

**JAMES C. SELL, TRUSTEE**  
**MATHON FUND LIQUIDATING TRUST**  
1850 N. 95<sup>TH</sup> AVE., SUITE #182, PHOENIX, ARIZONA 85037  
PHONE 623-478-8889 FAX 623-478-8893

March 31, 2010

**Dear Investors:**

On December 10, 2009 the Office of the US Attorney unsealed a 40-count indictment charging five defendants in a \$160 million Ponzi scheme. The indictment charges Duane Slade, Guy Williams, Brent Williams and Douglas Towler with conspiracy to commit mail and wire fraud, mail fraud, wire fraud and transactional money laundering. The indictment also charges Russell Sewell with conspiracy to commit mail and wire fraud. There is a link on the Mathon Conservatorship website that indicates the hearing dates as they are scheduled if you wish to attend.

As many of you are aware, this case is currently proceeding through the courts and we have made considerable strides. To date we have returned **35.6%** of your initial investment. Ponzi cases, in general, yield minimal returns, if recovery is possible at all.

<b>Net Winner Amount Still Owed</b>	<b>\$8,034,517</b>
<b>Net Winner Settlement Collected</b>	<b>\$360,942</b>
<b>Salesman/Insider Amount Forfeited</b>	<b>\$1,786,000</b>
<b>Salesman/Insider Amount Still Owed</b>	<b>\$6,842,000</b>
<b>Salesman/Insider Settlement Collected</b>	<b>\$528,000</b>
<b>Status:</b> <i>Any settlement or negotiated settlement is approved through The Participating Trust's Board of Trustees. Each claim is settled on a case by case basis. Details of any settlement cannot be released due to confidentiality issues. Detailed information could jeopardize any pending and/or future settlements. Some figures and amounts may be subject to change based on settlement status and are approximate.</i>	

**3<sup>rd</sup> Party Status:** Sherman & Howard, continue to work to pursue these claims against the 3<sup>rd</sup> parties that we believe are liable for their role in the Mathon scheme. The Defense has begun to contact some of you to schedule a deposition regarding the 3<sup>rd</sup> parties.

**Assets:** A proposed development agreement has been approved by the Trustees for the Waterford, CT 328 acres. The Parties desire to develop the Property as a mixed-use master planned community, including residential and industrial use, without encumbering the Property with any liens. The Trust will have no obligation to contribute or expend any funds in connection with the development of the Property.

4Energy (Coal Mine) Plan of Liquidation was approved in Bankruptcy court. Mathon is the largest percentage claimant at 48.78%. Jim Sell and the other Trustees continue to work with the Bankruptcy Trustee to salvage any potential coal leases that may prove profitable to the investors of Mathon.

Should you have any questions, please call Nancy Stryker @ 480-403-1496. The efforts mentioned above have been and continue to be worth pursuing to obtain the maximum return for the investor.

We will continue to keep you updated on significant developments, as they occur.