

February 28, 2022

Dear Noteholders:

In my capacity as Corporate Monitor, I and my Team have been diligently working on this matter with the goal of maximizing the recovery for all Noteholders. I am obligated by the Court to issue Quarterly Reports and I have tried to be as transparent and informative as we can be under the circumstances. We have created the website which contains updates and important information related to the case (www.nationalseniormonitorship.com)(the “Website”). On the Website, we have posted the required Reports as well as informal update such as this communication. We have also attempted to be responsive to the multiple emails and phone calls that we receive on a daily basis from Noteholders and their representatives.

We understand and appreciate that this situation remains frustrating for many reasons, including how long it seems to be taking and what seems to be the lack of a clear road to recovery for Noteholders. We assure you that much work is being done to move this case along as promptly as possible with the goal of recovering assets, working with others to provide funds for recovery, and then devising and working through a claims process that would need to be approved by the Court.

We expect that several Motions will be filed shortly to address some of these issues. We continue our efforts and will respond to your direct inquiries as promptly as practical. It is impossible to respond to every question that everyone may have, but some of the most recent inquiries have been as follows:

1. **1099s:** In January 2022, we prepared and distributed 1099-INT to all Noteholders who received any disbursement during calendar year 2021 – we have received questions from Noteholders about their 1099-INT and have researched and responded to those inquiries and provided transaction detail of the disbursements as some 2021 disbursements were for time period in 2020. This 1099-INT is separate and apart from the 1099 that you may have received from Vantage should you have an Account with them.

2. **Will a claims process be implemented?** YES, we expect to file a Motion with the Court, within the next 60 - 75 days to implement a process for filing claims. This doesn’t mean that we are in a position to start paying claims, whether interest or principal, but we want to be in a position to do so when we recover sufficient funds to do so.

3. **Why is it taking so long?** This is not a simple and straightforward matter - rather it is very complex and requires extensive review, investigation, and analysis as there are at least 32 named/Monitorship entities involved, and other individuals and entities that are also being reviewed, investigated, and analyzed. Nothing in this matter follows a straight line nor is it easy to understand. My Team and I are working hard to investigate this entire matter and the host of entities involved and to gather documents in order to better understand fully monies that were brought in and where those monies went. While it may not be helpful as you go through a matter like this for the first time, we can assure based upon years of experience in these types of cases, that this case is moving at an appropriate pace, based upon the facts and circumstances here.

4. **Why isn't anyone responsible in jail or being prosecuted?** As for the potential of law enforcement being involved, I cannot respond to that issue and whether law enforcement is or is not involved - I have not been asked to respond to any law enforcement agency to date. Again, I am a court appointed fiduciary in a civil enforcement proceeding. I do understand your frustration but can also advise, based upon my background, that a criminal prosecution does not necessarily lead to monies being recovered for distribution. More often than not that occurs in the civil context, such as this.

5. **Grace Holdings:** As we wrote in both the Initial Report and the Second Report, we are well-aware of all of the Noteholders involved with Grace Holdings and anticipate that at some point there will be a resolution of the Grace Holdings Noteholder issue that will "bring" the Grace Holdings Noteholders into the Monitorship Estate. Payment previously made to Grace Noteholders did not from Grace Holdings but from one of the Monitorship Entities and all interest payment stopped for all Noteholders not just Grace Noteholders as no monies were available to continue to make periodic payments to Noteholders. As for why Grace Holdings has not contacted Noteholders, I understand that SeemanHoltz, pre-Monitorship, communicated with all Noteholders, including Grace Holdings Noteholders, about issues. My Team and I have tried to ensure that we communicate with all known Noteholders, including Grace Holdings Noteholders as we understand your questions and concerns and are trying to provide you with the latest information that we have regarding this matter.

I strongly encourage each Noteholder to consult with your independent legal counsel and tax and other advisors to advise you with respect to all matters relating to your investment, the OFR Action, and the Consenting Corporate Defendants or Defendant PPEs. The Corporate Monitor's office cannot and does not provide legal, tax, or other advice to any investors.

Please review the Website – <https://nationalseniormonitorship.com/> – for updates and other information regarding the status of these proceedings. If you have other questions that are not addressed through the information on this website, you may contact our office by sending an email to monitor@nationalseniormonitorship.com.

Very truly yours,

Daniel J. Stermer

Corporate Monitor