar Costs Recovered	117,000	46,182
Sundry Income (See Note 14)	-	7,740
	=====	=====
Total Net Income	3,896,527	3,696,523
Non-interest Expenses		
Mortgage Administration Fees	786,404	696,134
Operating Expenses	1,663,329	1,502,721
	=====	=====
Total Non-interest Expenses	2,449,733	2,198,855
Net Income	1,446,794	1,497,668
	=====	=====

The Notes on pages 5 to 11 form an integral part of these Financial Statements.

c). **Statement of Cash Flow**

**EASTERN CARIBBEAN HOME MORTGAGE BANK
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED DECEMBER 31ST 2007**

	<u>Dec. 31st, 2007</u>	<u>Dec. 31st, 2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES	\$	\$
Net income for the period	1,446,794	1,497,668
Adjustments for Items not affecting cash		
Depreciation	38,224	49,753
Bond Issue Costs Amortised	173,798	97,334
Amortisation of Pension Past Service Cost	9,459	10,072
Amortisation of Mortgage System	107,812	-
Gain on Disposal of Fixed Assets	-	(300)
	=====	=====
Operating profit before changes in Operating Assets	1,776,087	1,654,527
Changes in Operating Assets and Liabilities		
Increase in Accounts Receivable	226,205	(36,721)
Increase/(Decrease) in Accounts Payable	165,402	(168,411)
	=====	=====
Net cash generated from Operating Activities	2,167,694	1,449,395
	=====	=====
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Mortgages	(40,628,250)	-
Purchase of fixed assets	(57,492)	(146,438)
Proceeds from sale of fixed assets	-	11,004
Term Deposit Redeemed/(Placed)	18,000,000	(2,000,000)
Pre-implementation Cost - Mortgage System	-	(627)
Mortgages Repurchased and Replaced (net)	(148,486)	(583,067)
Mortgage Portfolio Principal Repayment	3,492,231	2,957,059
	=====	=====
Net cash used in /generated from investing activities	(19,341,997)	237,931
	=====	=====
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Proceeds from Bond Issue	38,252,000	-
Bond Issue Costs Incurred	(298,289)	-
Dividends Paid	(1,000,000)	(1,000,000)
	=====	=====
Net cash generated from/ (used in) financing activities	36,953,711	(1,000,000)
	=====	=====
NET INCREASE IN CASH	19,779,408	687,326
CASH BALANCE AT BEGINNING OF PERIOD	8,159,309	5,358,360
	=====	=====
CASH BALANCE AT END OF PERIOD	27,938,717	6,045,686
	=====	=====

d). **Notes to Condensed Financial Statements**

**EASTERN CARIBBEAN HOME MORTGAGE BANK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31ST 2007**

1. **INCORPORATION**

The Governments of Anguilla, Antigua and Barbuda, The Commonwealth of Dominica, Grenada, Montserrat, St Kitts-Nevis, St Lucia, and St. Vincent and the Grenadines signed an agreement on May 27, 1994 to establish the Eastern Caribbean Home Mortgage Bank.

The Eastern Caribbean Home Mortgage Bank was formally established on August 19, 1994 in accordance with Article 40 of the Eastern Caribbean Home Mortgage Bank Agreement, which was incorporated in the Eastern Caribbean Home Mortgage Bank Agreement Act, and subsequently passed in the member territories.

2. **PRINCIPAL ACTIVITY**

The principal activity of the Eastern Caribbean Home Mortgage Bank is to buy and sell mortgage loans on residential properties, in order to maintain a secondary market in mortgages.

3. **STATEMENT OF ACCOUNTING POLICIES**

(a) **Income and Expenditure:**

Income and Expenditure items are accounted for in the Financial Statements on the accrual basis.

(b) **Taxation:**

Under Section 5 Sub-sections (1) and (2) of the Eastern Caribbean Home Mortgage Bank Act, 1994, the Bank is exempt from stamp duty and corporation tax.

(c) **Fixed Assets:**

Fixed Assets are stated at historical cost. Depreciation is provided on the straight-line basis at rates, which are estimated to write off the cost of the assets over their useful lives as follows:

Furniture & Fixtures	15%
Machinery & Equipment	15%
Motor Vehicles	20%
Computer Equipment	33 1/3%

(d) **Capitalised Bond Issue Costs:**

The costs incurred in floating the various issues of tax-free bonds. These costs will be amortised over the duration of the respective bonds effective from their issue date (See Note 11).

(e) **Investments:**

Investments are classified into the following categories: available-for-sale and held-to-maturity. Management determines the appropriate classification of investments at the time of purchase. Investments are initially recognized at cost.

**EASTERN CARIBBEAN HOME MORTGAGE BANK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31ST 2007**

3 STATEMENT OF ACCOUNTING POLICIES (Cont'd)

(e) **Investment (Cont'd)**

Investments are initially recognized at cost. Fair value of investments in equity instruments that do not have a quoted market price in an active market is recognised at cost once they are not impaired.

(e) **Pension Plan**

The Bank's contributions to the defined contribution pension plan are charged to the income statement in the period to which the contributions relate.

4 Cash & Short Term Funds

	<u>Unaudited</u> <u>Dec. 31st, 2007</u>	<u>Unaudited</u> <u>Dec. 31st, 2006</u>
Cash with Banks	27,938,217	6,045,186
Cash on Hand	500	500
	=====	=====
Total	\$27,938,717	\$6,045,686
	=====	=====

Cash with Banks attracted interest rates varying between 2% and 7% (2006 = 2% and 7%) during the period under review.

5. Accounts Receivable & Prepayments

	<u>Unaudited</u> <u>Dec. 31st, 2007</u>	<u>Unaudited</u> <u>Dec. 31st, 2006</u>
Accrued Interest on Deposits	271,041	383,441
Mortgage Payments Receivable	778,638	555,134
Mortgage Origination Loan	2,000,000	2,000,000
Other Receivables	1,663	13,225
Sundry Debtors	39,613	32,539
Prepaid Expenses	32,964	23,941
	=====	=====
Total (Page 2)	\$1,123,920	\$3,008,280
	=====	=====

EASTERN CARIBBEAN HOME MORTGAGE BANK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31ST 2007

6. **Mortgages**

<u>Territory</u>	<u>Unaudited</u> <u>Dec. 31st, 2007</u>	<u>Unaudited</u> <u>Dec. 31st, 2006</u>
Antigua and Barbuda	28,824,512	8,899,904
St. Lucia	27,914,976	19,173,799
Grenada	5,994,741	1,519,477
St. Kitts and Nevis	9,589,534	9,778,797
St. Vincent and the Grenadines	39,474,077	36,615,043
Total (Page 2)	<u><u>\$111,797,841</u></u>	<u><u>\$75,987,020</u></u>

7. **Capitalised Costs**

	<u>Unaudited</u> <u>Dec. 31st, 2007</u>	<u>Unaudited</u> <u>Dec. 31st, 2006</u>
a) Bond Issue Costs		
Total Bond Issue Costs	1,375,470	1,051,684
Less: Cost Amortised	<u>(780,497)</u>	<u>(560,696)</u>
	<u>594,973</u>	<u>490,988</u>
b) Pre-implementation Cost – Mortgage System		
Balance at the beginning of the year	421,334	400,381
Add: Costs incurred during the year	<u>-</u>	<u>-</u>
	421,334	400,381
Less: Amortisation to date	<u>(121,856)</u>	<u>-</u>
	<u>299,478</u>	<u>400,381</u>
Total (Page 2)	<u><u>\$894,451</u></u>	<u><u>\$891,369</u></u>

- (a) The bond Issue costs are being amortised over the duration of the life of the respective bonds.
- (b) Pre-implementation Cost – Mortgage System represents expenses incurred on the project to integrate the servicing systems of Primary Lenders with that of ECHMB. Implementation of the project was completed in January 2007. The costs are being amortised over three (3) years from February 2007.

EASTERN CARIBBEAN HOME MORTGAGE BANK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31ST 2007

8. Deferred Expenses	<u>Unaudited</u> <u>Dec. 31st, 2007</u>	<u>Unaudited</u> <u>Dec. 31st, 2006</u>
Defined Contribution Plan		
Past Service Contribution	88,288	114,037
Less: Amount Amortised	<u>(34,684)</u>	<u>(26,363)</u>
Total (Page 2)	53,604	87,674
	=====	=====

Past Service Contribution

The Bank established a defined contribution plan for its employees. The directors agreed for the Bank to make a one-off contribution to the plan on behalf of existing employees for past periods service. This amount is to be amortised over a period of seven (7) years.

9. Investments – At Cost	<u>Unaudited</u> <u>Dec. 31st, 2007</u>	<u>Unaudited</u> <u>Dec. 31st, 2006</u>
Available-for-Sale Securities:		
Eastern Caribbean Securities Exchange (Equity) 10,000 Class D Shares of \$10 each	100,000	100,000
	=====	=====
Held to Maturity:		
Fixed Deposits – Commercial Banks (7.0% to 7.5%)	8,000,000	14,000,000
Other Deposits – (8.0% to 8.5%)	18,000,000	30,000,000
	=====	=====
Total Held-to-Maturity	26,000,000	44,000,000
	=====	=====
Total (Page 2)	26,100,000	44,100,000
	=====	=====

Term Deposits attracted interest rates varying between 7% to 8.5% (2006 = 7% to 8.5%) during the period under review.

10 Accounts Payable and Accruals	<u>Unaudited</u> <u>Dec. 31st, 2007</u>	<u>Unaudited</u> <u>Dec. 31st, 2006</u>
Interest Payable on Bonds	1,106,596	1,080,743
Sundry Creditors & Accruals	265,825	242,611
Suspense – Clearing Account	67,404	13,260
Credit Card Payable	8,979	-
	=====	=====
Total (Page 2)	\$1,448,804	\$1,336,614
	=====	=====

**EASTERN CARIBBEAN HOME MORTGAGE BANK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31ST 2007**

11 Bonds in Issue	<u>Unaudited</u> <u>Dec. 31st, 2007</u>	<u>Unaudited</u> <u>Dec. 31st, 2006</u>
Balance at the Beginning of the Period	145,182,000	111,480,000
Add: Issues during the Period	5,000,000	-
Less: Redemption during the Period	-	-
	=====	=====
Balance at the end of the month (Page 2)	\$150,182,000	\$111,480,000
	=====	=====

- (a) The Bonds are secured by debentures over the fixed and floating assets of the Bank. Interest is payable semi-annually in arrears at rates varying between 5.50% to 6% (2006= 5.0% to 6.0%).
- (b) The amounts outstanding on bonds issued are redeemable as follows:

	<u>Unaudited</u> <u>Dec. 31st, 2007</u>	<u>Unaudited</u> <u>Dec. 31st, 2006</u>
Within one (1) Year	13,805,000	6,000,000
1 to 2 Years	38,252,000	13,805,000
2 to 3 Years	6,150,000	-
3 to 4 years	43,455,000	6,150,000
4 to 5 Years	13,150,000	43,455,000
Over 5 Years	35,370,000	42,070,000
	=====	=====
Total (Page 2)	\$150,182,000	\$111,480,000
	=====	=====

- (c) The bonds are tax-free.

**EASTERN CARIBBEAN HOME MORTGAGE BANK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31ST 2007**

12. SHARE CAPITAL	<u>Unaudited</u> <u>Dec. 31st, 2007</u>	<u>Unaudited</u> <u>Dec. 31st, 2006</u>
Authorised:		
400,000 Shares of \$100 each	\$40,000,000	\$40,000,000
	=====	=====
Issued:		
100,000 Shares of \$100 each		
Class A	2,500,000	2,500,000
Class B	1,500,000	1,500,000
Class C	2,486,700	2,486,700
Class D	3,513,300	1,513,300
Class E	-	-
Class F	-	2,000,000
	=====	=====
Total (Page 2)	\$10,000,000	\$10,000,000
	=====	=====

During the previous financial year, the Class F shares were sold to a shareholder in Class D.

13. Reserve Funds	<u>Unaudited</u> <u>Dec. 31st, 2007</u>	<u>Unaudited</u> <u>Dec. 31st, 2006</u>
Building Reserve Fund	2,233,760	2,027,821
Portfolio Risk Reserve Fund	1,733,760	1,527,821
	=====	=====
Total (Page 2)	\$3,967,520	\$3,555,642
	=====	=====

In March 2004, the Board of Directors approved the creation of two Special Reserve Accounts, a Building Reserve Fund and a Portfolio Risk Reserve Fund. After the initial transfers from Retained Earnings, the Directors also agreed to an annual allocation to each reserve fund of 20% of profits after payment of dividends, effective March 31st 2005.

In light of the emerging trend in refinancing, the Board considered it prudent to create a Portfolio Risk Reserve Fund to provide cover against general risks associated with the Secondary Mortgage Market.

**EASTERN CARIBBEAN HOME MORTGAGE BANK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31ST 2007**

	<u>Unaudited</u> <u>Dec. 31st, 2007</u>	<u>Unaudited</u> <u>Dec. 31st, 2006</u>
14. Sundry Income		
Sale of Booklets	-	490
Other	-	7,250
	=====	=====
Total (Page 3)	-	7,740
	=====	=====

15. Staff Pension Plan

The Bank instituted a Defined Contribution Pension Plan for its employees. The Bank's contributions to the Plan for the period ended December 31, 2007 amounts to \$38,527.47 (2006: \$30,238.33). In addition, the Bank was initially committed to make a one-off contribution of \$114,037 on behalf of existing employees for past periods of service. During the previous financial year, this amount was reduced by \$25,749 because of a staff member resigning from the services of the Bank before the funds being vested in the plan. This amount is being amortised over seven (7) years.

Employees must have contributed to the Plan for a period of not less than five (5) years in order to be eligible for a deferred pension from their normal retirement date.

1. Schedule of Bond Expenses

	<u>Unaudited</u> <u>April to</u> <u>Dec. 2007</u>	<u>Unaudited</u> <u>April to</u> <u>Dec. 2006</u>
Bond Expenses		
Interest on Bonds	5,664,038	4,650,966
Bond Issue Cost Amortised	173,798	97,334
Trustee Fees	4,556	4,556
Sundry Bond Expenses	43,518	36,008
	=====	=====
Total	\$5,885,910	\$4,788,864
	=====	=====

2. **Management's Discussion and Analysis of Financial Condition and Results of Operations**

Discuss reporting issuer's financial condition, changes in financial condition and results of operations during the reporting period. Discussion of material changes should be from the end of the preceding financial year to the date of the most recent interim quarterly report. The broad areas of discussions should centre around liquidity, capital resources and results of operations. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated.

(a) **Liquidity**

Identify any known trends or commitments, demands, events that will result in or that are reasonably likely to result in the reporting issuer's liquidity increasing or decreasing in any material way. If a deficiency is identified, indicate the course of action that the reporting issuer has taken or proposes to take to remedy the deficiency.

There are no major trends, commitment, demands or events that will materially affect the liquidity situation of ECHMB.

(b) **Capital Resources**

Describe the reporting issuer's material commitments for capital expenditures as of the end of the latest fiscal period, and indicate the general purposes of such commitments and the anticipated source of funds needed to fulfil such commitments. Describe any material trends, favourable or unfavourable in the reporting issuer's capital resources and any expected change in mix. The discussion should consider changes between equity, debt and any off-balance sheet financing arrangements.

The Board of Directors approved capital expenditure in the amount of \$182,795 for the acquisition of new computer equipment.

Capital expenditure was funded from net cash flows from operating activities.

The Bank is financed mainly from the issuance of corporate Bonds, as a result of the foregoing, the capital structure is predominated by medium term debt which has resulted in a higher proportion of debts in relation to equity in the Bank's long-term capital structure. The trend is not expected to change at the sojourn of the 2008 financial year; however, an issuance of equity is proposed for the 2009 financial year.

(c) **Results of Operation.**

Describe any unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from continuing operations and in each case indicate the extent the income was so affected. Describe any known trends or uncertainties that have had or that the₁₂

reporting issuer reasonably expects will have a material favourable or unfavourable impact on net sales or revenues or income from continuing operations. If the reporting issuer knows of events that will cause a material change in the relationship between costs and revenues (such as price increases, costs of labour or materials), the changes in relationship should be disclosed.

There are no unusual or infrequent events or transaction during the 2008 financial year.

The downward refinancing of mortgage interest rates has generally resulted in reduced yields of the mortgage portfolios. Conversely, the price of Bonds has increased; as a result of the foregoing, ECHMB's net interest income or the surplus of interest income over bond cost has declined.

3. Disclosure of Risk Factors.

Provide a discussion of the risk factors that may have an impact on the results from operations or on the financial conditions. Avoid generalised statements and only include factors that are unique to the company. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the reporting issuer), etc. Indicate if any risk factors have increased or decreased in the time interval between the previous and current filing.

During the period under review, the operations of the Bank have been affected by the following: -

- **Competition in the Capital Market by governments of the ECCU with debt instruments offering higher yields. This has tended to crowd out ECHMB's Bond Issues specially structured to impact favorably on mortgage rates.**
- **Absence of an active secondary market for trading debt instruments such as corporate bonds. This has the effect of limiting investors' ability to convert their debt instrument for cash on a timely basis, thus hindering growth in the market.**
- **Reduction in Interest rate on mortgages already in its portfolio.**

4. Legal Proceedings.

A legal proceeding need only be reported in the ECSRC - Q filed for the quarter in which it first became a reportable event and in subsequent quarterly reports in which there have been material developments. Subsequent Form ECSRC - Q filings in the same financial year in which a legal proceeding or a material development is reported should reference any previous reports in that year. Where proceedings have been terminated during the period covered by the report, provide similar information, including the date of termination and a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

ECHMB has never had any legal proceedings instituted against it. There are no pending legal matters.

5. Changes in Securities and Use of Proceeds.

- (a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.
- (b) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:
- Offer opening date (provide explanation if different from date disclosed in the registration statement)
 - Offer closing date (provide explanation if different from date disclosed in the registration statement)
 - Name and address of underwriter(s)
 - Amount of expenses incurred in connection with the offer
 - Net proceeds of the issue and a schedule of its use
 - Payments to associated persons and the purpose for such payments

ECHMB has always utilised the proceeds from its Bonds issues to purchase residential mortgages or to provide a facility for primary lenders to originate mortgages utilising ECHMB's funding.

- (b) Report any working capital restrictions and other limitations upon the payment of dividends.

There are no working capital restrictions or limitations on payments on dividends.

6. Defaults Upon Senior Securities.

- (a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund instalment, or any other material default not satisfied within 30 days, with respect to any indebtedness of the reporting issuer or any of its significant subsidiaries exceeding 5 percent of the total assets of the reporting issuer and its consolidated subsidiaries, identify the
- (b) indebtedness. Indicate the nature of the default. In the case of default in the payment of principal, interest, or a sinking or purchase fund instalment, state the amount of the default and the total arrears on the date of filing this report.

- (c) If any material arrears in the payment of dividends has occurred or if there has been any other material delinquency not satisfied within 30 days, give the title of the class and state the amount and nature of the arrears or delinquency.

ECHMB has never defaulted on its payment obligations on its debt. In its eleven (11) years of commercial operations.

7. Submission of Matters to a Vote of Security Holders.

If any matter was submitted during the period covered by this report to a vote of security holders, through the solicitation of proxies or otherwise, furnish the following information:

- (a) The date of the meeting and whether it was an annual or special meeting.
- (b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.
- (c) A brief description of each other matter voted upon at the meeting and state the number of votes cast for or against as well as the number of abstentions as to each such matter, including a separate tabulation with respect to each nominee for office.
- (d) A description of the terms of any settlement between the registrant and any other participant.
- (e) Relevant details of any matter where decision was taken otherwise than at a meeting of such security holders.

ECHMB has not submitted any matters with regard to a Vote of Security Holders.

8. Other Information.

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC - MC report (related to disclosure of material information), with respect to which information is not otherwise called for by this form. If disclosure of such information is made under this item, it need not be repeated in a Form ECSRC - MC report which would otherwise be required to be filed with respect to such information or in a subsequent Form ECSRC - Q report.

No additional information to report on.

Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report. _____

The number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report are as follows.

CLASS	NUMBER
Class A	25,000
Class B	11,337
Class C	28,538
Class D	35,125
Class E	-
Class F	-
TOTAL	100,000

SIGNATURES

Name of Chief Executive Officer:

Name of Director:

Duleep Cheddie

K Dwight Venner

Signature

Signature

Date

Date