

**JAMES C. SELL, TRUSTEE**  
**MATHON FUND LIQUIDATING TRUST**  
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PHONE 623-478-8889 FAX 623-478-8893

September 18, 2009

**Dear Investors:**

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>\$8,787,700</b>
<b>Net Winner Settlement Collected</b>	<b>\$280,700</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, our new attorneys, are continuing 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 interviews have been an integral part of the complaint and some of you may be called as witnesses.

**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. The prospective buyer mentioned previously did not go through as anticipated. The property appears to be generating some interest lately. Mr. Sell has had meetings with 2 potential purchasers and negotiations on purchase, terms & price are ongoing. We anticipate that when the property sells, there will be another substantial distribution.

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. *(No change)*

**Duane Slade/Guy Williams Settlement:** Mr. Slade and Mr. Williams continue to be monitored. The Settlement Agreement provides that as long as 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.