

Update of July 21, 2009

Because we received several questions regarding the letter Wealth Management clients recently received from Charles Schwab & Co., Inc., I thought it would be helpful to summarize what the letter means.

Schwab has elected to terminate its Services Agreement with Wealth Management and will be providing its custody and brokerage services directly to you. Thus, you will have an account directly with Schwab, as opposed to one that is linked to Wealth Management. One of the differences that will result is that commission transactions will be different and, to the extent that you participated in certain programs described in the Schwab letter, you will have to re-establish those programs directly with Schwab.

One other difference is that, to the extent that you own a WML Fund interest, i.e., in a Gryphon, WatchStone, Pantera, Palisade, L-3, or Quetzal Fund shown on past Schwab reports, on September 18, 2009, these Fund positions will no longer be shown on your Schwab statements as they now are. Currently, the statements name these Fund investments, but also indicate "N/A" next to the price, indicating that a valuation is not available. The fact that the Funds will no longer be listed on Schwab's statements does not mean that they do not exist. Instead, Schwab simply has indicated that it will not name them on their statements going forward. Many custodians, including other brokerage firms that service investment adviser client accounts, often do not allow "alternative investments" such as the Funds to be listed on their statements because they, unlike exchange-listed stocks and bonds, are difficult to value. This does not in any way affect your ownership of a Fund interest or its current value. Nor does it have any tax consequence to you.

The last Schwab account statement you received reflects your Fund interest ownership according to Wealth Management records. The Receiver's Team is continuing to collect and review Fund records to verify ownership information.

I hope this information is helpful. Please address any questions to me at Receiver@Quarles.com.