

July 7, 2008

Dear Pinnacle Investor:

This letter is to provide Pinnacle investors with an overview of the status of the case and what to expect in the coming months.

We filed the Receiver's Status Report with the Court on May 9, 2008, which includes a summary of the remaining issues in the receivership. To obtain a copy of this document, please go to our web site at www.haysconsulting.net, or email Shuwanda Sloane at ssloane@haysconsulting.net.

During May, the Receiver made a second distribution of **5%** of approved claims to over 1,900 investors and creditors, and has now 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 by the end of this year.

On April 29, 2008, we filed the Receiver Motion for Resolution of Disputed Claims which addresses all remaining claims issues. Resolution of these issues will conclude the general claims administration. We are currently awaiting the Court's decision on these issues.

We have heavily marketed the 21 real properties in the Receiver Estate and conducted an auction of 15 of the properties in mid-February. The auction results were very disappointing, and we did not accept the low auction prices, and have continued efforts to sell via private sale. To date, we have sold and closed on seven of the properties for a net recovery to the estate of \$2,291,224. Although the market is extremely slow right now, we anticipate that all of the properties will be sold in 2008, and we plan to have another status conference with the Judge in September regarding our efforts to sell. Unfortunately, we will not be able to make future distributions until we are able to sell more properties. We are making every effort to sell the properties at a reasonable price given current market conditions.

Regarding recoveries from third parties, we settled one lawsuit and are awaiting the transfer of the \$600,000 settlement amount. In addition, we have agreed to the principal terms of another settlement.

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