



BGBC Partners, PC

Certified Public Accountants
and Business Consultants

December 22, 2005

Re: All Investors of Alanar, Inc./Guardian Services, Inc., et al.

The purpose of this letter is to address frequently asked tax questions regarding your Individual Retirement Account ("IRA") invested with Guardian Services, Inc. This letter provides general information and possible tax treatment of those accounts for the year ending December 31, 2005. Please be aware, this letter addresses the general tax treatment and current situation at the Alanar Companies. Therefore, in no way should this letter be relied upon by individual investors as their sole source of information, and investors should seek individual tax advice from their own tax professional. In addition, this letter in no way represents a "tax opinion letter" on this matter and the RECEIVER CANNOT PROVIDE YOU WITH TAX ADVICE.

The following summarizes the recent events and current status of the Alanar Companies:

- On July 26, 2005, the United States Securities and Exchange Commission received from the United States District Court, Southern District of Indiana, Indianapolis Division, an Order of Permanent Injunction and Other Relief with regard to Alanar/Guardian et al.
- Included in that Injunction was an order freezing the assets of many of the related entities until further Order of the Court.
- Forensic analysis of the entities, including their financial records, and analysis of other information obtained to date, indicates there does not appear to be any basis at this time to request any alteration of that Injunctive Order (i.e., provide for partial distribution).
- On December 20, 2005, the Court entered an Order effective immediately converting this action to a Receivership.
- Consequently, it is unlikely there would be any distributions, including any partial distributions, of any funds currently subject to the Order in the near future.

With regard to IRAs, Internal Revenue Service ("IRS") rules and regulations provide for optional distributions after the age of 59½. It should be pointed out that these distributions are optional and there is no penalty for not receiving a distribution. In addition, the IRS provides for "required minimum distributions" of calculated amounts from IRAs to those individuals who are 70½ years of age or older. Many of you may have received such distributions in the past. In addition, failure to make such distributions can result in penalties assessed by the IRS.

With the assets of the Alanar Companies being frozen, this situation (required distributions) presents the companies and the investors with a dilemma regarding their 2005 distributions. Notwithstanding the IRS requirements, it has been determined that the companies will not be in a position to provide for any distributions (as accurate amounts cannot be determined) of any funds by December 31, 2005. As the legal proceedings unfold with regard to the Alanar Companies, individual taxpayers would need to collectively or individually monitor the progress in the case along with IRS positions. In cases such as this, it is common for the IRS to establish filing positions, rulings, and various relief and special instructions to deal with these circumstances.

In conclusion, you can easily see the complexity that potentially confronts each individual investor. It is our hope that this letter provides you with a better understanding of all the tax issues that exist and an appreciation for the need for each investor to consult with their individual tax professional. REMEMBER, NEITHER THE RECEIVER NOR HIS ACCOUNTANTS CAN GIVE TAX ADVICE.



BGBC Partners, PC
Court-appointed Accountants for the
Alanar/Guardian Companies Receiver