

Arc Capital and Income Plc - in Administration ("the Company")

Information for Investors as at 18 January 2010

Client Monies - Income and Maturity Payments received before the date of Administration (26 October 2009)

The Joint Administrators are pleased to advise investors that the Financial Services Authority ("FSA") gave a direction on 14 January 2010 to unfreeze and transfer client monies received by the Company prior to the date of Administration to Merchant Capital Limited.

This will allow Merchant Capital to attend to client instructions in relation to the income and maturity payments received before 26 October 2009.

Income Payments

If you have not received an income payment for the month of October 2009 it is likely that this payment was received by the Company prior to 26 October 2009 and therefore this payment will be paid to you by Merchant Capital.

Maturities

If your investment matured prior to 26 October 2009 and was held by the Company on 26 October 2009, the date of Administration, this payment will be paid to you by Merchant Capital.

Returned Cheques in relation to Income Payments and Maturities

If you were sent a client monies cheque by the Company but it was returned by your bank as 'refer to drawer', but the money was held in the Company's client account on 26 October 2009, the payment will be reissued by Merchant Capital and forwarded to you.

Plans launching November/December 2009

If you instructed the Company to re-invest funds in a new plan which was due to launch, and these funds were being held in the Company's client account on 26 October 2009, Merchant Capital will contact you shortly to ascertain your instructions in respect of these funds as these plans did not launch.

If you sent funds to the Company to invest in a new plan which was due to launch, and these funds were being held in the Company's client account on 26 October 2009, Merchant Capital will contact you shortly to ascertain your instructions in respect of these funds because these plans did not launch.

Further information can also be obtained from Merchant Capital's website: www.merchant-capital.com

Note to Independent Financial Advisors:

The full direction should shortly be available on the FSA's website at www.fsa.gov.uk

Outcome of the Meeting of Creditors held on 15 January 2010.

At the meeting held on 15 January 2010, creditors voted to approve the Proposals set out by the Joint Administrators on 22 December 2009.

Form 2.23B, Notice of Result of Meeting of Creditors, is attached for your information.

Please continue to monitor this website for further updates.

The Insolvency Act 1986

Notice of Result of Meeting of Creditors

Name of Company ARC CAPITAL AND INCOME PLC	Company number 01673650
In the HIGH COURT OF JUSTICE [full name of court]	Court case number 20,074 of 2009

(a) Insert full name(s) and address(es) of the administrator(s)

*Delete as applicable

~~I~~ We (a) Robin Hamilton Davis, John Alfred George Alexander and Melvyn Julian Carter of Carter Backer Winter LLP, Enterprise House, 21 Buckle Street, London E1 8NN

(b) Insert place of meeting

hereby report that *a meeting ~~/an adjourned meeting~~ of the creditors of the above company was held at

(c) Insert date of meeting

(b) Enterprise House, 21 Buckle Street, London E1 8NN

on (c) 15 January 2010

at which:

*Delete as applicable

*1. Proposals ~~/revised proposals~~ were approved.

*2. Proposals ~~/revised proposals were modified and approved.~~

(d) Give details of the modifications (if any)

~~The modifications made to the proposals are as follows:~~

~~(d)~~

(e) Insert time and date of adjourned meeting

*3. ~~The proposals were rejected.~~

(f) Details of other resolutions passed

*4. ~~The meeting was adjourned to (e)~~

*5. ~~Other resolutions: (f)~~

*Delete as applicable

~~The revised date for automatic end to administration is~~

A creditors' committee ~~*was/~~ was not formed.

Signed 
 Joint Administrator

*Delete as applicable

Dated: 18 January 2010

A copy of the *original proposals ~~/modified proposals/ revised proposals~~ is attached for those who did not receive such documents prior to the meeting.

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

R H Davis Carter Backer Winter	
Enterprise House 21 Buckle Street	
London E1 8NN	Tel : 020 7309 3800
DX Number : 513	DX Exchange : LONDON / CITY

Companies House receipt date barcode

When you have completed and signed this form please send it to the Registrar of Companies at:

**Companies House, Crown Way, Cardiff, CF14 3UZ
Cardiff**

DX 33050