

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:
ORDER CONFIRMING TRUSTEE'S PLAN OF LIQUIDATION

December 18, 2008

On December 15, 2008, the Honorable John H. Squires, United States Bankruptcy Judge, entered an order approving the Trustee's Fourth Amended Plan of Liquidation. The Fourth Amended Plan reflected various agreements and findings of the Court as to reserves for disputed claims, calculation of interest, and holdbacks for fees and expenses. A copy of this Order is posted on the Receiver's website at www.robbevans.com/pdf/lakeshoresentinelord01.pdf. A copy of the Approved Plan of Liquidation is located at www.sentinelcommittee.com/pdfs/1254.pdf.

Under the confirmed plan, Frederick J. Grede, the Sentinel Bankruptcy Trustee, was appointed as the Liquidation Trustee and authorized to make distributions to the holders of all Allowed Class 3 Customer Claims. The Receiver's claims on behalf of Lake Shore are Class 3 Customer Claims. The Fourth Amended Plan provides for a pro rata distribution to all Sentinel customers. However, to achieve parity for the customers whose funds were invested in SEG-3 accounts, like the Receiver's, who did not receive a portion of the Citadel sales distributions made to the customers whose funds were invested in SEG-1 accounts on August 17, 2007 and August 21, 2007, the Trustee's plan provides that no distributions will be made on the SEG-1 claims until the SEG-3 claims "catch up." The Receiver believes that the Liquidation Trustee will be making an initial distribution in the approximate amount of 25% of the Receiver's claims after a holdback for potential preference claims in the near future. This will result in an initial distribution to the Receiver of approximately \$30 million USD. As set out in a Settlement Agreement with the Bank of New York filed November 20, 2008, the Trustee is required to hold back the sum of \$380 million as adequate protection for the secured claim of the Bank of New York. Those funds will not be distributed until the Bank of New York litigation is resolved and the Bank of New York's claim has been adjudicated.

The Receiver is preparing a Motion for Approval of a Claims Verification Procedure, which will be submitted to the United States District Court for the Northern District of Illinois in the near future. This will seek approval of a Procedure for verifying and approving all investor claims for the Lake Shore investors. You will be notified of the Motion. If the Order is approved by the Court, the Receiver will then notify you of the Claims Verification Procedure.

Once the Claims Verification Procedure is Complete, the Receiver will file a Notice of Initial Distribution and seek Court Approval to distribute the available funds to the Lake Shore investors.