

**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 5, 2009

**Dear Investors:**

First of all, we appreciate the cooperation we've received from all of the investors. We understand the frustration you feel at the length and duration of a final resolution. The length of time to recover the magnitude of money coupled with the number of investors is, unfortunately, *not unusual*.

<b>Net Winner Amount Still Owed</b>	<b>\$8,852,000</b>
<b>Net Winner Settlement Collected</b>	<b>\$240,000</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> Attorneys, on behalf of the Trustee, are pursuing these claims. 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.	

**3<sup>rd</sup> Party Status:** Attorneys, on behalf of the Trustee, filed their original complaint in March, 2007. They continue to work to provide a solid basis from which to pursue these claims against the 3<sup>rd</sup> parties that are perceived as liable due to their participation with Mathon and its' related entities. The interviews have been an integral part of the complaint.

**Assets:** The Connecticut property continues to be up for sale. There have been a few potential buyers for the Connecticut property. At one time, a buyer forfeited his earnest money. That money was returned to The Participating Trust. Currently, there are discussions, but there are no offers. The prospective buyer mentioned previously did not go through as anticipated.

4Energy (Coal Mine) continues to progress through Bankruptcy. Jim Sell and the other Trustees are working with the Bankruptcy Trustee to salvage any potential coal leases that may prove profitable to the investors of Mathon.

**Duane Slade/Guy Williams Settlement:** Mr. Slade and Mr. Williams continue to be under constant review. Provided they have disclosed all their assets, they are under no continuing obligation to the investors of Mathon. The Arizona Corporation Commission

settled Mr. Slade's and Mr. William's obligations to Mathon with a collective penalty of \$750,000 and disclosure and release of agreed upon assets including but not limited to World Sports Fans, the New Mexico property and the Mathon Office.

Should you have any questions, please call either Nancy Stryker @ 480-403-1496 or Heather Witt @ 480-703-6376. 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.