

James C. Sell, Conservator
Mathon Management, LLC
2222 E. Camelback Road, Suite 110
Phoenix, Arizona 85016-3426
(602) 265-3519
FAX (602) 265-3622
Web Site: www.forensic-cpa.com
eMail: info@forensic-cpa.com

August 10, 2006

Re: Mathon Bankruptcy Cases
Nos. B-05-27993-PHX-GBN
B-05-27994-PHX-SSC
B-05-27995-PHX-JMM
(jointly administered)

Dear Investor:

The Official Committee of Unsecured Creditors and the Debtors in the Mathon bankruptcy cases have recently filed a proposed plan of reorganization and a proposed disclosure statement relating to the plan. The hearing to consider approval of the disclosure statement is scheduled for August 28, 2006 at 11:00 a.m. Once the disclosure statement has been approved, it and the plan will be mailed out for you and other creditors to vote on.

The deadline for parties to file a proof of claim is also set for August 28, 2006 at 11:00 a.m. The proposed plan provides that investors will be allowed a claim in their Net Investment Amount (that is, the dollar amount of the investment, reduced by the dollar amount of anything the investor received on account of that investment).

The Committee and the Debtors (acting through the Receiver for the Mathon entities, Jim Sell) have attempted to calculate each investor's Net Investment Amount. Your Net Investment Amount has been calculated to equal \$_____. If you disagree with this calculation of your Net Investment Amount, please contact Tim Abraham or Nancy Stryker at (602) 265-3519 to discuss the calculation.

If you agree with the Net Investment Amount calculation, we recommend that you file a proof of claim in the Net Investment Amount. For your convenience, we are enclosing a claim

form for your use. If you do not file a proof of claim by the claim deadline, Mr. Sell is authorized by the Bankruptcy Code to file a proof of claim on your behalf.

Of course, if you have any questions in connection with this matter, please do not hesitate to contact either Jim Sell or me. Thank you for your patience as we work our way through the confirmation process.

Sincerely,

A handwritten signature in cursive script that reads "James C. Sell, Conservator". The signature is written in black ink and is positioned to the right of the typed name.

James C. Sell, Conservator

JCS:ja

Enclosure

U.S. BANKRUPTCY COURT DISTRICT OF ARIZONA		PROOF OF CLAIM	
Debtor: Joint Debtor:		Case Number:	Chapter:
Name of Creditor:			
Address where NOTICES should be sent: [Correct address here if needed]		Address where PAYMENTS should be sent [if different]	
Telephone Number:			
<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach statement giving particulars. <input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.			
Last four digits of account or other number by which creditor identifies debtor:		Check here if this claim <input type="checkbox"/> replaces or <input type="checkbox"/> amends a previously filed claim, dated:	
1. Basis for Claim <input type="checkbox"/> Goods sold <input type="checkbox"/> Money loaned <input type="checkbox"/> Other	<input type="checkbox"/> Services performed <input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Taxes <input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. § 1114(a)	<input type="checkbox"/> Wages, salaries, and compensation (fill out below) Last 4 digits of SS #: _____ Unpaid compensation for services performed from _____ (date) to _____ (date)	
2. Date debt was incurred:		3. If court judgment, date obtained:	
4. Classification of Claim: Check the appropriate box or boxes that best describe your claim and state the amount of the claim at the time the case was filed. See reverse for explanations. Unsecured Non-priority Claim \$ _____ <input type="checkbox"/> Check this box if: (a) there is no collateral or lien securing your claim, or (b) your claim exceeds the value of the property securing it, or if (c) none or only part of your claim is entitled to priority. Secured Claim. <input type="checkbox"/> Check this box if your claim is secured by collateral (including a right of setoff). Brief Description of Collateral: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Value of Collateral: \$ _____ Amount of arrearage and other charges at time case filed included in secured claim, if any: \$ _____		Unsecured Priority Claim. <input type="checkbox"/> Check this box if you have an unsecured priority claim Amount entitled to priority \$ _____ Specify the priority of the claim: <input type="checkbox"/> Domestic Support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B) <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,000),* earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$ 2,225* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____). <i>*Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</i>	
5. Total Amount of Claim at Time Case Filed: \$ _____ [unsecured] \$ _____ [secured] \$ _____ [priority] Total Amount of the Claim: \$ _____ <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.			
See additional important information on the back of this form.			
Date:		Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any):	
<i>Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.</i>			

---- IMPORTANT ADDITIONAL INFORMATION ----

NOTE! This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to USC § 503.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In particular types of cases or circumstances, such as bankruptcy cases that are not filed voluntarily by a debtor, there may be exceptions to these general rules.

---- DEFINITIONS ----

Debtor

The person, corporation, or other entity that has filed a bankruptcy case is called the debtor.

Creditor

A creditor is any person, corporation, or other entity to whom the debtor owed a debt on the date that the bankruptcy case was filed.

Proof of Claim

A form telling the bankruptcy court how much the debtor owed a creditor at the time the bankruptcy case was filed (the amount of the creditor's claim). This form must be filed with the clerk of the bankruptcy court where the bankruptcy case was filed.

Secured Claim

A claim is a secured claim to the extent that the creditor has a lien on property of the debtor (collateral) that gives the creditor the right to be paid from that property before creditors who do not have liens on the property.

Examples of liens are a mortgage on real estate and a security interest in a car, truck, boat, television set, or other item of property. A lien may have been obtained through a court proceeding before the bankruptcy case began; in some states a court judgment is a lien. In addition, to the extent a creditor also owes money to the debtor (has a right of setoff), the creditor's claim may be a secured claim. (See also *Unsecured Claim*.)

Unsecured Claim

If a claim is not a secured claim it is an unsecured claim. A claim may be partly secured and partly unsecured if the property on which a creditor has a lien is not worth enough to pay the creditor in full.

Unsecured Priority Claim

Certain types of unsecured claims are given priority, so they are to be paid in bankruptcy cases before most other unsecured claims (if there is sufficient money or property available to pay these claims). The most common types of priority claims are listed on the proof of claim form. Unsecured claims that are not specifically given priority status by the bankruptcy laws are classified as *Unsecured Nonpriority Claims*.

Items to be completed in Proof of Claim form (if not already filed in)

Court, Name of Debtor, and Case Number:

Fill in the name of the federal judicial district where the bankruptcy case was filed (for example Central District of California), the name of the debtor in the bankruptcy case, and the bankruptcy case number.

If you received a notice of the case from the court, all of this information is near the top of the notice.

Information about Creditor:

Complete the section giving the name, address, and telephone number of the creditor to whom the debtor owes money or property, and the debtor's account number, if any. If anyone else has already filed a proof of claim relating to this debt, if you never received notices from the bankruptcy court about this case, if your address differs from that to which the court sent notice, or if this proof of claim replaces or changes a proof of claim that was already filed, check the appropriate box on the form.

1. Basis for Claim:

Check the type of debt for which the proof of claim is being filed. If the type of debt is not listed, check "Other" and briefly describe the type of debt. If you were an employee of the debtor, fill in your social security number and the dates of work for which you were not paid.

2. Date Debt Incurred:

Fill in the date when the debt first was owed by the debtor.

3. Court Judgments:

If you have a court judgment for this debt, state the date the court entered the judgment.

4. Total Amount of Claim at Time Case Filed:

Fill in the total amount of the entire claim. If interest or other charges in addition to the principal amount of the claim are included, check the appropriate place on the form and attach an itemization of the interest and charges.

5. Secured Claim:

Check the appropriate place if the claim is a secured claim. You must state the type and value of property that is collateral for the claim, attach copies of the documentation of your lien, and state the amount past due on the claim as of the date the bankruptcy case was filed. A claim may be partly secured and partly unsecured. (See DEFINITIONS, above).

6. Unsecured Priority Claim:

Check the appropriate place if you have an unsecured priority claim, and state the amount entitled to priority. (See DEFINITIONS, above). A claim may be partly priority and partly nonpriority if, for example, the claim is for more than the amount given priority by the law. Check the appropriate place to specify the type of priority claim.

7. Credits:

By signing this proof of claim, you are stating under oath that in calculating the amount of your claim you have given the debtor credit for all payments received from the debtor.

8. Supporting Documents:

You must attach to this proof of claim form copies of documents that show the debtor owes the debt claimed [such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of liens] or, if the documents are too lengthy, a summary of those documents. If documents are not available, you must attach an explanation of why they are not available. All supporting documents must be filed on 8.5 x 11" paper.

Send claims to:

U.S. Bankruptcy Court
230 N 1st Ave, #101
Phoenix, AZ 85003

You are required to file one original claim - no copies are required. However, if you wish a time-stamped copy of the claim, enclose another copy of your claim with a stamped, self addressed envelope. All documents MUST be filed on 8.5 x 11" paper.