



June 9, 2014

**From:** Faye B. Feinstein  
**Re:** **Notice for Investors in WML L3, LLC –**  
**Response Requested on or before June 23, 2014**

I have decided to close WML L3, LLC ("L3"), and to abandon the investments in the sub-funds in which it holds interests, which are identified and described below. I believe that the cost of maintaining L3 as an existing limited liability company is not justified by any likely return on your investments in L3. I have never made a distribution from L3 and am unlikely ever to be able to do so; moreover, L3 has no cash with which to pay its expenses, including Delaware annual limited liability company maintenance fees and the cost of preparing and filing an annual tax return.

The sub-funds in which L3 is (or was) invested are as follows:

(a) **CIP Equity, LLC**: CIP owns the Country Springs Hotel, Water Park, and Conference Center in Pewaukee, Wisconsin; L3 owns a 1.29% interest in CIP Equity.

The value of L3's capital account has dwindled from its \$100,000 original investment to under \$5,000. The hotel has had financial difficulties for several years and continued to lose money in 2013. I do not expect that distributions will be made from CIP Equity on L3's investment.

(b) **Factory Conversions, LLC**: The investment comprises an interest in a former factory building that was converted to an office facility. The manager of the

investment has informed the Receiver that the secured debt on the property exceeds the property's value and that distributions on this investment are unlikely.

(c) **MKA Real Estate Opportunity Fund I, LLC ("MKA Opportunity"):**

I previously abandoned L3's interests in this sub-fund, to alleviate the risk that investors in the Wealth Management funds that were invested in MKA Opportunity might realize "cancellation of indebtedness" income for tax purposes as a result of a lender's foreclosure on certain assets owned by MKA Opportunity. L3, therefore, no longer owns any interest in MKA Opportunity.

(d) **MWP Investors LLC:** The sole asset in which MWP had an interest was

a parcel of Wisconsin real estate that has been disposed of at a foreclosure sale. There will be no distributions on this investment.

(e) **Sports Venture Partners Real Estate I, L.P. ("SVP I"):** SVP I has

never returned any distributions to L3 on its \$75,000 investment. Moreover, L3 would not be entitled to any such distributions until it had paid the remaining \$225,000 of its \$300,000 capital commitment to SVP I, which it will never be able to do. I therefore do not anticipate any distributions on this investment.

We have reached out to the managers of CIP Equity and Factory Conversions to determine whether they have any interest in repurchasing L3's interest in those respective sub-funds. It is highly unlikely they would, however, if they do, we will consummate those transactions before closing L3; if they do not, we will close L3 and abandon those investments to avoid carrying the costs into 2015.

**ACTION ITEM:** If you, as L3's investors, prefer to keep L3 open, you will have to fund its expenses directly, because the receivership estates will no longer do so. Those expenses

include aggregate annual fees of \$349 related to maintaining L3 as a Delaware limited liability company and approximately \$3,000 per year for the preparation and filing of tax returns, as well as any fees that my counsel, Quarles & Brady LLP, may incur in connection with work for L3 specifically.

If you wish to keep L3 open and fund its expenses yourself, please e-mail my attorney at [christopher.combest@quarles.com](mailto:christopher.combest@quarles.com). If I do not hear from you otherwise by **Monday, June 23, 2014**, I will move forward to close L3.