

January 14, 2009

Dear MBA/CMBI Investor:

This is a brief update regarding the status of the distribution and other recent developments in the case.

The Distributions

In an Order dated January 8, 2009, the Court approved the Schedule of Claims and Distribution of Proceeds. This means that the Court has approved the Receiver's calculation of the allowed claims as indicated in the Claim Determination Notices you received from our office. Now that we have received approval by the Court for the distribution plan, we will begin preparing distribution checks for release to approved claimants. We anticipate that there will be two distributions in this case. The first distribution will be calculated based upon a flat 5% of your allowed claim. That distribution is currently scheduled to be mailed by February 9, 2009.

The second distribution will be based upon the funds remaining after all tax obligations and fees are paid. This amount will be less than 1% of your allowed claim. If there are no unforeseen complications, we expect to prepare this second and final distribution prior to June 2009.

For illustrative purposes **only**, if your allowed Claim is \$100,000, and we were able to distribute a 0.5% distribution in the second distribution, then your distribution checks would be:

First Distribution at 5%:	$\$100,000 \times 5.0\% =$	\$5,000
Second Distribution at 0.5%:	$\$100,000 \times 0.5\% =$	<u>500</u>
Total Example Distribution	5.5%	\$5,500

Department of Justice Correspondence

Many investors have received letters from the Department of Justice ("DOJ") indicating that a Court has ordered restitution to investors in amounts that are significantly different from the Allowed Claim that has been determined and will be paid by the Receiver in this case. These letters, and any potential restitution mentioned therein, are not a part of this case. The restitution discussed in these letters is a product of the criminal cases against several of the principals of the MBA Ponzi scheme. The restitution referred to in the DOJ correspondence is far from a guaranteed amount of money, and it will be paid by the criminal defendants if, and only if, they earn or otherwise come into possession of any funds during or after the time within which they are serving their prison sentences. Accordingly, it is unlikely that any monies will ever be collected from the MBA criminal defendants for the purpose of making restitution payments to investors, and in the unlikely event such funds are collected, any restitution payments to investors will be de minimis.

Criminal Cases Against MBA Principals

Since our last update letter, Michael Young has surrendered to federal authorities in late October 2008. He has been transferred to Raleigh, North Carolina, and is in custody awaiting his arraignment hearing, which is tentatively scheduled for July 6, 2009. We also received notice that both Laurinda Holohan and Michael Lomas have appealed their sentences pending their

appeals. The appeal hearings have not been scheduled at this time; however, all of the defendants continue to remain in custody.

I encourage you to continue to check my website at www.haysconsulting.net for further updates on both these proceedings and the distributions. I also encourage all investors to review the tax memoranda posted on my website concerning recent case law regarding tax treatment for losses and subsequent investor recovery. I also suggest that you consult a tax advisor regarding the tax treatment of your specific position.

Thank you again for your patience as we complete the claims distribution process. If you have any questions, please send an e-mail to ssloane@haysconsulting.net or call Shuwanda Sloane at (404) 926-0059.

Sincerely,

s/ S. Gregory Hays, Receiver