

March 30, 2004

Mr. David Abulafia, Adv.
Aharonson, Aboulafia & Co.
20 Linkoln St.
Tel Aviv

Dear Sir,

Archief Philip Staal

Re: SMO- SPI

Following our letter to you dated 22.3.04 in the above referenced matter, we hereby inform you on behalf of our client as follows:

1. Our client has been notified that on its meeting dated 25.3.04, SCMI's management had decided not to rent the services of Somech-Haikin (KPMG), for the purpose of receiving the services given to SCMI by our client.

As it is well known and clear to your client, the documents that SCMI is demanding belong mutually to SCMI and to Kamer III, and are required by SCMI for its continuation of activity.

2. Furthermore; your clients activity in Israel relating to Maror monies distribution, is performed by Kamer III, acting by power of the mandate granted to her.

Therefore, all the documents held by our client, are designated and delivered for Kamer III and SCMI and therefore belong to them.

Therefore and without derogating of the aforesaid in paragraph 1, as long as the mandate given to Kamer III has not been revoked (action that is dependant upon publication in the Dutch official governmental notes), Kamer III's management and not your client is the only one entitled to demand to receive the documents, a demand that was never presented to our client, and certainly did not certify the transfer of the documents to your clients representatives.

3. In light of the above it is clear that a precondition to hand over the documents by our client, is receiving the written consent both from SCMI and Kamer III to do so, consents that your client failed to present to our client.

In view of the absence of specific instruction in this matter, that shall be received both from SCMI and Kamer III, it is clear that it is not in our clients ability nor it's intention to hand over the documents, that belong to both said parties.

4. In order to avoid any doubt it is also clarified that nothing of the aforesaid consumes all of our clients arguments, or lessens other claims against your client due to the breach of agreement and against it's demand to receive the documents, including (but not only) our client's claim relating to the lien on the held documents, until your client shall be willing to compensate our client and cover damages due to the breach of agreement, damages we already discussed in the past, among our letters to your client.
5. If it is in your client's intention to address the Court in any procedure relevant to it's demand to receive the documents, your client is hereby postulated, for the sake of due diligence and bona fide, to attach this letter and present it to the Court.

Sincerely,

Shamai Jakobowicz, Adv