



SALE OF SBS BROADCASTING TO TVSL S.A.

Asset Sale:

- On November 7, 2005 SBS Broadcasting S.A. (ticker SBTV) was sold to TVSL S.A. (ticker TVSL).
- RCB opted to receive cash for shares held of SBTV.

What Happened?

- Holders of SBTV received \$55.087 per share. The aggregate payment was rounded down to the nearest cent prior to payment.
- The payments were made by either wire transfer or mail in the form of a check to shareholders of record as of October 18, 2005 (the closing date of the transaction).
- Since the cash payment was not deemed a “final liquidation” from the transfer agent, a name change from SBTV to TVSL.SA was processed for shareholders. These shares are simply a placeholder in the event a “final payment” is due to the shareholders. We do not anticipate a payment to be made. This security has no value as indicated on the street.

What Went Wrong?

- Custodians processed the sale as a dividend payment, resulting in tax problems.
- Custodians assessed a cost and market value to the new shares of TVSL.SA thus double counting the position since the clients already received the cash in the same period.

RCB ACTION TAKEN

On behalf of all of our clients, we contacted all custodians in December and asked them to correct the way it was processed. They were asked to reverse the transaction as a dividend to a tender and leave the shares of TVSL.SA with a zero market value and cost. Many have corrected both items as reflected in the January statement; however some still assess a market value on the shares of TVSL.SA. We will again, diligently contact these custodians to have this corrected.

The double counting of market value affected your *custodial statement* for November, December and perhaps January. RCB has processed the transaction correctly on your statements provided to you and will work with the custodians to ensure they have them corrected on their side.

If you should have any questions, or concerns, please don't hesitate to contact me directly.

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