

Quarles & Brady
Investors' Advisory Committee Meeting
Re: Wealth Management, LLC Receivership
Friday, August 21, 2009, 1 p.m. CST
Offices of Quarles & Brady, 411 Wisconsin Avenue, Milwaukee, WI
Prepared by Charles Bergmann, Jr.

An initial meeting of the Investors' Advisory Committee was held on the above date to review the status of the recovery of assets by the Receiver (Faye Feinstein) and to provide the committee with an opportunity to ask questions of the Receiver, and an opportunity to provide information to the Receiver.

All individual Wealth Management clients who expressed an interest in joining the committee were so appointed and invited to the meeting. A list of meeting attendees follows:

Quarles & Brady

Faye Feinstein, atty
Michael Schaalman, atty
Richard Carney, MBA

Advisory Committee

Gary Bernegger	Ken Huizenga
John Soeter	Rollie Stephenson
John Gauder	Michael Berglund (by conference call)
Charles H. Bergmann, Jr.	David Lawrence
Ross Mueller	Keith Kwaterski
David & Mary Weber	Roland Christian (by conference call)
Don Smith	Julie Leschke (Ex Officio)
Dale H. Van Scoyk	

The meeting began promptly at 1:00 p.m. and concluded shortly after 5 p.m.

The Receiver provided an Agenda (SEC vs Wealth Management); a Cash Account Value Summary for all funds and the Wealth Management LLC ("WML") financial entity; and a listing of Distributions From Sub-Funds covering the period May 20, 2009 through August 18, 2009. These handouts are included with these notes as pages two through four and will be posted on the Wealth Management WEB site, www.wealthmgmt.com (Upon entering the site, click on the black bar, **Receiver Appointed By The Court**, to gain access to all public documents).

The Agenda on Page 2 served as a guideline for the meeting discussion. Information provided by the Receiver and subsequent discussion notes, do not strictly adhere to the order of the Agenda. Many topics and discussions overlapped, so the topics cannot be neatly categorized in Agenda order. However, all Agenda topics were addressed.

Page 3 is the Cash Account Value Summary balances for the individual funds and for Wealth Management, LLC financial entities.

Page 4 is the listing of Distributions From Sub-Funds from May 20, 2009 through August 18, 2009.

**SEC vs WEALTH MANAGEMENT, LLC
AGENDA**

**Investors' Advisory Committee Meeting
August 21, 2009**

- I. Introduction
 - A. The Role of the Receiver
 - B. Goals of the Receivership
 - C. The Receiver's Professionals (including Counsel) and their Roles

- II. The Role of the Advisory Committee
 - A. Information Exchange
 - B. Communications
 - C. Setting Goals/Directions

- III. Status of Wealth Management
 - A. Principals
 - B. Employees
 - C. Facilities
 - D. Status as of May 20,2009
 - E. Cash on Hand

- IV. Liquidation of Wealth Management Funds
 - A. Individual Funds
 - B. Current Portfolio Status
 - C. Redemption/Recovery Strategies

- V. Status of SEC Case
 - A. SEC Discovery and Negotiations
 - B. Stay of Other Litigation

- VI. Fee Petition

- VII. Questions and Further Actions by Advisory Committee

ACCOUNT VALUE SUMMARY

As of August 20, 2009

Fiduciary Partners

MWP Investors, LLC	\$ 8,341.57
WML Gryphon Fund LLC	\$1,682,155.96
WMLL3, LLC	\$ 9,496.09
WML Palisade Partners LP	\$1,418,526.46
WML Pantera Partners LP	\$ 119,289.59
WML Quetzal Partners LP	\$ 529,597.54
WML Watchstone Partners LP	\$ 208,589.66

Community First Credit Union

Wealth Management LLC	\$ 6,411.70 (as of 6/30/09)
	\$ 621.71 (as of 8/20/09)

Employee Services of Appleton Inc. (WML payroll and benefits account)

	\$ 1,293.85 (as of 7/7/09)
	\$ 1,103.85 (as of 8/20/09)

Charles Schwab & Co

Faye B. Feinstein - As Receiver	\$ 33,067.01
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DISTRIBUTIONS FROM SUB-FUNDS

May 20, 2009 through August 18, 2009

WML Gryphon Fund, LLC

06/01/09	\$4,485.25 from Alma, Inc.
06/30/09	\$12,252.38 from Alma,
07/06/09	\$90,000 from Gulf Island Waterpark
07/20/09	\$730,362.92 from Washington Fund,
08/03/09	LLC \$16,078.28 from Alma, Inc.

WML Palisade Partners LP

06/05/09	\$28,956.53 from Ravinia Funding LLC
07/13/09	\$33,389.67 from Ravinia Funding LLC
07/20/09	\$1,095,544.39 from Washington Fund, LLC
08/05/09	\$32,952.46 from Ravinia Funding LLC

WML Pantera Partners LP

06/01/00	\$555.59 from Alma, Inc.
06/05/09	\$896.86 from Murvin/Meier
06/30/09	\$705.81 from Alma, Inc.
07/06/09	\$920.10 from Murvin/Meier
08/03/09	\$1,150.56 from Alma, Inc.
08/05/09	\$660.94 from Murvin/Meier

WML Quetzal Partners LP

07/27/09	\$271,105.40 from GPS Income Fund
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WML Watchstone Partners LP

06/05/09	\$24,176.28 from Ravinia Funding
07/13/09	\$28,302.56 from Ravinia Funding
08/05/09	\$27,512.55 from Ravinia Funding

Investors' Advisory Committee
August 21, 2009 Meeting With WML Receiver

Meeting Notes

Prepared by Charles Bergmann, Jr.

General

Meeting Notes follow the conduct of the meeting, but not necessarily the order outlined on the preceding AGENDA. Although all topics may not be covered in detail in these notes, all topics were discussed. Subheads have been added for clarity.

History of the Receivership

Ms Feinstein (FF) initially gave a brief, historical recap of events leading up to the appointment of Quarles & Brady (QB) as the Receiver for Wealth Management (WM). Her review concentrated on the weeks prior to QB's appointment in May 2009.

FF explained that the SEC had determined that it was in the best interests of the Wealth Management investors that a receiver be appointed to oversee management of the company, its assets, and the assets of the privately managed WM funds.

She explained that the SEC's determination to appoint a receiver was based on extensive documentation regarding alleged securities laws violations by the management of the company and its privately managed funds, in particular by the company's two principals, James Putman (JP) and Simone Fevola (SF).

The SEC contacted QB regarding the firm's possible appointment as the receiver in the days immediately preceding May 20, 2009. Following discussions, the SEC recommended to the court that QB and FF be appointed as Receiver; the motion was granted in Green Bay Court on May 20, 2009. At that time, a temporary injunction was also filed freezing all WML assets and the assets of the firm. On May 26, 2009 that injunction was made permanent, and the Receiver was authorized to remain in place.

FF encouraged committee members to read the reports of the Receiver posted on the WEB site and to review the handouts regarding the various company account assets and the cash values of the individual funds.

B. Goals of Receiver

FF stated that:

My only job is to ensure that investors and creditors feel comfortable with the independence of the person guiding the receivership and the management and expenditure of funds necessary to recover as much asset value as possible for investors.

At the time of my appointment, all WM funds were already in liquidation mode, which is not synonymous with holding a "Fire Sale" of investor assets. That is not my job. My job is to maximize recovery for all of you, ensure that the process is fair and above board, and that recovery is accomplished incurring the least expense possible.

This is not an easy job (see handouts for all the entities involved). It is very complicated in that the alternative investments are "funds of funds." Each WM fund has

sub-managers managing sub-funds. Due to the nature of the investments, just because we want "out", does not mean that we can get out when we want to. My job will be to determine which assets we hold, which we sell, or how we will manage the assets in general to generate the greatest return. Some funds are already sending distributions.

Determining today's values is not as simple as pulling statements, because sub-fund values have not been accurately reported in the past. For alternative investments such as these, true value is only ascertained when the underlying sub-fund is sold.

(Discussion followed on nature of alternative investments, how values are determined, liquidity of investments and markets.)

We have decided that for the present time, QB will not hire consultants. We are not comfortable with the cost to do that and determining who has the required expertise to judge the investments, overall, would be difficult. When we do require consultants, they will be hired on a "project basis" to keep costs down.

Receiver's Professionals and Their Roles

The primary Q&B team consists of Faye Feinstein, Michael Schaalman and Rich Carney .

Faye Feinstein

Role is to act as trustee with subpoena powers to obtain whatever information she deems essential to the conduct of the Receivership and recovery of assets.

FF focus will be on determining what assets remain and what is the prospect of recovering same.

FF will wind down the business of WM and the WM funds.

FF has the power of both Wisconsin and Federal law.

FF will determine plan of asset distribution.

FF hopes to be able to make some distributions by the end of 2009 or early 2010.

Receiver can work with the SEC in obtaining assistance.

Receiver has broad subpoena powers.

Two primary questions for which she will be seeking answers are:

Have assets disappeared?

Were there inappropriate payments or distributions made from funds?

Michael Schaalman atty

Michael has interviewed sub-managers of funds and is knowledgeable of the types of investments held by the WM funds. He will be determining the legal aspects of wind-down and asset recovery.

Rich Carney, MBA

Formerly with State of Wisconsin in financial regulatory affairs, licensing, past state examiner, regulated investment advisory firms. His expertise will be used in determining the structure of the investment funds, monitoring and assisting recoveries/liquidations and whether their investments were operated according to regulation.

Other Team Members

In an effort to keep costs down, routine legal matters, filings, and drafting of documents will be handled by more junior members of the firm to help contain costs.

Litigation and Claims of Individual Investors

On June 12, 2009 the Receiver entered a *Motion To Stay* with the Green Bay Court to prohibit individuals from litigating against WM, JP or SF during the course of the Receiver's investigation and efforts to recover assets. This Stay is up for judicial review again in September.

The Stay was necessary to avoid consuming the Receiver's time with individual suits and to ensure that all investors, not a select few in litigation, would be treated equitably regarding asset recovery.

The Receiver will be approaching SF and JP to determine whether investor claims against them can be resolved consensually in a global settlement. If an acceptable settlement cannot be reached, the Receiver anticipates that at that point, the stay will be lifted.

Individual litigation is always an investor's option once the Stay is lifted.

Appropriateness of Past Distributions

Although the Receiver can go back at least four years and analyze the pattern of fund distributions, the feeling is that unless there were grossly inappropriate distributions made, efforts to recover funds from investors after any length of time would probably not be cost effective (if it even warranted consideration). Instead, the Receiver will most likely consider activities of the funds from June 2008 (time of disclosures made by JP and SF) to present. If distributions were made, which appear to have preferred certain investors over others, one consideration would be to credit those payments against future liquidation payments. However, these points were made simply in the course of discussion as to possibilities and no formal plan of distribution has been finalized at this time.

WML Insurance Policies

No determination has been made at this time as to who may possibly benefit from potential insurance payments: WML employees; WML owners; or fund investors. This subject is being addressed and investigated. Demand has been made from insurers. The insurers have not agreed at this point that any coverage is available. The insurance question will be part of the overall financial analysis to determine how best to recover the most value for investors and creditors.

Plan of Distribution

The QB team is still gathering data regarding investment assets, but is drafting a Plan of Distribution for investors and creditors which will be filed before the September 9 status hearing. At that hearing the Receiver will ask the Court to set a date for objections to the Plan and for a hearing at which approval of the Plan by the Court will be requested. Potentially there could be some funds distributed by the end of 2009 or early in 2010.

Duties, Obligations, Expectations of Advisory Committee

The Advisory Committee is to:

Act as information exchange; receive information for the 440 WML clients and provide input to the Receiver.

Advisory Committee is much like a Bankruptcy Creditors' Committee: individuals have to put aside personal interests and agendas and focus on what is best for the investor group as a whole.

FF: "That being said, you should all realize that by agreeing to participate on this committee, you also must agree to support the work of the Receiver and this committee. You certainly do not have to agree with the Receiver or this committee and are free to pursue your own agenda, but if that is the case, then you must resign from the committee. If anyone is in that position, they should feel free to leave and withdraw from the committee now." (no one did.)

FF: We will not vote on all tasks that I must complete, but there will be issues on which we will request committee consensus. In cases of holding and selling assets, that may be a time when we have to have consensus. If there are major issues upon which we cannot agree, then we will have to take them to the judge.

The committee will not see or approve the Plan of Distribution prior to any other investors and we will not be voting on any legal issues. However, if the group should object on a major issue, it can always go to hearing or a potentially agreed resolution.

SEC Litigation

FF: The SEC is dealing with the legal and financial issues related to the cases before them involving JP and SF. The Receiver is not privy to this information (nor are the investors). My job is to identify assets and recover value. If at some point that involves dealing with the principals of WML, then the work of the Receiver and the SEC becomes more closely aligned. However, we are essentially dealing with two separate issues.

Again, it was stressed that the efforts to recover assets are being pursued for the investors as a group. Individual litigation is always an individual's option, once the stay is lifted. However, for now the desire is to keep individual litigation on the "back burner" so as not to distract from the main recovery efforts and to conserve costs.

Creditors

There are many trade creditors of the operating company, WML. The Receiver does not believe there are unpaid trade credits of the funds. Creditors will include banks holding lines of credit or other obligations; vendors; landlords; and others to whom the company is in debt. Individual stockholders of WML units are equity holders of WML and subordinate to WML creditors. If any of the credit obligations were personally guaranteed by company principals, then the claims may move beyond the company.

There are a number of issues in play here, to include principals' disgorgement of funds upon order of the SEC, and other SEC legal matters. However, these are not the business of the Receiver, except to advance receipt of funds to the entities.

Investments

There was lengthy discussion regarding the investments in the Brown and Baetis Funds (life insurance premium financing (LIPF)) and the prospect of recovering value from them. This discussion was a lengthy, informative conversation regarding the nature of the investment and the need to keep policy premiums current (so policies do not lapse) in order to retain value.

At the moment, the market for these products is flat and the majority of the Gryphon and Watchstone money is invested in LIPF. Lengthy discussions also ensued as to whether it made sense to fund on-going premiums on some select policies, rather than let them lapse.

To determine if this makes financial sense, more research will have to be done and the legal aspects of the rights of the Receiver to potentially invest assets have not been determined. This was discussed simply as an option and no decisions were made. The possibility of retaining an actuary to assist in the determination was addressed.

The Receiver negotiated a buyout of the Gryphon position in the Gulf Island Water Park for \$90,000. The original loan was for \$500,000 and approximately \$245,000 had already been repaid to the fund under the loan documents. This was a loan, not an equity investment. The option provided to the Receiver shortly after her appointment, and presented as a deal agreed to by JP, was

to trade our creditor position for an equity position. The decision to reject the equity position was based on the fact that the likelihood of receiving any dividend payments or return on the equity in the foreseeable future was very limited. Equity holders also are secondary in position to creditors. The Receiver negotiated a buyout of the loan as the best option.

The Receiver does not expect to have to make similar decisions on other investments on short timelines. Similar decisions will be brought to the Committee for consideration.

Value of Funds

At this time it is not possible to place a fixed value on the funds and the sub-funds, for there is no accurate means of valuation. Valuation will ultimately be determined only when the assets sell or are redeemed.

At the present time the Receiver is working with the principals at Wood, Hat and Silver who manage the LIPF investments. Both the LIPF principals and the Receiver team are actively looking for buyers for the LIPF contracts.

K-1s

The Receiver reported that the accountants are hoping to have the tax returns prepared by the September 15 deadline, and the K-1s in time for investors to file their tax returns by October 15, but there can be no guarantee, since they are dependent upon the reports of many sub-managers.

Next Meeting

It is anticipated that the next meeting of the Investors' Advisory Committee will be held at the end of September/beginning of October.

The meeting was adjourned shortly after 5 p.m.

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C.H. Bergmann, Jr.