

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN
GREEN BAY DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**WEALTH MANAGEMENT LLC;
JAMES PUTNAM, and SIMONE FEVOLA,**

Defendants,

and

**WML GRYPHON FUND LLC;
WML WATCHSTONE PARTNERS, L.P.;
WML PANTERA PARTNERS, L.P.;
WML PALISADE PARTNERS, L.P.;
WML L3, LLC, and WML QUETZAL
PARTNERS, L.P.,**

Relief Defendants.

Civil Action No. 1:09-CV-506

THIRD STATUS REPORT OF RECEIVER

Faye B. Feinstein, Receiver for Wealth Management LLC (“WM”), and the Relief Defendants, WML Gryphon Fund LLC (“Gryphon”), WML WatchStone Partners, L.P. (“WatchStone”), WML Pantera Partners, L.P. (“Pantera”), WML Palisade Partners, L.P. (“Palisades”), WML L3, LLC (“L3”), and WML Quetzal Partners, L.P. (“Quetzal”, and together with Gryphon, WatchStone, Pantera, Palisade, and L3, the “WM Funds”), hereby submits her Third Status Report.

Background

1. The captioned enforcement action was filed by the U.S. Securities and Exchange Commission ("SEC") on May 20, 2009. On that same date, this Court entered an Order appointing Faye B. Feinstein as Receiver for the Company and the WM Funds. Also on that date, the Court entered (i) an Order Freezing Assets (the "Asset Freeze Order"), which prohibited the Company and the WM Funds from withdrawing, transferring, pledging or otherwise dissipating any of their monies or other assets (excluding the segregated, individual accounts of advisory clients which are not invested in the WM Funds); and (ii) a Temporary Restraining Order and Order For Emergency Relief against the Company and the WM Funds. At the request of the Company, the Court scheduled an expedited hearing for May 26, 2009, on the SEC's request for entry of a preliminary injunction.

2. On May 26, 2009, by agreement of the parties, this Court entered (i) the First Modified Order For Appointment of a Receiver (the "Modified Receiver Order"); (ii) an Order Extending Asset Freeze; and (iii) a Preliminary Injunction Order against Defendants and the WM Funds.

3. On August 18, 2009, on request of the Receiver, this Court entered an order extending the receivership to encompass Employee Services of Appleton, Inc., which is an affiliate of the Company.

4. On June 10, 2009, the Receiver filed her First Report with this Court, and on September 14, 2009, the Receiver filed her Second Report with this Court. Subsequently, status updates were posted to the receivership website on November 4, 2009, December 30, 2009, March 5, 2010, and April 20, 2010. The Receiver has also posted most pleadings to the website.¹

¹ As there have been numerous pleadings filed involving the dispute with the Brown noteholders which the Receiver believes may be complicated and confusing to investors, the Receiver has not posted all of them to the website.

Status

5. Plan and Distributions. The Receiver's Plan of Distribution was approved by order dated November 20, 2009 (the "Approval Order"). Thereafter, the Receiver filed her Second Amended Proposed Plan (the "Plan") to deal with certain technical changes to the initial plan resulting from the timing of the entry of the Approval Order. An appeal of the Approval Order was taken by the Edwin Wilson M.D. IRA and the James P. and Sandra J. Verhoeven Revocable Trust (the "Appellants"). Appellants requested this Court to stay distributions pending appeal. That request was denied. Appellants then requested a stay from the Seventh Circuit Court of Appeals, and the request was denied. The Receiver, therefore, made an initial distribution under the Plan on May 3, 2010. The Receiver filed a distribution report with this Court, and posted the report to her website. The distribution report describes the detailed and complicated process of calculating distributions, and the exhibits thereto (with investor names redacted for privacy reasons) disclose the amounts distributed. The appeal has been fully briefed and is scheduled for oral argument on May 26, 2010. The receiver has moved to dismiss the appeal, or affirm the Approval Order on the grounds that in light of the first distribution, the Plan has been substantially consummated, and equity supports a dismissal. Appellants have not yet filed their response to the Receiver's motion.

6. Business Issues. A) the Receiver is in the process of moving her accounts to full interest bearing/insured accounts; B) the landlord for the office premises has informed the Receiver that he has located a new tenant for the space. The receiver will, therefore be shutting down the computer and server, and relinquishing the space to the landlord by the end of June, 2010. With the Receiver's consent, Community First Credit Union, the secured creditor, will

take possession of and liquidate its personal property collateral before then; C) the Receiver has retained accountants to prepare the 2009 tax returns and K-1s for the receivership entities.

7. Receipt of Distributions from Sub-Funds. Attached hereto is an updated chart indicating the status of recoveries from the various sub-funds in which the WM Funds were invested. The following is additional information regarding certain of the more significant investments.

A) Brown Fund. The Brown Fund has on hand approximately \$1,529,000 in cash proceeds generated from the sale of life insurance policies. Certain securities holders have claimed that they are holding notes which entitle them to be paid ahead of the WM Fund investors. The notes total approximately \$1,780,000. If the securities holders are successful, there will be no distribution from the Brown Fund to WM investors. This issue continues to be litigated.

B) Baetis Fund. The Baetis Fund has approximately \$800,000 in cash on hand. It also holds notes in connection with two policies on which it hopes to receive purchase offers. If the notes are sold, the Baetis Fund would recover approximately \$90,000. The Baetis Fund also holds an interest in a life insurance policy issued to an insured who has passed away. The benefits under the policy are \$10 million. The insurer has refused to make payment under the policy. The Receiver has completed due diligence and has reached a tentative agreement with the heirs of the insured to jointly pursue the claim against Lincoln Insurance Company in this Court. Taking into consideration the policy benefits, the potential sharing of benefits with the heirs of the insured and a potential settlement with the insurer, the Receiver believes that a recovery to the estate of \$3.0 million is a reasonable expectation.

C) Sagecrest. The Sagecrest Fund is in a Chapter 11 bankruptcy case.

The Receiver's representative is a member of the equity holders' committee and thereby monitors and participates in the bankruptcy proceedings. The case is very contentious, and there are numerous issues to be resolved. The bankruptcy court has encouraged mediation as opposed to trial, however, it is unknown whether all of the issues can be negotiated. Once a consensual plan has been reached, or the bankruptcy court approves a plan of liquidation after trial, Sagecrest will begin liquidating its assets. That process could take 3 years or longer, from the effective date of a plan. The WM Funds have a total of \$11.0 million invested in the Sagecrest Fund. The Receiver cannot estimate how much the ultimate distribution might be, as it will depend upon the administrative costs of the bankruptcy case, the value of the underlying assets once they are liquidated, the costs of liquidation, and the distributions provided for in a plan of liquidation.

D) MKA Real Estate Qualified Fund. The manager has stated its intention

to restructure the fund, by moving certain assets into a new entity which will be publicly held. The ultimate stated goals are to develop certain of the Fund's properties, and distribute shares of the publicly held company to investors. The Receiver has facilitated the exchange of information between MKA and the WM Fund investors. Although the Receiver has not finalized her position yet, it appears that most of the investors in the WM Funds that are invested in MKA would view the restructuring as a potential for recovering a portion of their investment. The Receiver believes it would be at least 2-3 years before she will be in a position to attempt to distribute any stock she may receive as an investor in MKA.

8. Potential Litigation. Receiver's counsel has been actively supporting outside counsel retained by certain WM Fund investors in their early stages of due diligence. Receiver's counsel has provided documents as well as background information regarding the potential defendants who may be liable for certain of the investors' losses. This includes fund managers, general partners, insurance agents, insurance companies and aggregators. Two law firms are working directly with investors and Receiver's counsel is working with both to coordinate and evaluate claims and to ensure that all of the investors have the opportunity to share in any recovery.

9. Litigation against James Putman and Settlement Discussions with Simone Fevola.

The Receiver has brought an action against James Putman seeking to recover on a promissory note he issued to the Gryphon, WatchStone and Palisade Funds. Putman has answered the complaint, denying liability. The Receiver is working on a summary judgment motion. The Receiver is also engaged in active negotiations with Simone Fevola in an effort to recover a judgment in favor of the estate.

10. D&O Policy. The Receiver has been engaged in negotiations with Houston Casualty which issued WM's D&O insurance policies. The parties have reached a settlement which, if approved, will recover \$500,000 for the benefit of the estate. The Receiver is in the process of preparing her motion to approve the compromise.

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Conclusion

The Receiver continues to administer the estate and recover funds for the benefit of investors. The Receiver believes that the receivership estate will have to remain open for at least three more years in order to reduce all investments to cash. The Receiver believes that administrative expenses will be reduced proportionately as the work needed to recover funds diminishes. The Receiver intends to make one or more additional distributions to investors, but she cannot estimate when such distributions will be made.

Respectfully submitted,

Date: May 13, 2010

/s/Faye B. Feinstein

Faye B. Feinstein, Receiver

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Sub-Fund and Other Investments Summary¹

<u>Sub-Fund or Investment</u>	<u>WML Fund Investment</u>	<u>Reported Cash Back¹</u>	<u>Assets in Sub-Fund²/Receiver's Actions</u>
Alma, Inc.			
Gryphon	\$4,002,500	\$1,197,531	Investments are 18 Working Interests in oil and gas leases continues to produce monthly income. Total distributions of \$17,431 were received from March through May 11, 2010.
Pantera	\$ 213,750	\$ 60,320	Investments are 3 Working Interests in oil and gas leases. Total distributions of \$2,360 were received from March through May 11, 2010. The Receiver's Team has received a non-binding bid from Alma to repurchase all interests from both Gryphon and Pantera for \$158,112. Notwithstanding this bid and the production study which accompanied it, the Receiver's Team believes that it is in the best interest of Gryphon and Pantera to continue to hold all Working Interests, provided that distributions continue, pending sale at later date. Other buyers are being sought.
The Baetis Fund, LP			
Gryphon	\$31,200,000	\$19,520,107	Baetis is in liquidation. A distribution of \$966,996 was made during March 2010 to Gryphon and \$33,004 to Pantera. Remaining cash in Baetis is approximately \$800,000.
Pantera	\$ 1,000,000	\$ 67,004	
The Brown Investment Fund, LP			
WatchStone	\$15,000,000	\$ 0	The Receiver is defending claims brought by alleged note holders of the Fund. These note holders are claiming that they should be paid ahead of WatchStone and Palisade limited partners. If they do receive preferential payment, the Receiver believes
Palisade	\$ 1,200,000	\$ 0	

1. Figures are as of the date of this Summary.

2. Values shown for WML capital account interests in the sub-funds and other investments are for reporting purposes only. The figures shown are not market values and should not be considered the value at which any sub-fund interest or investment can be sold. No market for the interest or investment may exist, and if a purchaser is located, the purchase price is likely to be substantially less than the values reported in this Summary.

			<p>they will deplete all remaining assets of the Fund to the detriment of WML Fund investors. The Receiver is also investigating whether the WML Funds can recover the proceeds of a significant life insurance policy where the insured has died.</p>
<p>CIP Equity, LLC</p> <p>L3</p>	<p>\$ 100,000</p>	<p>\$ 0</p>	<p>Investment is an interest in Country Springs Hotel and Waterpark.</p> <p>A loan extension for the property was consummated in September 2009, but the lender is currently reviewing the 2009 operating results to determine if a technical default has occurred (based upon failure of the property to achieve the required debt service coverage). The manager reports that business remains challenged. The appraisal obtained in May 2009 is outdated because results from the last 7 months of 2009 would likely result in a lower valuation. Because of the continuing accrual of priority return to another class of interest, the share of any sale proceeds to the Class A members, including L3, would be reduced even further. The manager has advised that it believes the distribution for L3 Unit from a sale transaction at the present time would be between \$25,000 and \$35,000.</p> <p>CIP's manager is hopeful that business recovers during 2010, but gives no assurance that it will.</p> <p>The manager would consider purchasing L3's Unit, but at a price of \$15,000, which is down from an earlier purchase price potential offer of \$25,000. The Receiver's Team continues to believe this offer is too low and has determined it is in the best interest of L3 to hold its investment in CIP.</p>

			No distributions are expected.
Discovery Equity Partners, LP Quetzal	\$1,000,000	\$1,119,998	Quetzal received its final distribution of \$1,119,998 during April, 2010. No further work to perform.
Factory Conversions, LLC L3	\$100,000	\$0	Investment is an interest in factory converted to an office facility. Senior debt of more than \$2,325,203 exists. Given this level of debt, it is unlikely any distributions will be made. Receiver's Team will contact manager to determine possibility of L3 investors receiving direct fractional interests in the property.
GPS Income Fund, LP Quetzal	\$1,000,000	\$525,276	The Fund invests in high-yielding equity securities. A distribution of \$19,701 was made during April, 2010. Counsel for GPS has advised that the fund is in liquidation and that further distributions are dependent upon the success of the liquidation.
Gulf Islands Water Park, LLC Gryphon	\$500,000	\$259,207 \$ 90,000	Payment of \$90,000 was received by Gryphon in full satisfaction of remaining

			debt. No further work to perform.
MHS Capital Partners, LP Quetzal	\$1,000,000 Commitment \$ 60,000 Actual Investment	\$0	<p>The Fund makes investments of equity in private companies.</p> <p>The Receiver's Team has conferred with the manager MHS and has been informed that no distributions will be forthcoming and that there is a limited market for purchasers of the interests.</p> <p>MHS is a venture capital fund, not a hedge-fund. As a result, no procedure exists for redemption, or withdrawal, of contributions made. Quetzal has not made any further contribution to MHS to meet its \$1,000,000 contribution commitment, thus is in default. The manager has advised that Quetzal's interest could be written down to \$0. The manager has been informed that the Freeze Order applies and that the manager should confer with the Receiver before taking any action affecting Quetzal's interest in MHS and the manager agreed to do so.</p> <p>The Receiver's Team will determine if third-party purchasers exist who are willing to bid on Quetzal's interests. The manager indicated it would assist in this effort.</p>
MKA Real Estate Opportunity Fund I, LLC Gryphon Pantera L3	\$13,168,005 \$ 1,100,000 \$ 850,000	\$1,164,894 \$ 0 \$ 385,000	<p>The Fund invests in real estate properties subject to leverage (borrowing).</p> <p>The Receiver's Team had discussions with manager reveal that all properties are</p>

		<p>heavily leveraged and subject to senior debt. MKA Opportunity's assets are valued at approximately \$75,000,000. However, the manager also stated that the assets have recently risen modestly in value and that their value could rise significantly in the future. Senior debt is primarily composed of three creditors owing \$50,000,000, \$26,000,000, and \$5,000,000.</p> <p>The approximately \$75,000,000 of assets in the Fund includes sixteen notes which have value, nine pieces of real estate that are owned and foreclosed upon, and two LLC interests. Thirty-five other investments have been written down to zero. However, the manager is pursuing personal guarantees made on these various properties and investments and expects some limited success in collecting on them. In addition, the manager has informed the Receiver's Team that it continues to wind down the Fund by reaching settlements with borrowers, defending the assets against third-party claims, and developing properties where feasible.</p> <p>Considering the high level of senior debt, and the asset value it is unlikely that any significant distribution will be received.</p>
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<p>MKA Real Estate Qualified Fund I, LLC</p>	<p>\$ 1,075,000 \$ 19,500,000</p>	<p>\$0 \$0</p>	<p>This Fund makes investments in real estate, not involving leverage.</p> <p>Manager has proposed to interest holders a restructuring plan which would result in the exchange of current MKA interests owned by Palisade and WatchStone into shares of a new corporation which would purchase all non-cash assets of the Qualified Fund and seek new capital to make the new corporation more viable. MKA has prepared a report to the Receiver, justifying why it is financially advantageous to Fund investors to allow the exchange of assets for shares. A meeting of the Palisade and WatchStone investors and the Fund's managers was held on March 16, 2010. The Receiver has not yet determined whether she will contest MKA's restructuring plan.</p> <p>As of December 31, 2009, Palisade's capital account was valued by MKA at \$337,238, and Watchstone's was valued at \$6,322,272, both significantly lower than 2008 year-end valuations</p>
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<p>MWP</p> <p>L3</p>	<p>\$510,000</p>	<p>\$0</p>	<p>MWP has an interest in 31 acres of land on the corner of Wisconsin Avenue and McCarthy Road in Appleton, WI.</p> <p>Mortgage on the property exceeds \$2.2 million. The Receiver's Team has learned that M&I Bank, the lender, has initiated foreclosure proceedings. The receiver does not expect any return on this investment.</p>
<p>Matlin Patterson Distressed Opportunity Fund,LP</p> <p>Gryphon Pantera</p>	<p>\$5,500,000 \$ 500,000</p>	<p>\$3,825,343 \$ 323,308</p>	<p>Investments in equities of other companies.</p> <p>As of July 31, 2009, the value of Gryphon's account was valued at \$123,829, and Pantera's account was valued at \$10,777.</p> <p>The Receiver is verifying what, if any, distributions should be expected by Gryphon and Pantera.</p>
<p>Murvin & Meier Oil Company</p> <p>Pantera</p>	<p>\$151,526</p>	<p>\$ 42,549</p>	<p>Pantera owns interests in producing oil and gas wells.</p> <p>An initial offer from Murvin & Meier to repurchase Pantera's interest was for \$46,000. A second offer from the issuer for \$23,500 was received during January, 2010.</p>

			<p>An investor in the Fund offered a non-binding bid of \$38,500 for Pantera's interests in January 2010.</p> <p>Murvin & Meier continues to provide periodic distributions to Pantera in the range of \$5-\$600 per month. Payments for the period March through May 2010 totaled \$2,506.</p> <p>The Receiver's Team believes at this stage the purchase offers are too low and that it is in Pantera's best interest to hold the investment.</p>
<p>Ravinia Funding, LLC</p> <p>Palisade</p> <p>WatchStone</p>	<p>\$2,502,477</p> <p>\$2,002,068</p>	<p>\$1,194,529</p> <p>\$ 997,331</p>	<p>Assets in this Fund are composed of doubtful accounts receivable portfolios primarily of consumer and credit card payment obligations.</p> <p>A redemption request was made by both Palisade and Watchstone.</p> <p>As of December 31, 2009, Palisade's capital account was valued at \$625,172 and Watchstone's at \$521,966.</p> <p>Ravinia continues to liquidate its assets and make distributions as it does so. The Receiver's Team has learned from Ravinia's manager that its portfolio of doubtful accounts will continue to be liquidated and that distributions from Ravinia are expected to continue for several years, but at a diminishing rate, as the assets in Ravinia's portfolio decline. Palisade received distributions totaling \$70,046 for the period March through May 2010, while Watchstone received distributions totaling \$58,483 for that same period.</p> <p>The manager indicates that Ravinia may be subject to new and pending legislation</p>

			<p>which could affect its right to collect on its receivables which, in turn, may reduce the liquidation value of its assets. The manager has ceased taking any management fee.</p> <p>The Receiver expects to continue to receive distributions</p>
<p>Sagecrest II, LLC</p> <p>Gryphon \$1,000,000 Palisade \$1,000,000 WatchStone \$9,000,000</p>	<p>\$0 \$0 \$0</p>	<p>SageCrest II invests in private investments.</p> <p>The Fund is currently in bankruptcy.</p> <p>Receiver's Team is monitoring bankruptcy proceedings to achieve most favorable results for the three WMC Funds. The Receiver's Team is also seeking third-party buyers.</p>	
<p>Silar Special Opportunities, LP</p> <p>Gryphon \$2,000,000</p>	<p>\$0</p>	<p>The Fund invested in interests in loans or pools of loans. Silar reported during August 2009 that the return to date for 2009 was (-)29.75%. It also reported that it is in the process of liquidating its portfolio of investments as soon as possible.</p> <p>The capital account balance of Gryphon is \$387,185, as of January 31, 2010.</p> <p>The Receiver's Team has contacted the manager of Silar, Robert Leeds, and learned from him that, due to certain litigation in Nevada, a large asset was written down to \$0. The investment was more than \$50,000,000 and after a default on it, the Fund was sued by its investors who alleged "conspiracy." The court cases, both brought in Nevada (2:09-BK-32824 - RCJ and 2:07-CV-892-RCJ-GWF) are being reviewed by the Receiver's</p>	

			<p>Team since the manager believes the Court decisions encumber the Funds assets and ability to make distributions. The current value of the Fund is approximately \$3.3 million. The manager mentioned that should any dollars become available for distribution, the distributions will be made to all investors, including Gryphon, on a “pro-rated” basis.</p> <p>The manager also mentioned that in the Summer of 2008, Silar made a distribution in kind to interest holders. Specifically, Silar had foreclosed on a borrower which had purchased a 75-acre truck stop. All investors in the Opportunity Fund, including Gryphon, received a “trust certificate,” evidencing their ownership in a trust called “Milton Petro Property Trust”. A copy of the certificate has been obtained, along with a copy of the Class A Note,” “Class B Trust Certificate,” Trust Agreement, and a July 2008 Remittance Report showing Gryphon has a 3.85% interest in Milton Petro, with a NAV for its Class A interest of \$256,750 and \$193,151 NAV for its Class B interest. The manager indicated that there is a secondary market for both the Opportunity Fund interests and the interest in the truck stop trust interests. The Receiver’s Team is determining what value the Class A and B interests now have on the books of Milton Petro and in the market, and who may have an interest in making a bid.</p>
<p>Sports Venture Partners Real Estate I, LP</p> <p>L3</p>	<p>\$75,000</p>	<p>\$0</p>	<p>This Fund invests in interests in other special opportunity sub-funds.</p> <p>L3 committed to invest \$300,000 when it subscribed.</p>

			<p>Three capital calls have been made, all of which have not been satisfied and will not be paid.</p> <p>The Receiver's Team has contacted SVP's Manager and its counsel to advise that no further contributions will be made by L3. They were also advised that L3's account may not be diminished as a result of not making a contribution. In order for L3 to receive any return on its investment, its total capital commitment will have to be met first from future distributions. Thus, any distribution will not occur for many years, if at all.</p> <p>Third-party buyers are being sought.</p>
<p>Sports Venture Partners II, LP</p> <p>Quetzal</p>	\$300,000	\$ 5,510	<p>This Fund invests in interests in other sub-funds.</p> <p>Quetzal committed to invest \$500,000, but has not made further contributions.</p> <p>The Receiver's Team has contacted SVP's Manager and its counsel to advise that no further contributions will be made. They were also advised that Quetzal's account may not be diminished as a result of not making a contribution. In order for Quetzal to receive any return on its investment, its total capital commitment will have to be met first from future distributions. Thus, any distribution will not occur for at least a few years.</p> <p>Third-party buyers are being sought.</p>
<p>Tellus, LP</p> <p>Quetzal</p>	\$1,000,000	\$961,202	<p>This Fund is composed of portfolios of securities and commodities managed by</p>

			<p>third-party managers.</p> <p>Tellus continues to hold investments which, if sold, will result in additional distributions to Quetzal. Capital account balance for Quetzal, as of December 31, 2009, is \$110,679.</p> <p>Tellus has distributed, as a redemption, approximately 90% of Quetzal's investment. The remaining portion in Tellus (\$139,000) has appreciated due to underlying investments in two sub-funds. The manager of Tellus expects some growth to continue during 2010. The manager believes approximately two-thirds of the \$139,000 will become available for distribution after September 2010, when the investment lock-up period for one of the two funds ends. The remaining one third, held by the second fund, is not expected to be returned soon because the manager of that fund has suspended redemptions.</p> <p>Receiver's Team continues to monitor the value of Quetzal's investment and distributions to Quetzal and is pursuing secondary market buyers.</p>
<p>TouchStone Opportunity III B and IV, LLC</p> <p>Gryphon (III B)</p> <p>Gryphon (IV)</p>	<p>\$2,141,191</p> <p>\$ 350,000</p>	<p>\$578,210</p> <p>\$ 14,000</p>	<p>These two Funds invest in debt obligations of other companies.</p> <p>Gryphon has received capital calls from both III(B) and (IV) and has not made and will not make any future contributions to any Fund. Both investments are illiquid.</p> <p>The Receiver's Team has had recent conversation with counsel of Touchstone. Counsel has advised that it is likely that Gryphon's interest in III B will be treated</p>

			<p>as an ordinary investment by Touchstone notwithstanding the fact that Gryphon still owes a \$30,000 capital contribution. To meet it's capital commitment, counsel also advised that it is likely some distributions may occur in 2010 and, if they do occur, the Fund will first apply the amount to the \$30,000 owed by Gryphon and then distribute the rest directly to Gryphon.</p> <p>Gryphon made a \$350,000 investment in (IV). Its commitment was several million dollars. As a result, IV considers Gryphon to be in default. Upon full liquidation of the Fund, Gryphon would probably receive the amount that it put in, \$350,000, less what it received, \$14,000, to date, less 25% for failing to make its full contribution, less legal and management fees.</p> <p>The Receiver's Team has conferred with Touchstone and its counsel and was informed the interests in the Funds have no market. No distributions are expected. However, counsel has informed the Receiver's Team that the value of Gryphon's interest in (III B) is estimated to be \$1,613,403 as of December 31, 2009. The Receiver's Team will seek third-party purchasers. Counsel to (III B) and (IV) indicated these Funds may have an interest in purchasing back Gryphon's interests and stated he will contact his clients to determine if they wish to bid.</p>
<p>WMS Washington Fund, LLC</p> <p>Gryphon Palisade</p>	<p>\$1,036,638</p> <p>\$1,500,000</p>	<p>\$ 853,493</p> <p>\$1,337,280</p>	<p>The Fund invested in SBA loans.</p> <p>Redemption request was made and proceeds were received.</p> <p>No further distributions will be received.</p>