



## BGBC Partners, PC

Certified Public Accountants  
and Business Consultants

December 18, 2006

Re: All Investors of the Alanar, Inc./Guardian Services, LLC Group of Entities

The purpose of this letter is to provide general financial and tax information related to the Alanar Companies' accounts for the year ending December 31, 2006. Please be aware this letter is preliminary and reflects the current situation at the Alanar Companies.

As noted in the Receiver's August 1, 2006 letter to Alanar investors, the Receiver is in the process of communicating with prospective paying agents and/or trustees who might provide the paying agent, trustee and other services in connection with the individual bond issues, bond funds and IRAs. At this time, the process is still ongoing due to the various complexities of this case. The Receiver anticipates that a proposed plan regarding the appointment of a successor trustee/paying agent and the restructuring of the bond funds will soon be submitted to the Court. You will be notified by the Receiver of any developments in this matter.

For the year ending December 31, 2006, the following will take place:

- Form 1099 will be prepared only for those individuals receiving distributions of cash and/or non-Alanar investments from their IRA or 401(k) accounts, as approved by the court on June 19, 2006. Form 1099 will not be prepared for any other bondholder, as cash 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 July 2007.
- 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 THE RECEIVER'S ACCOUNTANTS CANNOT PROVIDE YOU WITH PERSONAL TAX ADVICE.**

Sincerely,

  
BGBC Partners, PC