



July 9, 2009

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. We will update the status of the case quarterly, so please check our website at [www.haysconsulting.net](http://www.haysconsulting.net) for the latest update.

To date, the Receiver has distributed a total of **37%** of Court approved claims. This represents a total of \$14.8 million which has been paid to over 1,900 investors and creditors. Ideally, in order to reduce administrative costs and maximize the return to you, we would like to wait until all of the remaining properties are sold before making the next and final distribution. We understand, however, that you are anxious to receive additional distributions. Therefore, if we sell enough properties to make a meaningful distribution, we may make one or more distributions prior to the final distribution.

As you know from previous updates, our focus going forward is the sale of the remaining real properties in the estate. To date, we have sold 10 of the properties for a net recovery to the estate of \$2.7 million. We also currently have four properties under contract, and hope to realize approximately \$325,000 for the estate from these sales.

We continue to market the remaining real properties in the estate, including an auction scheduled for July 23<sup>rd</sup> on three of the properties. Although the real estate market continues to struggle, we are focused on selling the properties as quickly as possible and distribute the proceeds to investors and creditors. To that end, we have re-evaluated the remaining properties and adjusted pricing to a current market level in order to generate interest and sales. Because the sale of the remaining properties is the determining factor for future distributions, we are making every effort to sell the properties at a reasonable price given current market conditions.

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