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March 16, 2007

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

Dear Investor:

The purpose of this letter is to update you on some recent events relating to the Receivership.

First, during the course of our investigation, we discovered that in October 2006, Tri-State Energy Group LLC deposited \$50,000.00 with the Railroad Commission of Texas, Oil & Gas Division. These funds were deposited with the Texas Railroad Commission in the event that Tri-State Energy Group LLC ever operated oil and gas wells in that State. However, Tri-State Energy Group LLC never operated any oil and gas wells in Texas. Since January 2007 we have been attempting to recover these funds and have recently received a check from the Texas Railroad Commission returning the deposit. These funds have now been added to those already recovered for the Receivership.

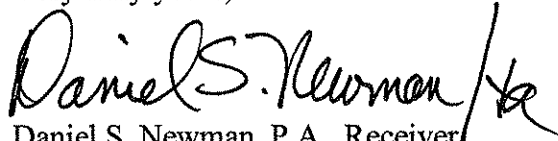
Second, as I advised you in my letter dated February 13, 2007, the accountants that are working with me are gathering and analyzing the financial records of Tri-State Energy Group and the partnerships in order to prepare the partnership's tax returns and the partnership's Schedule K-1's. However, as I previously advised you in my February 13, 2007 letter, the accountants who are working diligently will likely not complete their work prior to April 15, 2007, and thus, it likely will be necessary for individual investors to file for extensions of your income tax returns in order to properly reflect your interest in the partnerships.

Third, I also wanted to advise you that yesterday the Court held a Scheduling Conference in order to determine potential trial dates and determine whether the parties would consent to have the case tried before a United States Magistrate Judge. The advantage to this is that the trial can be set for specific dates and the case will likely reach trial sooner. At the Scheduling Conference, all parties indicated their consent to have this matter proceed before the United States Magistrate Judge Linnea Johnson.

Finally, some of you have told us that a former salesperson in the Portland, Oregon office of Tri-State Energy Group, LLC and Mercer Capital continues to contact some of you seeking to have you invest in other investments. To the extent that you are contacted by any former sales people, I would appreciate any information you are willing to provide on the nature of such contact since November 21, 2006.

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

Very truly yours,


Daniel S. Newman, P.A., Receiver