

**ANSWERS BY THE RECEIVER TO  
FREQUENTLY ASKED QUESTIONS  
FOR INVESTORS IN  
LIGHTHOUSE FINANCIAL PARTNERS, LLC**

**What Is Going On?**

On June 11, 2012, the United States Securities and Exchange (the “**SEC**”) filed a lawsuit in federal court in Atlanta, Georgia Benjamin Daniel DeHaan (“**DeHaan**”) and Lighthouse Financial Partners, LLC (“**Lighthouse**”) (collectively the “**Defendants**”).

The SEC’s Complaint alleged that from approximately January 2011 through early May 2012, DeHaan moved approximately \$1.2 million in funds belonging to his clients from their accounts at a custodial broker-dealer into a bank account in Lighthouse’s name that he controlled, thus gaining custody and control of these client assets. DeHaan and Lighthouse told the clients that these funds would be used to open new accounts at another broker-dealer. Once in this account, at least some of these funds were moved to a personal account belong to DeHaan and to accounts used by Lighthouse for business expenses. The SEC alleged that at least \$600,000 in client funds remained unaccounted for. DeHaan was also alleged to have provided false documents to the Commission’s staff and to an examiner for the State of Georgia

As a part of the emergency relief requested by the SEC when the lawsuit was filed, the Court ordered various types of equitable relief including an asset freeze. Subsequently, the SEC sought the appointment of a Receiver for Lighthouse and any assets acquired with investor funds. These assets are referred to as the “**Receiver Estate**”. On July 2, 2012, S. Gregory Hays (the “**Receiver**”) was appointed as the Receiver.

**What Is The Receiver’s Role?**

The Court’s order appointing the Receiver provides him with broad authority and responsibility for taking control of and administering the Receiver Estate. In a nutshell, the Receiver is responsible for taking control of the Receiver Estate, locating cash and other assets, taking steps necessary to protect the assets in the Receiver Estate, and performing an investigation of the activities of the Defendants. If he determines it appropriate to do so, the Receiver is authorized to assert claims and file litigation to recover monies from third parties. As the case progresses, the Receiver will report his findings to the Court and will develop a Plan of Distribution to pay remaining funds to investors and other creditors.

For a more detailed understanding of the Receiver’s authority and responsibility, you should review of the Court’s order appointing the Receiver, which is posted on the Receiver’s website.

### **How Long Will This Take?**

It is difficult to predict how long the receivership aspects of this case will take to properly administer. Receiverships, generally, are seldom concluded in less than a year and often take quite a bit longer. We intend that this case be concluded fairly quickly, but note one delay might be the time it takes to sell the house in Tennessee and other assets acknowledged to have been acquired with investor funds.

### **Am I On The List Of Creditors?**

A list of all investors is being compiled from the Defendants' records and a Claim Form will be mailed to all investors next week. To assure that you are included as an investor, you should gather all of your documents related to your investment, including checks, account statements, letters, etc. and submit a Claim Form. The Claim Form will be posted on the web site.

**Please also make sure you keep us apprised of your address if you move or relocate in the future.**

### **What Documents do I need to Submit to the Receiver?**

We will need copies of all documents used to transfer funds to Lighthouse. Please check your records and if you do not have cancelled checks request a copy of the front and back of checks from your bank. If you submitted a cashier's check, please request a copy of the front and back of the cashier's check from your bank and mail it with your claim form, which our office will supply or which may be copied from our website for your use.

### **Is My Friend Or Relative On The List Of Creditors?**

The Receiver can only answer questions regarding investments by the actual investor. Please have he or she call the Receiver. If for some reason, they are unable to do so, please forward a power of attorney or some other document that demonstrates that you are authorized to act on behalf of your relative.

### **What Happened to The Investors' Money?**

Providing a complete and accurate answer to this question is one of the Receiver's top priorities. As of July 10, 2012, the Receiver has determined that:

- Approximately, \$660,000.00 deposited with the law firm for the Defendants and has been recovered by the Receiver.

- Other bank accounts contain frozen funds of Defendants' of less than \$50,000; these accounts will be closed and funds move to the Receiver's account.
- A residential property was purchased in Memphis, TN, and will soon be under the Receiver's control. Over \$250,000 of investor's money was spent to purchase this house.
- Funds were used to pay certain investors monthly payments;
- Substantial amounts were used to pay salaries and operate the business of Lighthouse; and
- Funds were used for personal expenses of DeHaan and to acquire assets in the name of DeHaan or others.

The Receiver and his team of professionals are working to identify other uses of proceeds and to identify assets that can be recovered.

### **What will happen to the assets and other assets of the Defendants?**

The Receiver and his team are in the process of analyzing the assets in an effort to determine how they should be administered for the benefit of investors and other creditors. Given the nature of the assets and real property, it could take quite some time to sell the assets and the house in a way that assures that fair value is realized.

### **Who Pays The Expenses of the Receivership?**

All expenses of the receivership are paid out of the assets of the Receiver Estate. Based on our experience, we know that cases like this one can be very expensive. Our goal is to spend time and money wisely. Therefore, in virtually all of our planning and recovery efforts, we take cost and potential financial benefit into account.

The Receiver, his lawyers and consultants are paid subject to Court approval. The fees are based upon the discounted standard hourly rates of all professionals involved. In addition, there will be other operating expenses associated with the receivership; there will be costs associated with recovering and selling the assets; and there will also be costs associated with maintaining the residential properties so long as they remain assets of the Receiver Estate.

One way that investors can have a positive impact on the level of expense is to look to the Receiver's web site for information. (See below.) Answering telephone calls of individual investors takes a lot of time, which results in expense to the receivership.

### **How Do I Get More Information And Monitor The Status Of The Case?**

The Receiver has established a website for this case, which you may access at [www.haysconsulting.net](http://www.haysconsulting.net). Click on the “Investors/Claimants” on home page and then on Lighthouse Financial Partners, LLC.

The Receiver will file reports with the Court, which will provide comprehensive updates. When these documents are filed, they will be posted on the website. Initially, we have posted a copy of the SEC’s Complaint, along with the orders appointing the Receiver and freezing the assets.

This document has also been posted. This document might be updated or similar additional “FAQ’s” might be posted in the future.

### **How Do I Communicate With The Receiver?**

The best way to communicate with the Receiver with specific questions is by email. Please send your questions to [ghays@haysconsulting.net](mailto:ghays@haysconsulting.net)

There are many investors, plus other creditors. In an effort to avoid unnecessary administrative costs, we request that you please refrain from calling the Receiver’s office for routine updates. We make every effort to keep the web site current.

You should also understand that given the nature of this proceeding, it may not be possible for the Receiver to disclose on a “real time” basis all of the information obtained as being sought during the investigation.

### **Do I Need To Hire An Attorney?**

Each investor needs to make this determination based upon his or her individual circumstance. It is important to remember that the Receiver is an officer of the Court, and part of his job to try to manage assets and effect recoveries with the ultimate goal of making a distribution to investors and other creditors. Investors should feel free to employ an attorney, but, based on our experience in other cases like this one; it is unlikely that having an attorney will effect either the timing or amount of a distribution from the Receiver Estate.