



October 20, 2008

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.

To date, the Receiver has distributed a total of **35%** of Court approved claims. This represents a total of \$15 million which has been paid to over 1,900 investors and creditors. We hope to make another distribution sometime before the end of this year.

We have concluded the general claims administration process, and only a few issues related to certain disputed claims remain. We have filed and are awaiting the Court's decision on a Motion for resolution of Disputed Claims and one other claims related motion, which address all of the remaining claims issues.

We have heavily marketed the remaining real properties in the Receiver Estate and will continue to do so. Our efforts include MLS listings, other attempts to generate private sales, and a public auction. To date, we have sold and closed on eight of the properties for a net recovery to the estate of \$2,363,756. Although the market is extremely slow right now, we hope that all of the properties will be sold by the first quarter of 2009. We hope to have another status conference with the Court before years end regarding our efforts to sell the properties. The sale of the remaining properties is the determining factor for future distributions, and we are making every effort to sell the properties at a reasonable price given current market conditions.

Since the last investor report, we have settled two lawsuits and received over \$600,000 in payments, another property, and other assets as part of the settlements.

As a reminder, before you complete your 2007 tax returns, please make certain you have reviewed the Tax Memorandums posted on our web site and have discussed them and the tax implications of your loss with your tax advisor.

We know this process has been very difficult, and we sympathize with each of you. Be assured that we are conscious of your situation, and 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 contact Shuwanda Sloane at 404-926-0059.

Sincerely,

/s

S. Gregory Hays, Receiver