

Memorandum

May 13, 2010



From: Faye B. Feinstein
Re: **Completion of first distributions**

The purpose of this update is to inform you that I have completed the first distribution of assets from the receivership estates. The essential points regarding the first distribution are as follows:

- (a) First Distribution Date: May 3, 2010;
- (b) WM Funds Making Distributions: Gryphon, Palisade, Pantera, Quetzal, and Watch Stone;
- (c) Aggregate Amount Distributed from those five WM Funds: \$4,274,079.92;
- (d) Aggregate Amount Held Back for Accrued, Accruing, and Anticipated Expenses of the Receiver Estate through December 2010: \$2,072,701.72.

I have filed with the Court my *Receiver's Report Regarding First Distribution of Assets Made on May 3, 2010, Pursuant to Approved Plan of Allocation* ("Distribution Report"), a copy of which is also available on my web site, www.wealthmgmt.com. The Distribution Report explains how I calculated the distributions and the holdback for accrued and estimated administrative expenses (which include fees and expenses of my legal counsel and accountants, as well as operating expenses, such as office rent, utilities, data backup, and document storage). The Distribution Report also contains copies of spreadsheets that provide, for each WM Fund that made a distribution, details on investor Net Cash positions, redemption payments received

after May 31, 2008, and dollar amounts of each individual distribution. Investor names have been redacted from those spreadsheets to preserve privacy.

SPECIAL NOTE REGARDING PANTERA AND QUETZAL: Please note that my April 20, 2010, update regarding distributions contained typographical errors as to the percentage of each investor's Net Cash position I anticipated being able to distribute from those two WM Funds. The percentages contained in the Distribution Report filed with the Court are accurate.

I anticipate making one or more distributions before the receivership is closed, but cannot now estimate when such additional distributions will be made or in what amounts for each WM Fund.

I will shortly be filing a general status report describing the status of collections and potential additional recoveries, which will also be posted to the web site.