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Dear Alanar Investor:

I am writing to update you regarding the status of investments that you may have in the Bond Funds and/or individual Bonds offered by Alanar, Inc (“Alanar”).

On July 26, 2005, the U.S. Securities and Exchange Commission obtained an Order of Permanent Injunction in federal court in Indianapolis, Indiana against Alanar, the Reeves family that operated Alanar, a group of Bond Funds and several other entities controlled by the Reeves, enjoining them from violating the anti-fraud provisions of the federal securities laws.

The Order of Permanent Injunction also freezes and/or restricts the assets of Alanar, the Reeves and six companies operated by the Reeves pending the resolution of this matter, imposes a moratorium on redemptions from the Bond Funds until the Court approves a plan for the restructuring, liquidation or redemption of the Bond Funds, requires the defendants to give an accounting to the Court and SEC and prohibits the destruction of documents.

In addition, the U.S. District Court also appointed me as the Independent Monitor to oversee various facets of the defendants’ operations during the pendency of the federal court proceedings. On December 20th, the U.S. District Court granted the SEC’s request to convert the monitorship to a receivership. Effective December 20, 2005, Alanar and all of the related entities are therefore under the control of a court-appointed receiver. As the Receiver, I am now in the process of preparing an extensive inventory and appraisal of property, assets and liabilities which I anticipate will be filed with the U.S. District Court in late February

We have received many inquires from investors regarding the status of their investments in the Bond Funds and individual Church Bonds sold by Alanar. Please be assured that we fully understand your frustrations and concerns regarding the status of this matter. Because of the serious allegations of commingling and misapplication of funds, a full and complete forensic accounting and reconciliation of the books pertaining to the individual Church Bond issues and Bond Funds must be completed before we will have a good handle on the financial condition of all of the pertinent entities and the status of individual investments. We have retained the services of an experienced and reputable accounting firm that has begun, in earnest, the process of conducting a comprehensive forensic audit of Alanar and the other related entities. Unfortunately, because of the sheer magnitude of the alleged scheme, this is a very time

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consuming process. It is, nevertheless, the critical first step that must be taken in moving toward a resolution of the issues that led to the entry of the Order of Permanent Injunction and the moratorium on distributions to investors.

Once the forensic accounting of the financial records has been completed, I anticipate that we will be better equipped to address investor concerns and begin the process of working with the SEC to formulate a plan to resolve this matter. In the meantime, we will continue to take all possible steps to best protect the interests of bondholders and Bond Fund investors.

Enclosed with this letter is a copy of the SEC's Litigation Release No. 19314 relating to this proceeding along with important information from the accounting firm that has been retained by the Receiver to assist in this matter. Periodic updates regarding the status of the case will also be posted on my law firm's website at www.silegal.com . We will continue to keep you apprised of significant developments in this matter.

Sincerely,

Bradley W. Skolnik
Receiver