



May 28, 2008

Dear MBA/CMBI Investor:

This letter is intended to give you a brief update regarding recent developments and our preparations for making the distribution of recovered funds to investors and creditors. I also encourage you to continue to check my website at www.haysconsulting.net for further updates.

As you may be aware from notices mailed to you and the legal documents posted on my website, the settlement with one of the law firms for MBA was approved by the Judge on March 7, 2008. The settlement was paid in accordance with the terms of the Order, on April 9, 2008. This brought a gross recovery of \$4,277,686.93 including accrued interest before attorneys' fees and expenses. As discussed in my previous investor letter, dated February 22, 2008, this settlement is the largest recovery in the case and has provided us the funds to make the distribution to you once the claims process is complete.

We closed the sale of the IPC payphones on April 1, 2008, to FSH Communications, LLC ("FSH"). At April 30, 2008, the total recovery, net of all costs to manage and operate the payphone business exceeds \$1,115,000. We anticipate that this amount will increase slightly as remaining Dial Around commissions are collected and operating bank accounts are closed after payment of final expenses.

We have begun the process of reviewing claims that collectively exceed more than \$70 million from approximately 1,300 investors and creditors. We have begun preparing Claims Determination Notices and mailing them to investors and creditors. It is critical that all investors review their notices and the calculation of their Allowed Claims immediately. If you agree with the notice, **no further action** is required by you at this time.

However, if an investor wishes to dispute the Allowed Claim, they must complete and file the yellow Claim Dispute Form that is enclosed and attach all required supporting documentation and submit it by the postmark date indicated in their notice package.

The Receiver team will endeavor to finalize the claims process as quickly and efficiently as possible. While we will not know for certain until after this process is complete, it is evident that investors will receive less than 5% of the amount lost calculated on a cash basis. Please be sure to review the Tax Memorandums on my website and discuss them, and the tax implications of your loss, with your tax advisor.

Finally, as you may already know, six of the individuals indicted on May 10, 2007, were sentenced on May 6, 2008. Michael Lomas (MBA's CEO), who pled guilty pursuant to an agreement with the government, was sentenced to 20 years in prison and was immediately escorted from the courtroom in handcuffs. Sue Knight (MBA's controller) and Arthur Anderson (MBA's Vice President of Sales) who also pled guilty, received sentences of two and one-half years and five years respectively. They were directed to promptly self-report to their assigned facilities. Laurinda Holohan (MBA's secretary) and Scott Hollenbeck (a sales agent) were tried by jury in January 2008 and found guilty. Ms. Holohan, who got a break from the sentencing Judge because of her disabled child, received a sentence of slightly more than six years. She was

Judge because of her disabled child, received a sentence of slightly more than six years. She was allowed to self-report to her assigned facility after quickly setting her affairs in order. Scott Hollenbeck, who was responsible for selling over \$11 million in investments to 139 people, received a 14 year sentence and was also escorted from the courtroom in handcuffs following the hearing. A warrant still stands for the arrest of Michael Young (MBA's COO), who fled the country after being indicted. For more information regarding the trial and sentencing, please see my website.

We know that this process has been very long and difficult and imposed an undue hardship on many of you. **If everything continues according to current planning**, the cash on hand will be distributed in late September 2008 and we will close the case shortly thereafter. While we anticipate completing these goals as quickly as we are able, please remember that the process is complex and will necessarily take a number of months to complete.

Thank you for your patience. 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