

June 12, 2008

Dear Vescor investors,

Val Southwick was sentenced today to nine consecutive terms of 1 – 15 years to be served in the Utah State penitentiary system. Judge Robin Reese also imposed a restitution order, requiring Mr. Southwick to repay all investors (although in my experience, it is unlikely that Mr. Southwick will be able to make meaningful restitution). Judge Reese made a point of saying this was the maximum sentence allowed by law and that he was following the recommendation of the pre-sentence report. He also stated that the actual time Mr. Southwick will serve will be determined by the Board of Pardons.

I attended the sentencing at the request of the office of the Utah Attorney General to advise the Court about Mr. Southwick's degree of cooperation in marshaling the assets. Unfortunately, I felt compelled to say that Mr. Southwick has not been fully cooperative.

Mr. Southwick requested one month to help his family prepare for his incarceration. Judge Reese, recognizing that a prison term often affects the family of the criminal as well as the criminal himself, denied that request.

As required by Utah's Constitution, Judge Reese allowed victims to speak. Fourteen investors addressed the Court. Almost all of them asked Judge Reese to impose a lengthy prison term. Those who spoke represented the victims well. Hearing these victims speak brought home to me again the devastating effect many of you have suffered as a result of this securities fraud.

One of the victims made reference to a statement by Mr. Southwick. Apparently, Mr. Southwick told the investor that he could repay at least some of the investor's loss out of proceeds that he had kept from the receiver. If Mr. Southwick made this statement to any of you, I would appreciate hearing from you. If any of you have knowledge of any assets of Vescor that you believe are not widely known, please contact me. You may reach me at (801) 524-1000.

Robert G. Wing