

ROBB EVANS & ASSOCIATES LLC
Temporary Receiver of
Lake Shore Asset Management, Ltd., et al.
11450 Sheldon Street
Sun Valley, California 91352-1121

NOTICE TO INVESTORS

RE:

**HEARING ON CONFIRMATION OF THE JOINT PLAN OF
LIQUIDATION FILED BY THE SENTINEL TRUSTEE AND THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

August 15, 2008

The hearing on the confirmation of the Sentinel Joint Plan of Liquidation commenced on August 12, 2008 and concluded on August 13, 2008, in Chicago, Illinois. The principal Objections to the proposed plan were filed by the Bank of New York and by certain creditors whose funds were invested in SEG 1 accounts. The Receiver was represented at the hearing by its bankruptcy counsel Ira Bodenstein. The Receiver had previously voted in favor of acceptance of the Plan and supported the Trustee at the Confirmation hearing. The Balloting Report filed on August 8, 2008, reflected the following votes:

Class III Creditors: 94 accepted; 19 rejected; Class IV Creditors: 65 accepted and 18 rejected; Class II Creditors: 1 accepted and 2 rejected.

A copy of the Balloting Report is below.

At the conclusion of the hearing, the Honorable John H. Squires set the following timetable:

All Proposed Findings of Fact and Conclusions of Law and any Written Closing Arguments are to be filed no later than August 29, 2008.

The Hearing on Confirmation is adjourned and the matter will be taken under advisement. A written ruling will be made sometime thereafter, and the Court indicated that in normal cases, written rulings are usually made within 30 to 60 days. Judge Squires did not specify whether the complexity of this case would require additional time for a written ruling.

The Trustee will file an Amended Plan, which will reflect modifications to the Plan agreed to in discussions with the Bank of New York and certain of the SEG 1 customers concerning the amounts to be held in reserve, and other agreed-upon modifications. This Plan, as amended, should be filed prior to August 29, 2008.

IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ILLINOIS

CASE NAME SENTINEL MANAGEMENT GROUP, INC. CASE NUMBER 07-14987 CONFIRMATION HEARING DATE August 12, 2008

SECTION 1126 BALLOT FORM

	# BALLOTS CAST	# ACCEPTING	# REJECTING	\$ ACCEPTING	\$ REJECTING	CLASS ACCEPTING	CLASS REJECTS
CLASS II Secured	3	1	2	\$27,174	\$312,808,718		X
CLASS III Customer	113	94	19	\$796,216,262	\$124,190,525	X	
CLASS IV GUC	83	65	18	\$526,596,216	\$118,071,882	X	

	YES		NO	
PLAN ACCEPTED	X			

Please note the following provisions of Title 11, Section 1126 of the United States Code

- (c) A class of claims has accepted a plan if such plan has been accepted by creditors other than any entity designated under subsection (e) of this section, that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors, other than any entity designated under subsection (e) of this section, that have accepted or rejected such plan.
- (d) A class of interests has accepted a plan if such plan has been accepted by holders of such interest, other than any entity designated under subsection (e) of this section, that hold at least two-thirds in amount of the allowed interests of such class held by holders of such interests, other than any entity designated under subsection (e) of this section, that have accepted or rejected such plan.
- (e) On request of a party in interest, and after notice and a hearing, the court may designate any entity whose acceptance or rejection of such plan was not in good faith, or was not solicited or procured in good faith or in accordance with the provisions of this title.