

PRINCE • YEATES

SOUND THINKING. SOUND SOLUTIONS.

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F. S. PRINCE (1910-1991)
DAVID S. GELDZAHLER (1932-1994)

ROBERT M. YEATES (RETIRED)

¹ ALSO ADMITTED IN CALIFORNIA
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⁵ ALSO ADMITTED IN TEXAS

VESCOR RECEIVERSHIP UPDATE

January 20, 2012

Dear VesCor Investors:

As you know, I was appointed receiver for VesCor Capital Corporation and its affiliates on May 5, 2008. Since that time, my colleagues and I have gathered the records of VesCor, managed the assets of the estate, and filed 44 lawsuits to recover money that was fraudulently transferred by Mr. Southwick and VesCor.

When I took over as receiver, there was approximately \$3,000 in the VesCor bank accounts. Mr. Southwick had dissipated most of the money he received from VesCor before I was appointed. Because VesCor was operated as a Ponzi scheme, the majority of the money received from investors was repaid to other investors. These payments of interest were fictitious, and propped up the VesCor scheme to create the appearance of legitimacy.

We have settled the majority of the lawsuits that have been filed, and have recovered a total of \$9,326,131.39, including \$9,226,571.50 through litigation. The receivership has disbursed a total of \$5,425,607.46, consisting primarily of attorney and accountant fees, property taxes, appraisal fees and costs associated with management of the estate's properties and records. There are settlement payments coming in each month, and we have recently settled another large case. Several lawsuits remain active, and we are confident our litigation recoveries will continue to increase the value of the estate.

The lawsuits have also resulted in a decrease in the pool of claims against the estate. For instance, one settlement with a large investor group resulted in the waiver of a \$25 million claim against the estate, another waived approximately \$4.2 million, and yet another waived approximately \$5 million. These waivers reduce the total amount of net claims, which total approximately \$73 million.

In addition to the lawsuits, the receivership owns several parcels of real estate in Henderson, Nevada and at the Apex Industrial Park. The Receiver is negotiating the sale of the land in Henderson and hopes to have that sale completed early in 2012. Through litigation, parties who have previously objected to the sale of the receivership's real property, and claimed a priority to any payments, have waived their claims and rights against the properties, including the release of lis pendens filed against the property at the Apex Industrial Park. These releases clear the way for the estate to sell the property free and clear of their liens and claims to priority payments.

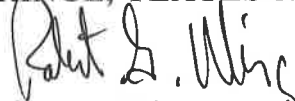
The receivership has made large strides toward its conclusion. As the receivership gets closer to winding down, you will receive correspondence from the Receiver or the Securities and Exchange Commission relating to your claim.

It is still too early to predict how much money will be distributed, or what percentage of your claim you might receive. The assets recovered by the Receiver will be distributed by the Securities and Exchange Commission according to their plan of distribution. The plan will be posted the receivership's website after it is approved by the court.

If you have questions in the interim, please feel free to contact either Sally McMinimee or Jared Parrish at 801-524-1000.

Sincerely,

PRINCE, YEATES & GELDZAHLER


Robert G. Wing, Receiver