

September 15, 2008

Dear Investors:

First of all, we appreciate the cooperation we've received from all of the investors who have scheduled time to interview. It is extremely helpful to document and gather details of your transaction in order to pursue our 3rd party claims against the Accounting Firm and the Law Firms. We understand the frustration you feel at the length and duration of a final resolution and can only express to you that your cooperation is imperative in aiding our efforts to recover the maximum possible. As I've said before, the length of time to recover the magnitude of money coupled with the number of investors is, unfortunately, not unusual.

Recently, Curt Waisath submitted a letter asking for detailed information regarding Net Winners and Salesmen/Insiders and any pending or existing settlements. In an attempt to address the issues, however, I can only disclose to you approximate total figures:

Net Winner Amount Still Owed \$9,500,000
Net Winner Settlement Collected \$205,000
Salesman/Insider Amount Still Owed \$7,000,000
Salesman/Insider Settlement Collected \$268,000
Salesman/Insider Amount Forfeited
and contributed back towards Net Investment \$851,000

Status: Meyer Hendricks and Jaburg & Wilk, 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. Such information could jeopardize any pending and/or future settlements.

3rd Party Status: Meyer Hendricks, on behalf of the Trustee, filed their original complaint in March, 2007. Meyer Hendricks continues to diligently work to provide a solid basis from which to pursue these claims against the 3rd parties that are perceived as liable due to their participation with Mathon and its' related entities. The interviews are an integral part of the complaint and your cooperation is necessary.

Assets: The Connecticut property is currently 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, Connecticut is in escrow. The prospective buyer is in the due diligence phase and has completed a Phase II Environmental Study on the property. However, the Trustee is not optimistic that the sale will close.

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

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Duane Slade/Guy Williams Settlement: Mr. Slade and Mr. Williams continue to be under review. During 2008 we have collected over \$1m in assets on their behalf. Provided they have disclosed all their assets, they are under no continuing financial 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 myself, Heather Witt @ 480-703-6376. We are happy to answer any questions that you might have. To date, we have conducted over 100 interviews. It is still Mr. Sell's opinion, and that of the other three Trustees, that these efforts are worth pursuing to obtain the maximum return for you, the investor.