

RONALD GREENSPAN
COURT-APPOINTED INTERIM RECEIVER OVER
AEQUITAS MANAGEMENT, LLC, AEQUITAS HOLDINGS, LLC, AEQUITAS
CAPITAL MANAGEMENT, INC., AEQUITAS INVESTMENT MANAGEMENT, LLC
AND CERTAIN RELATED ENTITIES (the “Receivership Entity”)

March 25, 2016

Re: *Securities and Exchange Commission v. Aequitas Management, LLC, et al.*
United States District Court for the District of Oregon
Case No. 3:16-cv-00438-PK

To: Investors/Creditors/holders of Assets of the Receivership Entity

On March 10, 2016, the Securities and Exchange Commission (“SEC”) filed a Complaint in the United States District Court for the District of Oregon alleging that Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, Inc., Aequitas Capital Management, Inc., Aequitas Investment Management, LLC (collectively, the “Entity Defendants”) and Robert J. Jesenik, Brian A. Oliver, and N. Scott Gillis had violated the antifraud provisions of federal securities law in connection with the offer and sale of securities issued by Aequitas Commercial Finance, LLC, and the Aequitas funds.

On March 15, 2016, pursuant to a stipulation between the SEC and Entity Defendants, the Court entered an order preliminarily enjoining the Entity Defendants from specific conduct, including (a) further violations of federal securities laws involving the offer, purchase, or sale of any securities, (b) issuing, offering, or selling any securities, and (c) soliciting others to purchase or sell any securities.

On March 16, 2016, pursuant to a stipulation between the SEC and Entity Defendants, the Court entered an interim order appointing me as the Receiver over the Entity Defendants and their subsidiaries and majority-owned affiliates, as set forth specifically on Exhibit A attached to the Court’s interim order (collectively, the “Receivership Entity”), a copy of which is also attached to this notice. My mandate is to fairly and effectively marshal and preserve assets of the Receivership Entity for the benefit of investors and creditors, monetize such assets, investigate and prosecute claims which are held by the Receivership Entity, and ensure an orderly distribution of the assets at an appropriate time after review and approval of a Distribution Plan by the Court.

Under the Court’s interim order, I have been directed to, among other tasks, take control, custody and possession of the Receivership Entity’s assets. I am authorized to operate the Receivership Entity and perform all acts necessary and appropriate for the preservation of its assets, and on terms and in the manner I deem most beneficial to the Receivership Entity, except where the interim order specifically limits my powers. All pre-receivership officers, directors and general partners of any entity which now constitutes the Receivership Entity have no further power or authority. Additionally, all persons and entities owing any obligation, debt, or



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distribution to any company within the Receivership Entity must continue to pay such obligations according to their terms. I have invited some of the larger Investors and Registered Investment Advisors to participate on an Investor Advisory Committee. The members were drawn from a cross-section of the Aequitas investment entities in order to obtain a diversity of positions and perspectives. The purpose of the Investor Advisory Committee is to provide me additional insights and feedback from the various members' perspectives so that when performing my duties as Receiver the views of all Investors can be considered. I also intend to constitute a creditors' committee if any significant creditors desire to so participate.

The Court has also enjoined, without prior approval from the Court, all persons or entities other than the Receiver from the following:

- transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating or otherwise disposing of or withdrawing any assets of the Receivership Entity;
- using self-help or executing or issuing or causing the execution or issuance of any court attachment, subpoena, replevin, execution, or other process for the purpose of impounding or taking possession of or interfering with or creating or enforcing a lien upon any assets of the Receivership Entity;
- releasing claims or disposing, transferring, exchanging, assigning or in any way conveying any assets of the Receivership Entity;
- enforcing judgments, assessments or claims against any assets of the Receivership Entity;
- attempting to modify, cancel, terminate, call, extinguish, revoke, foreclose upon, enforce default provisions or accelerate (the due date) of any lease, loan, mortgage, indebtedness, security agreement or other agreement executed by any company within the Receivership Entity or which otherwise affects any assets of the Receivership Entity.

Further, the interim order has stayed all litigation against the Receivership Entity, among others, and also prohibits any person or entity other than the Receiver from placing into bankruptcy any of the companies within the Receivership Entity.

The Court requires any person or entity in possession, custody or control of any assets of the Receivership Entity to, among other obligations, (i) file with the Court a sworn statement setting forth a description of the assets or account balances as of the close of business on the date of receipt of this notice, and (ii) cooperate expeditiously in providing information and transferring funds, assets and accounts to the Receiver or at the direction of the Receiver. Statements complying with the preceding sentence must be filed with the Court within five business days of receiving this notice, and a copy must also be provided to me.

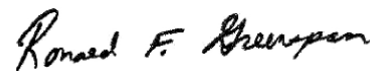
To assist me in my role as Receiver, I am authorized to retain the financial advisory services of FTI Consulting, Inc. (which is also my employer), and the law firms of Pepper Hamilton LLP, Pachulski Stang Ziehl & Jones LLP, and Schwabe, Williamson & Wyatt, as well as a noticing agent. Application can be made to the Court for the retention of additional professionals as necessary.

I have also set up a website located at www.kccllc.net/aequitasreceivership to provide information about the case and the Receivership. The website will be updated throughout the case and we urge you to check it frequently for current information. We are in the process of identifying and locating all of the assets of the Receivership Entity. If you have information that you think would be helpful to us, please contact us via the website. We will also be establishing a claims process for use by all of the Creditors and Investors of the Receivership Entity.

A copy of the interim order for complete details of the Receivership is available on the website. A hearing is scheduled for Tuesday, March 29th for the Court to consider an entry of a final order to appoint me as Permanent Receiver. Assuming it is so ordered, we will post to the Permanent Receiver Order to the website as well as a redline indicating differences from the Interim Order.

At this stage in the process, it is premature to recommend any action or resolution to the Court. My first report is due on July 30th and subsequent reports will be filed quarterly thereafter (and posted to the website). I appreciate your cooperation and patience during the early stages of the receivership proceedings as we deal with a myriad of administrative matters. My team is working diligently to secure assets and recover as much value as possible. A receiver acts as an agent of the court and cannot provide legal advice to you. I encourage you to monitor the receivership website and Court docket. The website will include a mechanism for you to ask questions and those considered of general applicability will be posted to a Frequently Asked Questions page.

Sincerely,



Ronald F. Greenspan

Interim Receiver Over the Receivership
Entity

www.kccllc.net/aequitasreceivership