

## **STATEMENT TO INVESTORS FROM RICHARD ROPER, RECEIVER**

**MAY 1, 2009**

The primary goal of a receivership is to provide the court overseeing the process a conduit through which assets can be held, liquidated, and distributed to the beneficiaries of the receivership; in this case the beneficiaries are, largely, the investors. My team and I are working diligently to meet this goal and to maximize the value of the Receivership Estate. I encourage each of you to carefully review the regularly updated Claim Notification Procedures [available by [clicking here](#)] and complete a Claim Notification Form [available by [clicking here](#)] at your earliest opportunity. As I've indicated in the Claim Notification Procedures statement available on this Web site, it is crucial for you to complete and email or mail to me an actual Claim Notification Form along with any supporting documentation in order for your claim to be processed. Any other form, letter, or questionnaire that you may have responded to or received does not constitute a Claim Notification Form.

Many of you have contacted me by telephone, email, and letter. My team and I review all of the emails and letters received and are fielding all of your phone calls. A log of all contact information and investment information received from each of you is being maintained and shared with the Securities and Exchange Commission and the court as warranted. Given the number of investors and the breadth of information being received, I am not capable of responding to each of you individually; for that reason I encourage you to continue monitoring this Web site for regularly updated information and court filings.

After I was appointed Receiver, I and the team of attorneys representing me closed down Defendants' offices and began the process of seizing documents and assets, including cash and real and personal property, belonging to the Defendants and Relief Defendants. This is a challenging process, made more so by the fact that the documents and materials maintained in Defendants' offices in Napa, California and Raleigh, North Carolina were not well organized.

Since my appointment as Receiver, my team and I have worked diligently to identify and seize cash and non-cash assets obtained by Defendants and Relief Defendants through fraud. Funds in Defendants and Relief Defendants' bank accounts traceable to fraud were frozen under court order and are being transferred to an account maintained by me as Receiver. Additionally, my team and I are in the process of identifying the best method for liquidating items of real and personal property seized from Defendants and Relief Defendants, including homes, vehicles, jewelry, an airplane, a wine collection, and numerous other items of varying value. My team and I are also working with the Securities and Exchange Commission and investigators to search for other assets located inside and outside the United States.

Funds seized or generated from the liquidation of non-cash assets will be deposited into the above-mentioned bank account maintained by me as Receiver. The law requires me to obtain court approval before I may sell the seized assets. Several motions are being prepared, which ask the Court to approve my recommended procedures for selling the above-described assets; I anticipate those motions being filed very soon. Copies of these and any other motions or pleadings filed by myself, the Securities and Exchange Commission, or any other party or non-

party will be posted to this Web site, as will the Court's orders pertaining to all such motions and pleadings.

In addition, my team and I have seized computers and other devices that belonged to Defendants and have engaged the services of a computer forensics and investigations firm that will harvest relevant data from the devices to better aid myself, the court, and the Securities and Exchange Commission in our work.

Furthermore, I am analyzing avenues for pursuing claims against third parties for disgorgement of funds and assets received relating to the sale of Certificates of Deposit by Defendants.

My team and I are also working to reduce ongoing liabilities associated with Defendants' business, including curtailing costs associated with office leases, rental equipment, property maintenance, and the like.

In the course of my work over the last month collecting and reviewing documents and interviewing certain Defendants and Defendants' employees, I have determined that the Defendant companies are not financially viable and thus cannot continue to operate in order to be sold as going concerns.

Although my team and I are making significant progress, the complexity of the task before us will require considerable time to complete. It appears that the aggregate value of assets of the Receivership Estate will likely be only a fraction of the total amount that would be required to pay all outstanding Certificates of Deposit and other obligations. That fact notwithstanding, I continue my efforts to locate, seize, and liquidate assets belonging to the Receivership Estate.

Finally, as you may be aware, a receiver has been appointed with regard to Millennium Bank on the island of St. Vincent. The St. Vincent Receiver is doing substantially similar work as me and my team; I hope to file a joint statement by myself and the St. Vincent Receiver very soon.

Again, thank you for your candor and patience during this process. Please continue to contact me via this Web site should you have questions or concerns not addressed on this Web site, and please also complete and submit your Claim Notification Forms along with any supporting documentation.

Respectfully,

Richard B. Roper, III  
Receiver