

Trustee's Newsletter #19

Monday, 26 October 2009

Dear Victims,

The Bankruptcy Plan was confirmed by the court on October 7, a copy of that Plan is available on this website.

Now that this bridge has been crossed, the next logical question is when the distributions under the plan will be made. Like everything else in this difficult case, I can not give a specific date in that many of the factors outlined in the schedule below are beyond our control.

Having said that, below are the **ABSOLUTELY MOST OPTIMISTIC** dates involved in the distribution process. Any date that is not met will cause the dates following to be moved back accordingly.

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It is with great reluctance that I even publish the information below as it is meant as a guideline only and again offered only as an absolute "BEST CASE" scenario.

October 23,
2009:

Approximate Date for entry of Final Class Action Judgment and Bar Order (the "CABO").

November 23,
2009:

Approximate Deadline to Appeal Class Action CABO (30 Days from Oct 23rd).

Certain major settlements do not become finalized until the Class Action settlements are no longer appealable and therefore until this deadline has passed, major funds which will be included in the distribution are not even available to us.

November 24,
2009:

Approximate Date to Begin Collection of Funds Under many of the Plan Funding Party Agreements.

December 4,
2009:

Approximate Date by Which Most Funds Must be P

aid (5-10 days
from Nov. 24th).

Week of

December 7, 2009: Earliest Date that We Commence Distributions.

I recognize the hardships that all of the victims and creditors have endured and while I would love to make distributions "today" — It legally cannot occur. All I can do is assure you that we will do everything in our power to expedite payments.

Best Regards,

The 1031 Tax Group LLC

Gerard
A. McHale, Jr.

Gerard A. McHale, Jr.

Chapter 11 Bankruptcy Trustee