

To: Wealth Management Investors

Re: Representation by Private Attorneys Asserting Claims on Behalf of Wealth Management Investors

We have received several inquiries from investors asking whether they should retain counsel to pursue claims against third parties. Specifically, a few investors have questioned why the Receiver isn't pursuing these claims and why investors should have to bear any additional expense in retaining private counsel. These are fair questions and we trust that this response will provide additional information for all investors who are concerned about either retaining individual counsel or joining with other investors to retain counsel.

First, the Receiver is engaged in a review of potential claims that may contribute to the recovery of assets for all investors to share on a pro rata basis. Because the Receiver is compensated from funds held or recovered by Wealth Management, she is very careful to pursue only claims which have a very high probability of recovery for Wealth Management investors. This is an ongoing process and we will report to investors as we become aware of such claims and make decisions whether filing litigation is in the best interest of investors.

Private attorneys are also considering whether to pursue claims on behalf of investors, and two firms have approached the Receiver to express an interest in cooperating with the Receiver and her counsel to explore the possibility of filing claims. Both firms, Melnick & Melnick and Gass, Weber understand that if the Receiver chooses to pursue a claim that they must act cooperatively with the Receiver and may be prevented from pursuing claims that the Receiver brings on behalf of all investors. Currently, these firms and perhaps others are communicating with investors about the possibility of filing claims against third parties. None of these firms have filed any lawsuits and after they conduct their review of the facts and the law they may choose not to pursue any claims or may recommend to their clients that certain actions be filed. Be assured that the Receiver and her counsel will consult and coordinate with any lawyer who is considering bringing claims on behalf of investors. Right now, both the Receiver and these firms are in the stage of investigating claims.

The Receiver cannot recommend or favor any particular lawyer or firm who seeks to represent investors. The fee arrangement between private counsel and their investor clients is a matter strictly between these clients and their attorneys.