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May 17, 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 since my last posted correspondence to you.

First, on March 22, 2007, after negotiations with ExxonMobil, we filed an Unopposed Motion to Reject Executory Contract with ExxonMobil for Purchase of Oil Wells, which requested that the Court enter an Order finding that the contract for the purchase of an interest in an oil well could be rejected by the Receiver and, thus, requiring that the funds advanced by Robert Flickinger toward such purchase be returned to the Receivership. The Court granted that Motion on April 3, 2007. As a result, we received a check for the sum of \$253,537.50 and those funds have been placed into the Receivership Estate.

Second, in May of 2006, Robert Flickinger, using Tri-State Energy Group, LLC, funds as a down payment, purchased a 39 foot Cigarette boat for well in excess of \$300,000. Robert Flickinger attained a loan to fund the purchase under Tri-State's name. Since being appointed Receiver, I have engaged in discussions with both the marina at which the boat was stored and the bank that held the mortgage on the boat in an attempt to sell the boat in a fashion that would achieve excess equity for the Receivership Estate. After successful negotiations with all parties, on April 23, 2007, we filed an Unopposed Emergency Motion to sell the Cigarette boat. Under the terms of the sale, the Receivership not only eliminated a large potential creditor (the bank), but also received a small amount of excess equity. By Order dated April 24, 2007, the Court granted that Emergency Motion. As a result of the sale, the Receivership Estate received approximately \$11,000 and also received a Satisfaction of Preferred Ship Mortgage from the bank thereby eliminating any further obligations by Tri-State with regards to the sale of the boat.

Third, we have reached an agreement with the former landlord of Mercer Capital Management, Inc.'s, Boca Raton office. Upon being appointed Receiver, my attorneys and I immediately recognized the fact that maintaining the lease and utilizing the space at the Boca Raton location would be a tremendous burden on the Receivership, as the rent was in excess of \$12,000 a month. Accordingly, on November 30, 2006, upon vacating the premises, we filed an Emergency Motion to Terminate Lease at the Boca Raton office location. Although the Court granted that Motion, the landlord at the Boca Raton location retained the security deposit which was in excess of \$22,000 and asserted claims against the Receivership based on damages that it alleged it incurred as a result of the termination of the lease. After lengthy negotiations, we reached a settlement which is now pending approval before the court.

We are continuing to diligently pursue information concerning the operations of the Receivership Entities and to determine what, if any, claims are appropriate to be brought on behalf of the Receivership Estate. We understand that many of you have incurred significant losses. We appreciate your understanding of the process which we must go through and rest assured that we are expeditiously proceeding forward in order to be in a position to make further recommendations to the Court.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Daniel S. Newman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Daniel S. Newman, P.A., Receiver

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