

May 27, 2009

Re: PCF Loan No. 206167, David and Beata Wilson;
Property: 34921 Calle Del Sol, Dana Point, CA
Investment Status

Dear Investor(s):

Point Center Financial, Inc. ("PCF") is writing you regarding the above referenced loan.

As you are aware, PCF concluded the foreclosure proceedings on the above property a few months ago. Our Asset Management Department has interviewed and selected Bluewater Realty as the listing Broker for the property. The property is currently listed for \$1,500,000.00 with explicit instructions that PCF will review all offers. There have been several phone inquiries as well as showings from interested parties. When and if a written offer is submitted, PCF will notify the investors.

In the interim, PCF has continued forward with a lease to a tenant that the previous Borrower was leasing to. The agreed lease rate for this tenant is \$5,000 a month which is in line with current lease rates in the neighboring area. The lease agreement was structured on a "month to month" basis. The rental income will assist in offsetting expenses such as the foreclosure fees, bankruptcy fees, property taxes, insurance, maintenance, management fees and other expenses that have incurred and that may incur.

On May 1st 2009 the tenant stated to PCF that he was not going to pay rent and in fact placed a Stop Payment on the last rent check he provided to PCF. When we inquired why, he stated that he had discussions with Lloyd Charton and Edward Gomberg. As you may be aware, Lloyd Charton is the leader of a tiny group of investors that filed a frivolous lawsuit against PCF. Edward Gomberg is in that tiny group of disgruntled misled investors. The tenant went on to state that **Lloyd told him to stop paying rent to PCF.** The tenant further represented that Lloyd told him that PCF did not have the right to collect the rents. This in turn caused the tenant to Stop Payment on his last months rent. The tenant had his Attorney contact PCF. His Attorney also represented the same and demanded proof from PCF that we had the legal authority to collect rents. PCF's General Counsel, Alan Bergfeld immediately provided all the necessary documents to the tenants' attorney via email. Unfortunately, despite PCF providing the tenant detailed documentation reaffirming our legal authority on behalf of the investors, they have refused to pay rent. **This is entirely due to the actions of Lloyd Charton and Edward Gomberg.**

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PCF has hired legal counsel who has filed an Unlawful Detainer (eviction "U.D.") action against the tenant to evict him from the building. Instead of receiving monthly rental income that would assist paying incurred expenses and future expenses, you will be paying lawyers' fees and own a vacant building until it is sold. PCF currently has \$54.97 in the loan trust account. Attached is a detailed expense spreadsheet that details the rental income received (\$15,000.00 total), the cash collateral on hand at foreclosure acquisition and the expenses for the foreclosure process, bankruptcy attorney, and property insurance. You will notice that PCF has **not** taken any of these funds for Servicing/Management fees.

We've had several investors contact Lloyd Charton to voice their displeasure with his actions. **These investors have represented to PCF that Lloyd Charton admitted to them verbally that he told the tenant to stop paying rent to PCF.** After hearing their displeasure, Lloyd Charton represented to them that he will not "meddle" any longer. Unfortunately, his continued actions do not represent what he has told those investors.

We will provide you with updates on the U.D. action and the marketing as we receive them.

We thank you for your continued confidence and support.

Our best regards,

Your Loan Servicing Team
Point Center Financial, Inc.

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