



June 29, 2009

RE: Securities and Exchange Commission v. Global Finance & Investments, Inc., et al.

Dear Investor/creditor:

Please find enclosed your first interim distribution in the *SEC v. Global Finance & Investments et al.* matter. This distribution represents 36% of your Allowed Claim as presented to the court in the Receiver's Motion for Approval of the Schedule of Claims and Distribution of Proceeds and Brief in Support, which was approved on May 13, 2009. A second distribution will be made at a later date once tax issues and other recoveries have been resolved. The ultimate resolution of the matters described below will dictate the amount and timing of the second distribution. We had hoped to make a much larger initial distribution; however, there is a potential tax liability which requires a significant reserve.

We are reserving \$3.0 million to cover a potential tax liability in the event of an unfavorable determination by the IRS. We do not believe any taxes will be owed but it is necessary for a reserve to be established until the matter is resolved. We will distribute the \$3.0 million reserve as soon the IRS makes a favorable determination.

In addition, the Receiver is reserving enough funds to pay accrued but unpaid professional fees, as well as estimated future professional fees that will be incurred in the continued pursuit of a few remaining recoveries. These remaining recoveries include several investments and loans by the Defendants to third parties totaling approximately \$1.9 million. However, there is no certainty that the Receiver will be able to recover any portion of this amount. The Receiver will only continue to pursue these recoveries if he determines that they will likely result in a recovery to the estate. A summary of the funds available for distribution is as follows:

Current Cash Balance - 6/24/09	\$7,257,316.20
Less: Tax Holdback	(\$3,000,000.00)
Less: Professional Fee & Case Expense Holdback	<u>(\$179,095.15)</u>
Funds Available for First Distribution	\$4,078,221.05
Allowed Claims	\$11,328,391.80

If you received a check and believe it should have been sent to your IRA administrator, please contact us immediately prior to depositing or cashing your check.

Please contact Shuwanda Sloane at 404-926-0059 with any questions. You may also contact us via e-mail at global.receiver@haysconsulting.net.

Sincerely,

/s

S. Gregory Hays, Receiver

cc: United States District Court, Sherman Texas
Timothy S. McCole, Esq., Securities and Exchange Commission
J. David Dantzler, Esq., Counsel for Receiver
Clark B. Will, Esq., Counsel for Receiver

Atlanta Financial Center • 3343 Peachtree Road NE, Suite 200 • Atlanta, GA 30326-1420
(404) 926-0060 • (404) 926-0055 Fax
www.haysconsulting.net