



July 1, 2009

**RE: Securities and Exchange Commission v. Travis E. Correll, et al.**

Dear Investor/creditor:

Please find enclosed your first interim distribution in the *SEC v. Travis E. Correll et al.* matter. This distribution represents 4% of your Allowed Claim as presented to the court in the Receiver's Motion for Approval of the Schedule of Claims and Distribution of Proceeds and Brief in Support, which was approved on May 13, 2009. A second and likely final distribution will be made at a later date once other recovery and restitution issues are resolved. The ultimate resolution of the matters described below will dictate the amount and timing of the second distribution.

The Receiver is currently holding approximately \$4.5 million in his accounts. From this amount, the Receiver is reserving approximately \$1.5 million, which represents the funds recovered from the liquidation of the assets of Defendants Dwight Johnson, Gregory Thompson, and Robbie Gowdey (individually and doing business as Atlas and Jericho Productions and Banner Shield). The Receiver will continue to hold these funds until the Securities and Exchange Commission ("SEC") enters into a monetary settlement with these Defendants or obtains a judgment against them. The SEC is currently in active settlement discussions with the attorneys for these Defendants.

In addition, the Receiver is reserving enough funds to pay unresolved claims, accrued but unpaid professional fees, as well as estimated future professional fees that will be incurred in the continued pursuit of a few remaining recoveries. These remaining recoveries include a recovery from the estate of Robbie Gowdey, an ongoing lawsuit against Sentinel Funds, a claim in the bankruptcy case of Sentinel Funds, the recovery of a potential diversion of funds to Antigua, and recovery of funds invested by Travis Correll in what appears to be an investment scheme. There is no certainty that the Receiver will be able to recover any amounts from these remaining recoveries. The Receiver will only continue to pursue the remaining recoveries if he determines that they will likely result in a recovery to the estate. A summary of the funds available for distribution is as follows:

Current Cash Balance - 6/24/09	\$4,544,281.76
Less: Unresolved Restitution Holdback	(\$1,528,863.74)
Less: Unresolved Claim Holdback	(\$26,311.37)
Less: Professional Fee & Case Expense Holdback	<u>(\$318,415.88)</u>
Funds Available for First Distribution	\$2,670,690.77
Allowed Claims	\$66,767,269.47

**If you received a check and believe it should have been sent to your IRA administrator, please contact us immediately prior to depositing or cashing your check.**

If you should have any questions or concerns, please contact Shuwanda Sloane at 404-926-0059. You may also contact us via e-mail at [tec.receiver@haysconsulting.net](mailto:tec.receiver@haysconsulting.net).

Sincerely,

/s

S. Gregory Hays, Receiver

cc: United States District Court, Sherman Texas  
Timothy S. McCole, Esq., Securities and Exchange Commission  
J. David Dantzler, Esq., Counsel for Receiver  
Clark B. Will, Esq., Counsel for Receiver