

December 17, 2007

Re: All Investors of the Alanar, Inc., et al. Group of Entities

The purpose of this letter is to provide a general update as well as financial and tax information related to the Alanar Companies' accounts for the year ending December 31, 2007. Please be aware this letter is preliminary and reflects the current situation at the Alanar Companies.

As you know, earlier this year, the U. S. District Court for the Southern District of Indiana approved a plan for the distribution of the assets of the Receivership estate. The Receiver will soon be petitioning the Court for approval of the proposed claims process that will be utilized to implement the terms of the Court-approved plan. Each investor will be sent a copy of the petition that the Receiver will be filing with the Court, along with a description of the proposed claims process. Once a claims process has been adopted, investors will then be sent a form setting forth our calculation of their Adjusted Net Investor Claim (ANIC). The ANIC form will also contain directions as to what steps investors should take in the event they dispute the calculations.

In the meantime, for the year ending December 31, 2007, the following will take place:

- With the exception of withdrawals from IRA accounts, as discussed below, Form 1099 will not be prepared for any bondholder, as payments of interest and/or principal to bondholders have ceased pursuant to the Order of Permanent Injunction and Other Relief entered into on July 26, 2005.
- The bond fund tax returns, 1065s and related K-1s, to investors will be extended until at least September 2008.
- Form 1099 will be prepared for IRA bondholders withdrawing cash and/or non-Alanar investments held by Guardian Services, LLC (as approved by the Court on June 19, 2006).
- With the exception of investor-directed withdrawals of cash and/or non-Alanar investments held by Guardian Services, LLC, no other distributions from IRA accounts will be authorized, permitted or prepared at this time.

In no way should this letter be relied upon by individual investors as their sole source of information. Investors should seek individual tax advice from their own tax professional and provide them with a copy of this letter. THE RECEIVER AND BGBC PARTNERS, LLP (THE RECEIVER'S ACCOUNTANTS) CANNOT PROVIDE YOU WITH PERSONAL TAX ADVICE.

Sincerely,



BGBC Partners, LLP
Accountants for the Receiver