EMERGENT CAPITAL

INVESTMENT MANAGEMENT, LLC

17 July 2001

Mr. Hye Min Kang
Team Manager/International Finance Team
SK Global
36-1, Ulchiro-2Ga, Chung-Gu
Seoul 100-192, Korea

Dear Mr. Kang:

Enclosed herein is a brief outline of our situation and a proposed solution regarding our current relationships with Morgan Stanley, ING Barings and Bear Stearns.

Please bear in mind that our primary goal is to provide the best available service while maintaining the highest degree of security and reliability.

Situation:

SK is an interested party in ten funds established at three investment banks: Morgan Stanley, ING Barings and Bear Stearns.

Morgan Stanley: SK, through Nantes Limited, is an investor in Emergent Capital Portfolio International, Ltd. Through this off-shore fund, SK owns 4mm shares of SK Corporation shares.

ING Barings: SK has eight funds with various investments sizes in SK Global EDRs and cash.

Bear Stearns: SK is borrowing approximately $60mm against 10mm SK Telecom shares.

Investment banks provide clearing and settlement services to funds. Generally speaking, an investment bank's minimum break-even revenue per client is between $10,000 - $15,000 per month. This cost is represents the fees paid to professionals and others, as well as technology costs associated with each fund. Therefore, if the fund becomes unprofitable, the investment bank will ask the client to increase its business or to pay an additional service fee. Prominent investment banks, like Morgan Stanley, have only a limited number of funds in order to maintain their high level of service. Thus, Morgan Stanley, manages less than 500 funds with average fund size of $150mm, with average revenues per fund in excess of $400,000 per year.

Investment banks make money through several methods. Their greatest source of income is from margin financing, then securities lending, and finally from trading activities.

Although we do not know with certainty, we estimate the following:

Morgan Stanley: Prior to Nantes investment, the fund had assets of more than $10mm and generated about $5,000 per month in financing and sales commissions. There has been virtually no trading since February of this year.

ING Barings: Since SK's purchase of the SK Global EDR, we have had very little activity in the funds. We began trading the $1mm in Mammoth Capital and hope to generate a few thousand dollars in sales commissions per month.

Bear Stearns: We are on stable footing with Bear Stearns. We estimate they are making a net spread of around 1.5% on financing, generating $800,000 in fee income per year.

Solution:

It appears that the simplest solution is to increase the trading activities at both Morgan Stanley and ING Barings. We believe that a modest $2mm trading account in both funds can generate more than$5,000 in trading commissions per month.

Although this may not be a long-term solution, it will allow the funds to cover their overhead and to further promote good will at the investment banking firms. Optically, it also demonstrates that the funds are being actively managed and have the potential to generate revenues.

You should also be aware, that since our last meeting, our asset management business has grown significantly. We purchased Jordan Asset Management, a $100mm asset management company that manages assets of state pensions funds. Rob Adler, former President and founding member of North Star Funds (which had over $5 billion under management and was later sold to ING Baring) has joined us and is now the President of Emergent Asset Management. Matt Fong, former State Treasurer of California is also partner of Emergent Asset Management. We hired Dan Ginsparg, a top performing portfolio manager in America, who, as the Chief Investment Officer, will be responsible for overseeing both the Morgan Stanley and ING accounts.

Summary:

At this time, we do not believe that we face an imminent threat of being asked to transfer our business from Morgan Stanley and ING Barings. Given the difficulty of establishing new accounts and the good will that we now enjoy at both firms, we would like to take immediate action to prevent this from happening in the future.

As a back-up plan, we have active accounts at Bear Stearns and DLJ to which we can transfer our assets, if necessary. However, such a transfer would result in the loss of more than three years of good relationships at Morgan Stanley and one year at ING Barings. Also, there can be no assurance that either Bear Stearns or DLJ will simply accept our concentrated and illiquid securities without imposing their own set of criteria and legal representations and warranties, similar to those that we endured when establishing accounts at both Morgan Stanley and ING Barings.

We ask that SK to consider our proposal, with an eye towards maintaining our good standing with both Morgan Stanley and ING Barings.

Respectfully,

Daniel Yun
Chairman, Emergent Group