



April 14, 2010

Dear Pinnacle Investor:

This letter is to provide you an overview of the status of the case and what to expect in the coming months. We will update the status of the case quarterly, so please check our website at www.haysconsulting.net for the latest update.

To date, the Receiver has distributed to investors and creditors a total of **\$15.2** million, representing **38%** of Court approved claims. Ideally, in order to reduce administrative costs and maximize the return to you, we would like to wait until all of the remaining properties in the estate are sold before making the next and final distribution. However, if we sell enough properties to make a meaningful distribution, we may make one or more additional interim distributions.

As you know from previous updates, our focus remains on selling the remaining real properties in the estate. To date, we have sold 16 of the 22 properties for a net recovery to the estate of \$3.2 million. We also currently have two properties under contract, and anticipate both of them closing within the next 60 days. We continue to market the remaining properties, and we are making every effort to sell the properties at a reasonable price given current market conditions.

As a reminder, before you complete your tax returns, please make certain you have reviewed and discussed with your tax advisor the Tax Memorandums posted on our web site and the tax implications of your loss with your tax advisor.

Again, we know this process has been very difficult, and we sympathize with each of you. Be assured that our goal is to maximize recoveries while minimizing expenditures, and get the estate closed as soon as reasonably possible. If you should have any questions or concerns, please email me at ghays@haysconsulting.net.

Sincerely,

/s

S. Gregory Hays, Receiver