

VIA E-MAIL

To: Community Foundation for Northeast Georgia
Fieldale Farms Corporation
Holy Family Hospital of Bethlehem Foundation
Resort Hotels Insurance Company
Savannah Country Day School (c/o Wade Herring, Esq.)
Montford Associates
St. Josephs/Candler Health Systems, Inc. and GeeChee Reinsurance Company,
LLC (c/o Robert Brennan, Esq. and Leonard Panzitta, Esq.)
Hickory Springs Retirement Plan
Sea Island Resort and Pension Benefit Guaranty Corporation
Shelter Bay Fund, LP
Georgia Ports Authority

From: David Dantzer

Date: August 29, 2011

Re: *SEC v. Kowalewski and SJK Investment Management, LLC*

On the afternoon of Friday, August 26, 2011, the Receiver learned that the Kowalewskis' have conducted a number of "estate sales" at their principal residence located at 5203 Henson Farms Road, Summerville, NC (the "Henson Farms House"), with another sale scheduled for Saturday, August 27th. Over the weekend and this morning, we have learned that many interior and exterior fixtures, including light fixtures, cabinets, countertops, sinks, mirrors, and a variety of other fixtures, have been removed from the house. It is evident that they have vacated the premises, and we believe that they have moved to Pawley's Island (but not to the beach house).

As indicated in the First Interim Report, the Kowalewskis purchased the Henson Farms House from the Special Opportunities Fund in October 2010 for \$2.9 million. The purchase was funded with money transferred from the SJK Funds to the Special Opportunities Fund and, ultimately, to Kowalewski. Under the Court's February 2, 2011 Order, the Kowalewskis were permitted to reside in the Henson Farms House. Throughout, our position has been that the Henson Farms House is part of the Receiver Estate and is subject to the Court's orders freezing Kowalewski's assets and appointing the Receiver. We have demanded a complete accounting of assets and sales proceeds from Stan and Traci Kowalewski.

The Receiver informed the SEC of these developments on Friday. Today, the SEC filed an Emergency Second Application for an Order to Show Cause Why Defendant Stanley J. Kowalewski Should Not Be Held in Contempt for Failing to Comply with the Court's Orders Freezing Assets. A copy of the motion, supporting brief, and exhibits, is attached hereto. We intend to file an updated notice and, possibly, a motion seeking appropriate relief. We will

endeavor to provide you with additional updates as they develop, but you or your counsel may find it useful to monitor the docket over the next several days.