

January 22, 2007

Dear Schneider Investor:

I hope this letter finds you well and enjoying the New Year. The purpose of this letter is to update you on the status of the receivership. To date, the liquidation of all of the Schneiders' personal and corporate assets has been completed. The Cornerstone Development site has been approved for sale at \$7.9 million dollars and I expect a closing by mid February 2007. As you know, the Cornerstone Development had previously been in contract with the same buyer for \$10 million dollars in August 2006. At that time, the buyer, McGill Property Group, LLC, ("McGill") breached its purchase agreement with the court by failing to close. In October 2006, the court found McGill in contempt of its earlier order directing it to close on Cornerstone for \$10 million dollars. Thereafter, McGill was determined to be the high bidder at a public auction for Cornerstone for \$7.9 million dollars in November 2006. Following the closing of Cornerstone in February, the receiver will motion the court for damages against McGill on the court's earlier contempt order.

In addition, currently pending before the court are motions for approval of the receivership's plan of distribution as well as a summary judgment motion relating to the receivership's litigation seeking to remove or invalidate mortgages granted to certain investors by the Schneiders. After those motions are resolved, the receivership will be in a position to determine how the remaining liquidation proceeds are to be distributed among the creditors of the receivership. While it is difficult to set specific time lines for determining when distributions can be made, and to whom they can be made to, I anticipate that process will begin during the first half of 2007. Investors should understand that certain secured creditors may take priority over the proceeds from the sale of specific receivership assets.

The receivership also continues to be involved in litigation against the Schneiders' former law firm, Roetzel & Andress, as well as with First Merit Bank. The Roetzel & Andress litigation is pending in Ohio Common Pleas Court in Cuyahoga County and is currently scheduled for trial in April of this year. Discovery in that matter has been ongoing and may be completed during the first quarter of 2007. As in any litigation, success cannot be guaranteed and delays in resolution are not uncommon.

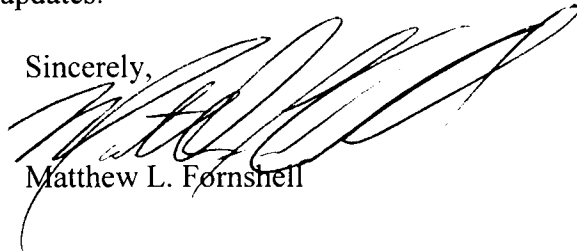
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The First Merit litigation was initiated in Ohio Common Pleas Court in Cuyahoga County, but was subsequently removed by First Merit Bank to federal court. After a considerable delay, the federal court granted our motion to have that case remanded or sent back to state court. The receivership has now asked that the judge assigned to the main receivership case assume responsibility for the litigation against First Merit Bank. That motion for consolidation is currently pending. Investors should expect that the First Merit litigation will likely be ongoing at least through 2007.

I understand that this process is a long and frustrating one for most, if not all of the Schneider investors and I appreciate your continued patience as we continue to pursue every potential asset for the benefit of receivership creditors. If possible, I recommend that you continue to watch our website for periodic updates.

Sincerely,



Matthew L. Fornshell

MLF:bs



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