

To: Investor Advisory Committee, SEC and Receivership Team

From: Ronald F. Greenspan, Receiver

RE: Update on Aequitas Receivership response to COVID-19 crisis

All -

We continue to closely follow updates regarding the state of current events surrounding COVID-19 and evaluate any potential impact it could have on the Receivership. This particularly includes the necessary operations leading toward distribution of the Receivership estate and, most importantly, the many individuals associated with the Receivership - our investors/creditors as well as the Receivership team made up of the remaining Receivership employees, the Receiver and his professional advisors. In an effort to mitigate the virus risk to the Receivership team, all employees and FTI staff have been requested to work remotely, if possible, until further notice. We anticipate being able to answer the main phone number and respond to emails. We also anticipate completing all tax filings on the same schedule as last year. And, with the establishment of the Qualified Settlement Fund in December 2019, we can commence preparing final tax returns and closing out most of the Aequitas legal entities.

With respect to making a significant interim distribution to investors, we are doing everything in our power to prevent the COVID-19 situation from adversely affecting our plans. On March 13, 2020, the U.S. District Court for the State of Oregon issued Standing Order 2020-4 which CONTINUED (postponed) all civil and criminal matters scheduled for an in-Court appearance before April 26, 2020 to a later as-yet-unspecified date, unless all parties and the Presiding Judge agree to resolve the matters without oral argument, or via telephone or video teleconferencing where practical. This Order directly affected the hearing of the pending Receiver's Motion to Approve the Receiver's Distribution Plan and Determination of a Ponzi Scheme (Dkt. No. 787). Our professionals (with the support of the SEC Counsel) requested Judge Russo change this hearing to a telephonic hearing so as not to delay our progress. On March 16, the Court so ordered; barring further unforeseen events, we should be able to have our hearing on the Distribution Plan by the end of this month. There is no objection to the Receiver's Distribution Plan.

In the meantime, we continue to make headway on gathering the necessary information in preparation for an interim distribution in the second or third quarter (assuming the Distribution Plan is approved on March 31). Unfortunately, but understandably, the mediation of the claims relating to the Aequitas insurance policies, originally scheduled on Friday, March 20, must be rescheduled. Presently, the mediation service and involved counsel are working to identify alternative dates in late April. Lastly, in these days of financial turmoil, we have reached an agreement with Union Bank to further protect the funds in the Receivership's bank accounts by the bank procuring a surety bond from a major insurance company.

If you have any questions or comments, please do not hesitate to reach out to the Receiver's team via receivership@aequitascapital.com.