



December 6, 2010

From: Faye B. Feinstein

Re: Information regarding Filing of Claims in the Chapter 7 Bankruptcy Case of James Putman

Many of you have asked me about filing claims in the chapter 7 bankruptcy case of James and Christine Putman. This memo explains what you must do, procedurally, to protect any right you may have to share in the assets that may be distributed from Putman's bankruptcy estate.

A. The bar date for filing proofs of claim against Putman in his bankruptcy case is **MONDAY, JANUARY 3, 2011**. The fact that you received a notice setting a deadline for filing a claim and saying that there may be assets for Putman's creditors *does not mean that there will be any significant money to distribute to you, even if you have a claim against Putman personally that is entitled to be paid.* However, if there is any money to distribute to Putman's creditors, and if you have a valid claim against him personally, you will not receive any of that money from Putman's bankruptcy estate *unless you file a claim as the attached notice instructs by January 3, 2011.*

B. PUTMAN'S BANKRUPTCY CASE IS AN ENTIRELY SEPARATE PROCEEDING FROM THE WEALTH MANAGEMENT RECEIVERSHIP; IT IS TAKING PLACE IN A DIFFERENT COURT, BEFORE A DIFFERENT JUDGE. HAVING SUBMITTED A CLAIM TO ME IN THE WEALTH MANAGEMENT RECEIVERSHIP IS NOT THE SAME THING AS FILING A CLAIM AGAINST PUTMAN PERSONALLY IN HIS BANKRUPTCY CASE. DO NOT FILE ANY CLAIM AGAINST PUTMAN WITH ME OR ANY OF MY EMPLOYEES OR

PROFESSIONALS. INSTEAD, FOLLOW THE INSTRUCTIONS ON THE NOTICE ATTACHED TO THIS MEMO.

C. Putman's bankruptcy estate is being administered by a chapter 7 trustee ("Trustee"). The Trustee has the right to object to any claims he believes are legally or factually unsupported. The Trustee's name is Larry H. Liebzeit, and he can be reached at (920) 739-6307.

D. *Investor Claims: I WILL NOT BE FILING ANY CLAIMS ON BEHALF OF INDIVIDUAL INVESTORS, AND I CANNOT ADVISE YOU ON WHETHER OR NOT YOU HAVE A CLAIM AGAINST PUTMAN PERSONALLY.* Generally speaking, there are two possible positions: (1) investors in the WM Funds may take the position (and some have) that they have direct claims against Putman personally, for example, on account of Putman's investment advice/decisions including under the various agreements that investors signed in connection with becoming clients of WM; or (2) investors may take the position that they do not have a legal right to assert claims for their losses in the WM Funds against Putman individually.

I do not know the Trustee's view on points (1) and (2) above, and I have not researched them myself. If Putman's Trustee believes that your claim is not valid, he may object to it, and it will be up to you to respond and support your claim.

E. *My Claims on Behalf of the Receivership Estates:* I intend to file two claims in the Putman bankruptcy case: (1) a claim specifically for amounts owed under the \$722,000 promissory note Putman issued to the Gryphon, Palisade, and Watch Stone

funds, and (2) a broader claim for the losses sustained by all six WM Funds. I do not know whether or not the Trustee will object to those claims.

F. *Preparing the Proof of Claim:* You may prepare, sign, and file a proof of claim in Putman's bankruptcy case without a lawyer. You may fill it out by hand or type it, as long as it is legible. You should have received a proof-of-claim form from the bankruptcy court. In case you did not, I have attached a standard proof-of-claim form, on which I have already filled in the court's name, the names of the Putmans, and the case number.

Here are what I hope will be some helpful suggestions:

1. Make sure your name, address, and phone number are on the proof-of-claim form and correct.
2. Make sure you **sign and date** the proof of claim.
3. Make sure you send the proof of claim **so that it is received on or before January 3, 2011.**
4. Claim Form, item 1 – Amount of Claim as of Date Case Filed: I have previously sent to all investors net cash statements detailing the amounts each investor invested in each WM Fund and the amounts each has been paid out of each WM Fund. Many investors also received distributions from me in May 2010. Some individual investors have used that information in determining the amount of their claims.
5. Claim Form, item 3 – Last four digits of any number by which creditor identifies debtor You need not fill in this item.

6. Claim Form, item 7 – Documents – any documents that you believe support your claim should be attached to the claim form; you should leave out your social security number, and personal bank or other account numbers. Based on claims already filed in Putman's bankruptcy case, I see that some investors have attached the net cash statements they received from me; some have attached statements they received from WM or the WM Funds, and some have created their own attachments or have written supporting statements directly on the form. You should support your claim with whatever information you think is appropriate and present it as clearly as possible, remembering that the Trustee, Mr. Liebzeit, is not familiar with you or your personal situation and will rely on the information you provide to understand your claim.

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WISCONSIN

In re:

Chapter 7

James E. Putman – xxx-xx-3385
311 Cleveland Street
Menasha, WI 54952

Case No. 10-32980-mdm

Christine A. Putman – xxx-xx-9848
311 Cleveland Street
Menasha, WI 54952

Debtors.

**NOTICE OF RECOVERY OF ASSETS AND OPPORTUNITY TO FILE PROOF OF
CLAIM**

When the above debtors filed this bankruptcy case, creditors received a notice that they did not need to file a proof of claim because there were no assets available. Since the date of that notice, the trustee has recovered assets, and it is possible that the trustee may be able to distribute some funds to creditors.

To be eligible to receive a portion of any distributed funds, a creditor **must** file a proof of claim with the Clerk of the United States Bankruptcy Court on or before January 3, 2011. Creditors who do not file a proof of claim on or before January 3, 2011 **WILL NOT** receive any funds from the estate. (If you already have filed a proof of claim, you do not need to file another one.)

You are not required to pay a fee to file a proof of claim. We have enclosed a blank proof of claim form. Upon completing the form, you may send it by regular mail to:

Clerk of U.S. Bankruptcy Court
517 East Wisconsin Avenue, Room 126
Milwaukee, WI 53202-4581

If you want confirmation that we received your proof of claim, please enclose with the completed proof of claim a photocopy of the proof of claim, along with a self-addressed, stamped envelope.

Dated: October 4, 2010

Clerk, U.S. Bankruptcy Court

By: Jeanette O.
Deputy Clerk

UNITED STATES BANKRUPTCY COURT		EASTERN DISTRICT OF WISCONSIN	PROOF OF CLAIM
Name of Debtor: James E. Putman Christine A. Putman		Case Number: 10-32980	
<i>NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. §503.</i>			
Name of Creditor (the person or other entity to whom the debtor owes money or property):		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim..	
Name and address where notices should be sent:		Court Claim Number: _____ (If known)	
Telephone number: _____		Filed on: _____	
Name and address where payment should be sent (if different from above):		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
Telephone number: _____		<input type="checkbox"/> Check box if you are the debtor or trustee in this case.	
1. Amount of Claim as of Date Case Filed: \$ _____ If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.	
<input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		Specify the priority of the claim:	
2. Basis for Claim:		<input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).	
3. Last four digits of any number by which creditor identifies debtor: _____		<input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507(a)(4).	
3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		<input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507(a)(5).	
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate ____% Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Bases for perfection: _____		<input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507(a)(7).	
Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		<input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507(a)(8).	
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		<input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507(a)(____).	
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach related copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See Instruction 7 and definition of "redacted" on reverse side.)		Amount entitled to priority: \$ _____	
DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain.		<i>*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</i>	
Date: _____	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.		FOR COURT USE ONLY