



Du Val Solutions, LLC

Advanced Solutions for Advancing Markets™

INTRODUCTION TO DU VAL SOLUTIONS, LLC

Du Val Solutions, LLC (Du Val) is an international consultancy and advisory firm providing technical assistance in financial sector reform to governments and financial institutions the world over. We consider Du Val to be a next generation management consultancy. Several factors set us apart from other firms in the financial sector consulting business and their style of operation:

- ◆ We are independent. We have no other related businesses that could serve to cloud our judgment. We are not connected to software, hardware or other “business service clusters” and have no agenda to forward other than what is best for the customer.
- ◆ We have served as high-level principals in the securities industry and government. Our staff has held top positions inside the financial services industry and/or held Ministerial-level positions in governments. We know what it is like to bear final business and policy responsibility. This experience helps us understand and relate better to our counterparts.
- ◆ We believe that most of the staff should be in the field. While we are dedicated to maintaining a responsive, streamlined back-office, we believe that the most effective use of resources is to have them applied working with the counterparts. The monies that are paid to us by our clients are not absorbed by a bloated headquarters but instead are put to use in the host country.
- ◆ We understand that culture matters. Understanding why and how a system works (or does not) inside a particular country is absolutely critical to the success of our projects. We refuse to broadly apply a “model” from a particular country or to suggest there is only one way to solve a problem. There is no room in our practice for “national ego”.
- ◆ We are financial markets practitioners who have become consultants, not consultants who have decided to focus on financial markets. We do this work because it is our field and we want to broaden and develop it in the world. It is not a temporary business line; we don’t do it because it is in vogue.
- ◆ We highly prize the thinking that underpins our work. We do what we do, based on a philosophy. We want the architecture of our work to stand the test of time and yield benefits to the client not only for today but also the near future. This takes thought, discussion and vision.

General Practice Areas

At the firm-wide level, Du Val focuses on three core practices to provide strategic thinking and achieve targeted results for our clients. Recognizing the unique financial and economic advisory needs of each country, Du Val is organized to help clients succeed in fast growing and rapidly changing environments. Each practice has a strategically focused area of expertise:

Financial Systems

Our financial systems practice is divided into three areas of expertise (1) capital markets; (2) banking sector reform; and (3) pension and insurance reform. Supported by professionals from capital markets, investment intermediaries, stock exchanges, regulatory agencies, pension and insurance funds, international banks and leading economists, our financial services practice supports the full breadth of industry related needs and can call upon our world-wide network of consultants at a moments notice.

We wish to emphasize the concept that the components of a financial systems do not exist in a vacuum. There are many linkages to other parts of a country's/region's financial system. Indeed, without these linkages a financial system cannot remain viable. Insurance companies and pension funds represent key participants on the demand side of the system. Bank and Non-bank financial intermediaries can serve as providers of content, channeling savings as they securitize their assets or look to the markets for funds. In this regard, our experience in these areas helps our understanding of the ways in which financial systems intersect with each respective component.

Privatization

Our privatization practice can support the privatization, enterprise restructuring, and asset management needs of governments, enterprises and multinational corporations across a host of industries. Du Val maintains an extensive practical understanding on how to enhance the efficiency and the competitiveness of an enterprise through privatization, corporate restructuring, accessing new sources of capital, and other means. Moreover, Du Val is sensitive to the needs and objectives of governments and multinational institutions in order to maximize returns and achieving other, economic, social, and political objectives.

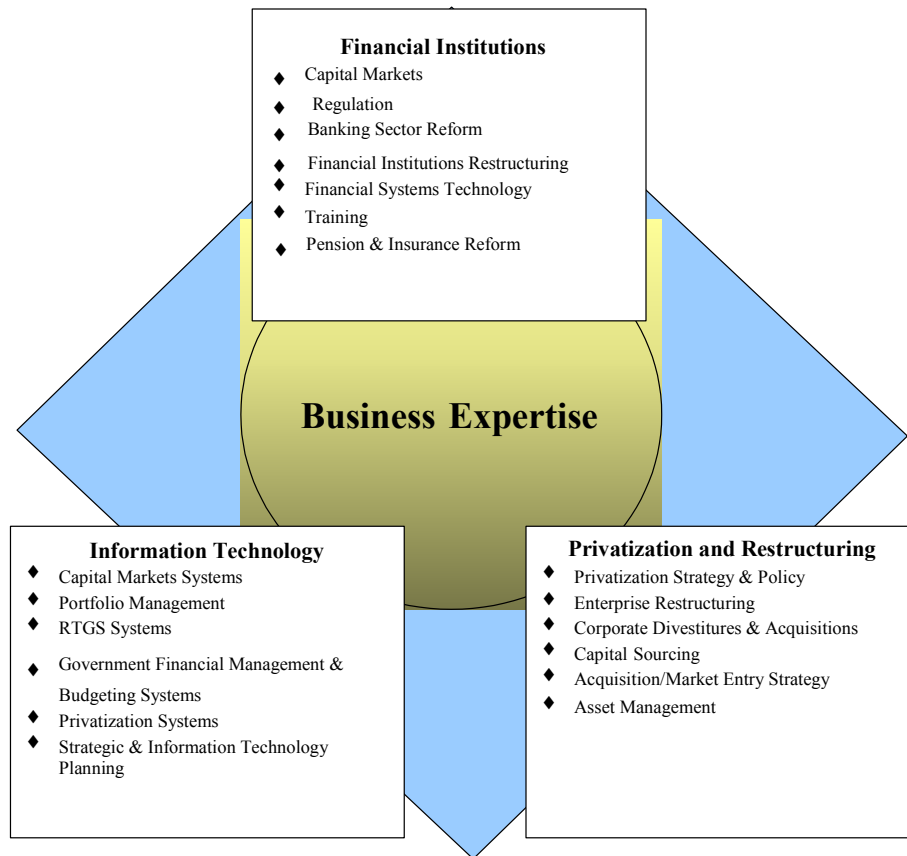
In transition economies that have undergone mass privatization, the impact of those programs upon the design of the financial system and capital markets has been considerable. Even in countries that are employing case-by-case privatization the role of the capital market has been an important consideration in formulating policy. How these programs have played out and the subsequent "lessons learned" have fueled continuing debate, and perhaps some rethinking about the linkages both real and expected. Our experience as to how, why and when privatization programs impact financial market design and operation are important assets that Du Val brings to financial sector development work.

Information Technology

Du Val is a leader in information technology solutions to public and private sector clients the world over. Du Val has a proven record of success in process design, architectural prototyping, software development, e-business initiatives and project implementation. For example, a Du Val principal led the integration of The Nasdaq Stock Market's Automated Conformation Transaction Service ("ACT") into the SBF Paris Bourse. What's more, our in-depth project management capabilities, allow us to effectively manage systems procurement, implementation and integration, documentation, and training of all our IT projects.

IT cuts through and crosses over all aspects of a financial system. If any sector or group interacts with another component in the financial system, their respective IT systems must interact also. This aspect of financial system design and operations may have been a luxury a decade ago; it is sine qua non today. Our experience in IT systems and solutions complements our work, institution building and systems design is necessary for a successful and stable financial system.

In summary, our general practice areas can be diagrammed as follows:



Using a “team approach” focusing on the sharing of intellectual capital, Du Val supports resident advisors and short-term consultants through constant communication of financial sector development, techniques, and current regulatory initiatives. Additionally, through key market knowledge and insight gained from other similar technical assistance programs, Du Val is able to apply a substantial volume of intellectual resources to solving pressing difficulties and ongoing structural problems with globally tested experience. This unique support network makes it possible for our entire staff to be “virtually present” in support of any project or task we undertake world-wide. It is this unrivaled focus and application of resources that ensures the quality and comprehensive output from all of our consulting teams.

Part of our collective experience teaches that financial sector development does not occur in isolation nor does a financial market function in a vacuum. Instead, in order to meet the needs of the participants and promote the long-term viability of the system a high degree of integration is required. This integration takes many forms. Du Val understands that it should connect the banking, pension and insurance systems. We know the design must recognize the role of accounting standards and their application, the importance of audits and the need for information dissemination. We also understand that it must take into consideration the need for corporate governance (for private issuers) and internal and management controls (for public issuers). And, it should take into consideration the financial market activities around the region. At its heart, integration means weaving the markets into the fabric of the financial system specifically and the economy generally. We have done this successfully in many of our projects.

Access to World Class Personnel

Du Val is experienced in quickly mobilizing expertise to address divergent topics in some of the most challenging parts of the world. Our in-house professionals are highly experienced financial market practitioners drawn from regulatory agencies, exchanges, law firms, investment banks, and investment funds. Their unrivaled technical expertise is supplemented by their vast experience advising emerging market countries on market development. Du Val consultants understand the process of change, and what works best at different stages of development and under different political, economic, regulatory, and market conditions.

Our in-house staff is supplemented by a wide network of independent consultants that can be called upon as needed for short and long-term tasks. Du Val Solutions also has access to major market institutions for assistance. These firms frequently form consortia with us and include:

- ◆ The New York Stock Exchange
- ◆ American Bankers Association
- ◆ NASD
- ◆ Securities Industry Association
- ◆ JP MorganChase
- ◆ Wall Street law firms, e.g., Skadden Arps.

Du Val also has an entire Human Resources department to support quick mobilization of resources to support specialized project requirements.

In addition to building a core of professionals, our strong and expanding business has enabled us to build a body of country-specific knowledge and an infrastructure of individuals and contacts around the world that can provide the basis for comparative analyses of financial market policies, regulations, institutions, and other relevant matters.

Project Management Expertise

Du Val Solutions manages projects in countries around the world, throughout Asia, the Former Soviet Union (FSU), Central and Eastern Europe (CEE), Africa, and Latin America.

In addition, Du Val has extensive experience managing large-scale projects that provide technical assistance and training concerning policy, regulations, and institution building across a range of countries and markets. This includes: (i) a three year \$10 million Capital Market Development Project for USAID; (ii) providing design and oversight of all USAID-funded programs to develop capital markets in CEE and FSU, including designing and building regulatory agencies, trading mechanisms, clearance, settlement and depository systems and share registries, advising senior foreign government officials regarding policy and strategy and training broker-dealers, investment funds, rating agencies and regulatory staff; (iii) providing project management service to program management office of the \$16 billion dollar merger of UBS Warburg and PaineWebber, Inc.; and (iv) managing the integration of The Nasdaq Stock Market's Automated Conformation Transaction Service ("ACT") into the SBF Paris Bourse. These projects highlight our strong management capabilities, knowledge and understanding of transition market countries around the globe, and ability to mobilize high quality professionals on short as well as long term assignments.

With the benefit of the above overview of Du Val, and our general practice areas we now address our firm's relevant experience.

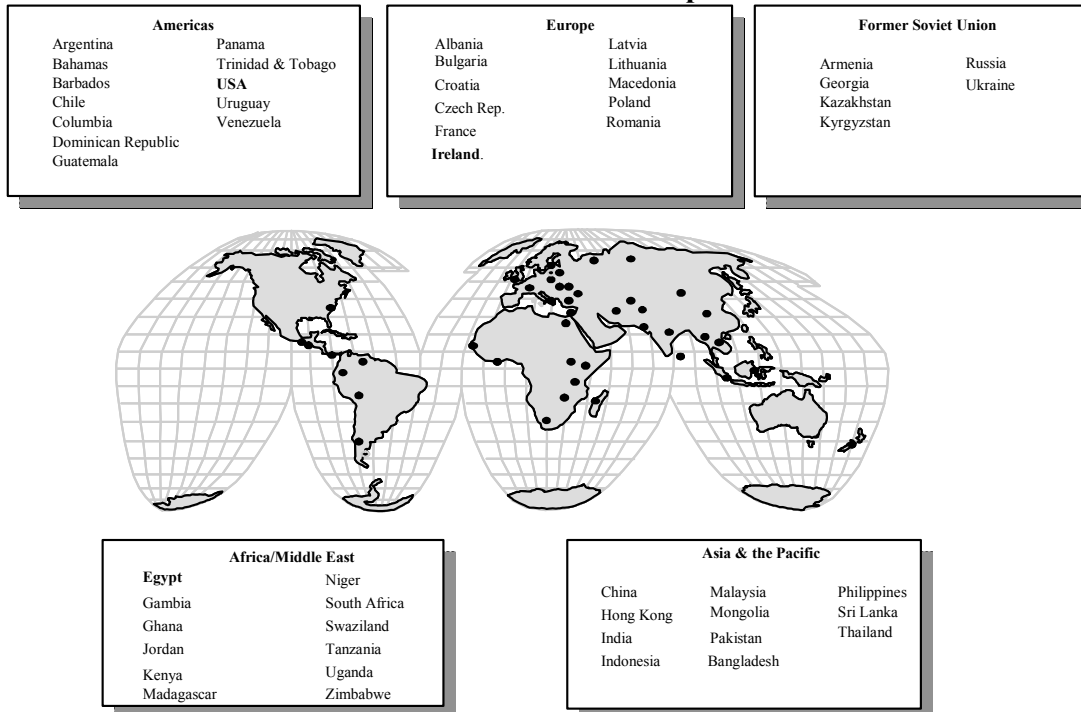
RELEVANT EXPERIENCE OF THE FIRM

It is not practicable to set out in one document all of the projects in all of the countries where Du Val key personnel have worked. Even in the shortened list we provide below, our experience covers 34 countries representing, South America (1), the Caribbean (2), Africa (7), the Middle East (1), CEE (6), FSU (6), the Indian Subcontinent (3) and Asia (5). We believe the sample of projects demonstrates that Du Val Solutions has worked around the world. Moreover our projects have spanned all elements of financial sector development. Our work has focused on:

- ◆ Developing policies, laws, and regulations that govern all financial sector practices, including open market operations, privatization, and capital markets.
- ◆ Developing financial institutions such as securities and exchange commissions, self-regulatory organizations, stock exchanges, investment banks, depositories, and registrars, as well as pension and insurance funds.
- ◆ Developing financial market systems, both automated and manual, for inter-bank settlement, RTGS, trading, clearing, settlement, and depository activities, along with other central market operations.
- ◆ Restructuring and advising capital market intermediaries, such as investment banks and brokerage houses.
- ◆ Providing policy guidance and advice in the area of Corporate Governance and global best practices
- ◆ Training market participants and regulators on new capital market rules, operations, and practices.

Du Val Solutions, LLC represents a new model of a global services firm, based on our ability to leverage our worldwide experience at a local level. Working through our global network of consultants and employees, Du Val serves as a focal point for meeting the financial and strategic advisory needs of governments and enterprises in countries worldwide. Two-thirds of our professionals are based in the field. The map below denotes Du Val's global experience:

Du Val's Global Experience



Regional Headquarters are indicated in boldface type

Following is a selection of recent projects Du Val Directors and Consultants have engaged in financial sector development.

Africa-Wide – Small-Scale Capital Markets and Financial Sector Evaluations. A Du Val consultant conducted Financial Sector Evaluations in Ghana, including an evaluation of long-term savings instruments, and in Zimbabwe. Du Val staff provided technical assistance to South African financial market policy makers, a Senior Director of Du Val conferred with the Council of South African Bankers (COSAB) and the Johannesburg Stock Exchange in South Africa, and a Du Val and KPMG/Pretoria specialist team designed an Equity Access Systems (EASY) project. A Du Val financial markets specialist wrote a paper on Financial Innovations and their applicability to Africa. A three-person KPMG/Du Val team prepared a paper on Credit Guarantee Schemes for Africa, and KPMG/Du Val advisors prepared a conference and manual for debt resolution of heavily indebted African countries belonging to Eastern and Southern African Initiative in Debt and Reserves Management (ESAIDARM), working with a variety of international organizations. These small consulting assignments led to three studies, which examined financial markets in different countries, shedding considerable light on options available and practices worldwide for strengthening capital markets in Africa, and a research paper on Application of International Financial Market Innovations to Developing Countries.

Argentina – Ministry of Finance. As part of a World Bank-funded project, Du Val assisted the Ministry of Finance in modernizing its budgeting and financial management system. Du Val also designed and implemented a Employee Stock Ownership Program to ensure worker participation in the equity of privatized firms.

Armenia – Financial Sector Development. Beginning in June of 2002, Du Val Solutions was engaged by PriceWaterhouseCoopers to assist in the development of a modern capital market in Armenia. This task involved providing assistance to the Armenian Stock Exchange, Armenian Central Depository, broker-dealer associations, non-bank financial intermediaries, pension funds, insurance companies and Securities Commission of Armenia. The overall goal of this program was to assist in establishing a functioning capital market in Armenia through a variety of activities designed to build capacity in the financial sector and to increase financial intermediation through the securities market, as well as through other non-bank financial institutions.

Asian Development Bank – Study on Developing Asset Management Companies in Asia. A Du Val consultant conducted a study on the development of an asset management company (AMC) from an Asian perspective. The study reviewed the impact of non-performing loans on the financial institutions and the economy of Asian countries. It discussed how major countries have practically passed through the banking crises, focusing on resolution of bad assets. Major factors to be considered in designing an asset management company were derived in detail. Finally, the study focused on the appropriate course of action for countries to take in setting up AMCs.

Bangladesh – Capital Market Development. During a period of capital market turbulence, a Du Val consultant advised the Bangladesh Securities and Exchange Commission on how to maintain the credibility of the country's stock exchanges. This consultant assisted in the development of regulations, institutions, financial instruments, and operating mechanisms to protect investor interests, and sustain nascent domestic enthusiasm for the markets. Lastly, they reviewed the Bangladesh SEC structure and operations and offered a number of concrete recommendations, including improving access to the stock market, enhancement of SEC regulatory programs, and increasing public awareness of the stock market and its purpose.

Bulgarian Capital Market Development. Du Val was engaged by USAID to promote Capital Markets Development in Bulgaria by supporting the development of the Stock Exchange (BSE), Central Depository (CDAD) and Accounting Institute. Du Val participated in the drafting and policy discussions with the State Securities Commission and Government Ministries on the Law on Public Offering of Securities and amendments to the Accounting and Auditing Acts. Worked closely with the Stock Exchange to increase its surveillance capability and expand its capacity to operate as an SRO. Lastly, working with the Center for Economic Development (CED) to promote the concepts of openness, transparency, and accountability by drafting effective Corporate Governance Guidelines for BSE-listed companies.

Bulgarian Pension and Insurance Reform. Du Val provided policy advice and guidance to the Insurance, Pension and Securities Regulators of Bulgaria in the oversight and supervision pension and insurance funds. Du Val drafted regulations pertaining to investment strategies, investment limits, fair pricing mechanisms, net asset value calculation in addition to ensuring the Parliament of Bulgaria and respective regulatory agencies were briefed on the global best practices. Lastly, Du Val was instrumental in advising the Bulgarian Government and USAID on the implementation of a consolidated financial sector regulator overseeing the banking, capital markets, insurance and pension industries.

Caribbean – Harmonization of Capital Markets. Two Du Val consultants provided support to the harmonization of the capital markets of the Caribbean. Working with the Nasdaq Stock Market and the Aires Group, Ltd, these Du Val members provided strategic advice to the program management team in order to facilitate multi-currency, cross-border trading between Jamaica, Trinidad & Tobago, Barbados, Bahamas and the Dominican Republic.

Columbia – Central Bank Operations. Du Val engaged with the Banco De La Republica of Colombia (“DCV”) to conduct a business and technical review of the Central Bank of Colombia to redesign and re-architect the DCV (Central Depository for sovereign debt) in accordance with global best practices. This included a review of the local legal environment as well as the operational and technical requirements of the DCV vis-à-vis the Latin American market.

Croatia – Central Securities Depository. A Du Val Director advised the Central Depository of Croatia (SDA) on institutional development and the installation of a new system for clearing, settlement and registration. Efforts included establishing the organizational structure for the SDA, drafting regulations in coordination with the Croatian Securities Commission, and training SDA staff.

Croatia – Mass Privatization. A Du Val Director advised the Croatian Ministry of Finance during the second phase of privatization of 2100 companies on the need for a book-entry depository in order to facilitate the distribution and trading of these newly privatized shares.

Czech Republic – Prague Stock Exchange Reform Project. A Du Val consultant was a long term advisor to design a long term business plan and assist the Chairman of the Prague Stock Exchange on all facets of exchange operations, including marketing, self-regulation, clearing, settlement, trading and listing. A second advisor assisted the Exchange with all phases of planning and design of a system to accommodate trading in derivative instruments, including futures and options. The Du Val advisers worked directly with the Chairman, General Secretary and management of the Prague Stock Exchange, assisting with the drafting of the PSE’s first mission statement and the development and implementation of a long-term strategic plan. The plan encompassed improvement of the PSE’s organization and operations, expansion of the PSE market, building confidence within that market, the addition of new products, improvement of PSE clearing and settlement procedures, modernization of PSE systems and technology, and the improvement of PSE facilities.

Egypt – Capital Market Authority. A Du Val consultant worked on a project aimed at building the technical expertise of personnel within the Egyptian Capital Markets Authority. Project objectives include the reactivation of the securities markets as a source of capital investment, creation of an enabling environment through the introduction of new securities, better oversight of the capital market, and development of an effective capital market mechanism to facilitate the privatization of state-owned enterprises.

Egypt – Managing the Debt of Egyptian Public Enterprise Destined for Privatization. A three-person Du Val team assessed the magnitude of Egypt's public enterprise debt problem and identified the enterprises and holding companies facing the greatest obstacles to managing their debt; reviewed public enterprise debt management

methods that have been used to date in Egypt; proposed decision criteria for choosing the best debt reduction technique for a particular privatization situation; and assisted holding companies to implement debt management strategies.

Guatemala – Technical Advice to the Ministry of Finance. Du Val held training programs on privatization techniques for the Ministry of Finance, senior management of private enterprises, and the stock exchange. Du Val also worked in conjunction with the Policy Research Center at Georgia State University to review Guatemala's fiscal and trade system, and assisted in the implementation of recommended reforms.

Republic of Georgia – Capital Markets Development Program. DuVal Solutions provided assistance towards: (1) the drafting of the “Law of Georgia on Securities Market”; (2) creation of the regulatory capacity for the Securities Market Commission; (3) development of a mechanism for securities trading; (4) creation and development of a centralized clearance, settlement and depository system; (5) extensive training to market professional participants; and (6) improvement of corporate governance, and the promotion shareholder rights. Separately, a Du Val Director recently concluded a World Bank assignment as Chairman of the National Securities Commission of Georgia (NSCG). Appointed by the President, Eduard Shevardnadze, this Minister-level position of NSCG Chairman was a two-year engagement to develop the capacity of the National Securities Commission of Georgia as the sole regulator of the capital markets. Overseeing all aspects of securities market regulation, this engagement sought to increase the operational capability and regulatory oversight of the NSCG in corporate governance issues, stock exchange oversight, investor protection and pension/insurance development. The securities market consists of 500,000 shareholders, 460 publicly held companies, a stock exchange, central depository, 36 brokerage companies and 7 share registries.

Hong Kong - Hong Kong Monetary Authority. A Du Val consultant in cooperation with KPMG assisted the Hong Kong Monetary Authority (HKMA) to develop its organization structure and regulatory strategy for the future. The assistance was in two phases. Phase one consisted of an assessment of the current strengths and weaknesses of the Hong Kong banking sector. This included an analysis of the ability of the local banks to compete in such a market and also examined the trends that are likely to impact the market place going forward. Phase two consisted of an analysis of the adequacy and the effectiveness of the HKMA's current supervisory approach.

Indonesia – Technical Assistance to the Indonesian Commodities Exchange Board. A Du Val team member worked with the Indonesian Ministry of Industry and Trade to develop a framework for regulation and supervision of commodities futures trading. Assistance included support in regulation, training and supervision procedures.

Jordan – Capital Market Review. Du Val four person consulting team assisted the Amman Financial Market and the Ministry of Industry and Trade to formulate, develop, and supervise revised share issue procedures that permit private sector underwriters to determine the price of new share issues under the regulation and supervision of the American Financial Market. Du Val Solutions assisted the Amman Financial Market (“AFM”) and the Jordanian Ministry of Industry and Trade to formulate, develop and supervise revised share registration procedures that permit private sector underwriters to determine the price of new share issues under the regulation and supervision of the AFM.

Latvia – Capital Market Development. A Du Val team member assisted the Latvian Securities Market Commission (“SMC”) in building its organizational structure and regulatory capacity. Efforts include the drafting of regulations as they pertain to the Law on Securities, in addition to implementation of operational procedures and regulations governing the SMC’s role in the market, and the development of an Edgar-type system to provide market information to the general public. Separately, Du Val worked with the Riga Stock exchange to develop its institutional capacity, operational integrity and commercial viability. Work included advise and recommendations on the development of regional linkages with the Tallinn and Vilnius Stock Exchanges, assessing the feasibility of depository receipt trading, providing guidance on the design of the bond trading system; providing design and training assistance with respect to the RSE’s market surveillance facilities, investigative procedures including rule amendments; and providing training to members on broker dealer operations.

Kazakhstan – Financial Restructuring Technical Assistance to the National Bank. A Du Val team member provided the National Bank of Kazakhstan with macroeconomic and monetary policy advice. These efforts promoted better and more successful debt management capabilities by the National Bank of Kazakhstan, and also transferred skills and knowledge related to debt management to Bank staff. The firm successfully undertook four primary tasks: to train National Bank staff in economic analysis and applied econometrics; to direct National Bank staff research and policy analysis; to promote monetary and macroeconomic data management and quality control; and to advise the Governor and Deputy Governors of the National Bank on policy initiatives, financial legislation, and other matters concerning the Bank. This Du Val member provided technical assistance to the National Bank of the Republic of Kazakhstan (NBRK) through an integrated technical assistance effort to improve the NBRK’s financial sector monitoring and management capacity and to improve the legal/regulatory framework within which financial institutions operate. One important aspect of this program was the computerization of the new financial reports into an offsite monitoring system that would act as a supervisory database.

Kazakhstan – Securities Commission. A Du Val consultant provided assistance to the Kazakh securities commission in preparing securities laws and regulations regarding corporate governance and shareholder rights. Specific policy assistance has included: registrar policy, regulation, self regulation and licensing; broker dealer regulation, capital adequacy and self regulation; trading system selection and design, reporting requirements, transparency vs. liquidity issues, information dissemination, regulation and licensing.

Kenya – Evaluation of Capital Markets Authority. A Du Val international advisor and a capital markets specialist from KPMG/Nairobi conducted an interim evaluation of the impact of the Capital Markets Authority (CMA) component of USAID’s Structural Adjustment Assistance Program and its effect on the Kenyan economy. The objectives were to analyze Kenya’s capital markets, including especially the Nairobi Stock Exchange and the Capital Markets Authority; determining whether the assistance to date had contributed to USAID’s private enterprise development objectives; reviewing the CMA project’s contributions to employment creation; and making recommendations on further assistance to the Kenyan stock market. To provide an analytical context for Kenya, the consultants examined emerging economies worldwide, including their stock market indicators and economic indicators, and the promotion of capital market financial instruments through appropriate macroeconomic and sectoral policies. They identified a

series of mechanisms and institutional arrangements for capital market development; including market intermediation, venture capital, privatization, foreign investment and regulatory framework. The Capital Markets project in Kenya made considerable progress toward developing Kenyan capital markets, particularly the CMA itself and its rules and regulations governing the Nairobi Stock Exchange (NSE). The project could continue to assist the CMA and NSE by focusing on organizational structures, the Securities Act, rules and regulations, and market liquidity. The KPMG/Du Val team developed quantitative indicators showing that firms' listings on the Nairobi Stock Exchange had led to increases in their employment and output, and that the stock exchange had thus contributed to poverty alleviation and economic growth. As of the conclusion of the study, the NSE had a market capitalization of \$2 billion.

Korea - Korea Assessment Management Corporation. A Du Val advisor provided assistance to the Korea Asset Management Corporation (KAMCO) in the areas of asset management (valuation and disposition). KAMCO is Korea's sole organization responsible for this task. Our assistance focuses on enabling KAMCO to globalize its operations and marketing to attract foreign capital.

Latin America Wide – Securities Market Development. A Du Val Director consulted with the Association de Bolsas y Mercados Electronicos (ABYME) on the creation of an association of the electronic stock markets of Chile, Costa Rica, Ecuador, Uruguay, and Venezuela, designed to promote a dealer oriented, quote driven intermediary market.

Macedonia – Financial Sector Development. Beginning in August 2002, Du Val has teamed with Deloitte & Touche on a three-year, next generation financial sector reform project in Macedonia funded by USAID. Du Val has provided the Chief of Party for the effort. The project combines Pension, Banking, Accounting, Capital Markets and Insurance reforms in an effort to identify and capitalize on the areas of intersection between the sectors. This is intended to be the capstone to previous projects and to provide the more sophisticated, latter stage consultation required to have the various financial sectors in Macedonia function better as an integrated financial system.

Nicaragua – Central Bank. Du Val evaluated the Central Bank's internal controls and proposed recommendations for reform of Bank Superintendency. The purpose of the evaluation was to determine the adequacy of the existing internal audit procedures in controlling the budgeting and disbursement operations of the Superintendency.

Pakistan – Capital Market Development. A Du Val Director participated with The Nasdaq Stock Market on an Asian Development Bank funded project automate, link, and integrate the securities markets of Pakistan. The primary deliverable for this project was the creation of a National Market System linking the three regional exchanges of Islamabad, Karachi, and Lahore.

Philippines - Securities Market Development. A Du Val advisor evaluated a major (\$13.5 million) USAID-funded Capital Markets Development Project which attempted to improve the quality, transparency, and availability of securities market information to market investors. The project worked directly with a number of key capital markets institutions, including the SEC and the Financial Executives Institute (FINEX). A Du Val team member assessed the adequacy of the project's technical assistance, training, and policy advice, including the project team's relationship with relevant industry associations

and business organizations, government agencies, and the public at large. The evaluation report included specific recommendations for improvements in policy or operations at a number of the major capital markets institutions, including the Central Depository, SEC, Philippine Stock Exchange, and FINEX.

Poland – Investment Advisory Services. A Du Val Team Member advised the Polish securities commission on the drafting of laws and regulations related to the creation of UCITS-type investment funds, and on general issues related to the revision of the securities law and on over-the-counter trading. This Du Val consultant also advised the Ministry of Privatization on capital markets issues related to the current Mass Privatization Program, including the creation of new institutions, issuing of new instruments, the efficiency of bearer markets, and other issues.

Poland – Central Depository Operations. In Poland, Du Val assisted the Polish Central Depository in completing a comprehensive gaps analysis, which lead to strategic recommendations for management, operational integrity, and technological applications. These recommendations eventually led to the Polish Central Depositories integration into Euro Clear.

Russia – Securities Market Development. A Du Val consultant provided the program management lead on a long term project in the Russian Federation to build critical market infrastructure. This work included the design and implementation of the clearing, settlement, and depository organizations (CSDs); created business, financial, and marketing plans for CSD services and to assure long term viability; and developed training plans and materials to educate institution staff. Moreover, this consultant was the Team Leader in the design and implementation of a national automated market system for share trading (the Russian Trading System “RTS”) that electronically links four regions throughout Russia and integrates electronically with CSDs.

Sri Lanka - Securities Market Development. A Du Val consultant evaluated a USAID-funded project to determine its impact on fostering local capital market development, particularly broadening public participation in equities and increasing available investment capital. Towards those ends, the project provided technical assistance and training to key capital market entities, including the local SEC, Colombo Stock Exchange, Institute of Chartered Accountants, and private financial intermediaries. In addition to evaluating the project’s success, the Du Val team identified emerging opportunities for USAID in supporting future, sustainable financial market development.

Swaziland – Development of Capital Markets and Investment Legislation for Swaziland. A Du Val Financial Instruments Specialist and a Staff Economist from KPMG Consulting assessed the foreign exchange risk present in Swaziland’s pension and provident funds, and made recommendations to protect the funds against adverse movements in the (then-overvalued) rand, to which the Swazi lilangeni is pegged. The goal was to develop a strategy to protect the purchasing power of the Swazi people’s contributions to the nation’s pension funds and provident funds. The Du Val team worked closely with the Chief Manager, Investment and Exchange, of the Central Bank of Swaziland to conduct interviews and gather data from a variety of organizations throughout the country’s private and public financial sectors. These included the largest pension funds in Swaziland, commercial banks and insurance corporations. The Du Val consultant found that Swaziland’s foreign assets (official and private) invested in rand were subject to loss of value due to depreciation of the rand, and foreign liabilities in

hard currency were subject to an increased debt service burden as a result of the depreciation of the lilangeni. Thus, any of Swaziland's foreign assets would perform better if invested in hard currency assets rather than rand assets. The planned objective of this assignment was to help design a government bond issue to protect the purchasing power of pension funds. The advisory team determined that this course of action would probably be counterproductive. The Du Val advisors therefore recommended a variety of constructive alternatives, which were discussed among government officials, private sector representatives, and donor agencies, and accepted by all. Considered were: open-end funds; government securities to replace hard-currency debt with domestic debt or to finance specific capital investment projects; and innovative instruments known as "flexi bonds." With these, the government would issue government paper and have the proceeds invested in a portfolio of hard currency denominated securities of an acceptable risk class and with an attractive expected rate of return. The government would do so because it could obtain hard currency to purchase the portfolio, whereas private entities could not do so according to the Southern Africa Common Monetary Area Agreement.

Thailand - Financial Market Supervisory Review. Completed review of the Financial Restructuring Authority of Thailand's operations and strategic plan. Du Val Team Members has advised the Ministry of Finance (MOF's) on ways in which the MOF might privatize the State Owned Enterprises as a method by which the Government of Thailand would release some of its ongoing obligations in private sector activities.

Uganda – Capital Markets Development. A Du Val consultant worked with the Ugandan Capital Markets Development Committee to develop its organizational structure and train SEC staff. This study supported USAID objectives of examining financial markets in different countries, shedding considerable light on options available and practices worldwide for strengthening capital markets in Africa.

Ukraine – Securities Commission. A Du Val consultant played a key role in the creation of the new Securities Commission in Ukraine. Through consultations with senior government officials, this consultant built a consensus on the underlying principles of the activities of the Securities Commission, including independence, clearly defined authority, professionalism, and the development of regulatory and monitoring roles. The Du Val consultant also assisted in the preparation of initial drafts of regulations, and identified a variety of organizational issues, including the organizational plan and the functional structure of the commission. Finally, they identified training needs among the commission staff, and developed a work plan to meet those needs.

Venezuela - Privatization. A Du Val Consultant developed a strategy for the privatization of the government-owned pari-mutual industry for the Investment Fund of Venezuela. This consultant also played a key role in a range of privatization and corporate restructuring activities for one of the largest privately-owned holding companies in the insurance sector.

DU VAL SOLUTIONS PRINCIPALS

Robert Singletary – Managing Director

Robert Singletary is a legal expert on the Securities Industry with over 20 years of experience. Most recently, he served in a ministerial-level position as Chairman of the National Securities Commission in the Republic of Georgia. In addition, he has provided design and oversight of all USAID-funded programs to develop the financial markets in Eastern Europe and the former Soviet Union, including designing and building regulatory agencies, adoption of international accounting standards, trading mechanisms, corporate governance, clearance, settlement and depository systems, advising senior foreign government officials regarding policy and strategy and training, investment funds, rating agencies and regulatory staff. Mr. Singletary is a 10 year veteran of the United State Securities and Exchange Commission's Enforcement Division and has a master's in Securities Regulation from Georgetown University.

David Wall – Managing Director

David Wall is a financial sector development specialist. He has over 15 years of capital market experience in the US securities industry spanning brokerage, clearing, settlement, and depository activities; and has been advising on developing financial markets in emerging markets countries for the last nine years. Mr. Wall has advised International Financial Institutions on privatization, capital markets, pension fund, insurance supervision and international accounting standards. In addition to his vast experience in financial sector development, Mr. Wall has a detailed understanding of policy and the institutional framework required to support financial sector development. Mr. Wall's global experience spans the US, Europe, Eastern Europe, NIS, Africa, Latin American, and Asia. Mr. Wall is a 8 year veteran of The Nasdaq Stock Market Inc. and has served as a Director for KPMG Consulting.

Jonathan Bulkley – Director

Jonathan Bulkley is a financial sector development specialist with over 30 years of industry experience in the US securities market. He currently serves as a Director on the Board of Raymond James Financial and as Chair of their Audit Committee. Mr. Bulkley has served as President and CEO of Moseley, Hallgarten, Estabrook & Weeden, Inc in addition to serving as Managing Director of Barents Group of KPMG Consulting. Mr. Bulkley has served as Director of several of the leading Wall Street organizations, including, the Securities Industry Association, the Chicago Board Options Exchange, the Depository Trust Company of New York, and as Chairman of the Securities Settlement Corporation. Over the past twelve years Mr. Bulkley has been a financial sector development advisor, helping develop transitional economies in Russia, Ukraine, Poland, Kazakhstan, India, Georgia, Egypt, Latvia, and Uganda.

Mathew Zimmerman – Director

Mathew Zimmerman is a seasoned financial analyst capable of providing financial management consulting services for international financial services institutions and other technology dependent service providers. He has developed corporate business plans, cost estimates and operating budgets for The Nasdaq Stock Market Inc and National Association of Securities Dealers in addition to several major exchanges around the world. He has developed activity-based and other costing analysis for broker-dealers and electronic communications networks (ECNs). Mr. Zimmerman has developed and evaluated financial management and internal control functions, including costing and reporting requirements for project or product management. Matt holds a Masters Degree from Duke University and has served as a Senior Manager for KPMG Consulting.

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