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November 30, 2007

Re: *Securities and Exchange Commission v. Mercer Capital, Inc., et al.*
Case No. 06-81080 CIV-Middlebrooks/Johnson

Dear Investor:

This letter serves to update you on some of the recent events in the Receivership.

We have recently sent letters to certain salespeople at Mercer Capital Management, Inc. ("Mercer Capital") demanding that they return all funds they received during the course of their employment. We informed them that it is the Receiver's position that the commissions and other payments they received were the result of fraudulent transfers and therefore, illegal. Further, we are litigating a claim in Florida state court against a former business partner of Robert Flickinger in which we seek damages for over \$40,000.

We are reviewing possible claims against a variety of third parties involved with the Mercer entities. In an effort to keep costs down, we are considering the retention of a special counsel to handle certain potential, future litigation on a contingency fee basis. We believe such actions would benefit the Receivership because, if retained, the attorney's fees, in whole or in part, will come from a portion of the recovery on any successful claims.

The Court has recently granted our motion to sell computers, the furniture used in the Portland office, and a Harley Davidson motorcycle that was purchased with Mercer entities' funds and recovered from Mr. Flickinger. The recovery of any funds from claims and from the sale of computers, the Portland office furniture and motorcycle will be added to the Receivership funds.

As always, please feel free to contact me should you have any questions.

Very truly yours,



Daniel S. Newman, P.A., Receiver