

STENGER & STENGER

A MICHIGAN PROFESSIONAL CORPORATION

4095 EMBASSY DRIVE, S.E.
SUITE A
GRAND RAPIDS, MICHIGAN 49546

TELEPHONE (877) 482-4119
FACSIMILE (800) 429-5805

August 5, 2010

United States v. Michael E. Kelly, Case No. 06 CR 964
(United States District Court for the Northern District of Illinois)

ADDITIONAL INFORMATION AND REQUEST

The Special Master sends this letter to correct and clarify information previously provided and to make an additional request of victims of the Universal Lease program.

In June 2010, the Special Master and Claims Processing Agent sent to all known victims a Claims Package consisting of (a) a letter dated June 13, 2010, (b) a copy of the Claims Procedure Order and (c) a Victim Claim Form. Although the Claims Package accurately described the overall restitution program approved by U.S. District Judge Ronald Guzman, the information in the Claims Package requires correction or clarification in three respects.

FIRST: Failure to submit the claim form by August 25, 2010 does **not** preclude a victim from participating in the court-approved restitution program. At the time of any sentencing in this case, federal law requires that Judge Guzman order defendant Kelly to make restitution to all known victims of the charged fraud to the extent the amount owed to each is provable. The "claim amount" shown on the Victim Claim Form sent to victims in June represents the Claims Processing Agent's best estimate of the amount of loss suffered by that leaseholder. If you want to challenge this estimated claim amount, you should submit the Victim Claim Form by the new Claims Submission Date, September 24, 2010. If you do not challenge this estimated claim amount your claim will be presumed to be in the amount stated on the Victim Claim Form.

SECOND: A waiver/release was included as part of the Claims Package on page 5 of the Claim Form, but it failed to make clear that victims are **not** required to agree to a waiver/release in order to participate in the restitution program. To rectify this situation, Judge Guzman has ordered that those waiver/releases are invalid, even if Victim Claim Forms have already been signed and returned. A "Substitute Waiver/Release" form is included herewith, and we urge you to read it carefully. To the extent a Universal Lease is an encumbrance on Kelly Assets to be sold to finance restitution, it will likely cause a prospective buyer to offer less money. The Substitute Waiver/Release will serve to remove any such encumbrance and, thus, increase the sales price. Although the Special Master strongly recommends that all victims sign the Substitute Waiver/Release, you are **not** obligated to agree to the Substitute Waiver/Release to receive restitution. We ask that you indicate your agreement or disagreement with the Substitute Waiver/Release and return it to the Claims Processing Agent. If you have not already submitted a Victim Claim Form, please enclose the completed Substitute Waiver/Release with your Victim Claim Form when you submit it. If you have already submitted your Victim Claim Form to the Claims Processing Agent, you do not need to resubmit it, but we ask that you send the completed Substitute Waiver/Release form in the enclosed pre-addressed envelope.

THIRD: The Substitute Waiver/Release included herewith is more limited than the one sent in June. It applies **only** to Kelly Assets that currently are or may come under the control of the court through the Special Master; *i.e.*, those assets to be sold to generate money for restitution in this case. Any other assets of defendant Kelly are subject to legal actions and other legal rights of any victim. Moreover, this Substitute Waiver/Release does not apply to any claims that victims may have against Michael E. Kelly or any agent, servant or co-conspirator of Michael E. Kelly.

If you have any questions or concerns about your legal rights, please consult your own lawyer.



SUBSTITUTE WAIVER/RELEASE

I/we declare that I/we are either a purchaser investor in the Universal Lease program offered by Michael E. Kelly of Cancun Mexico, or are the lawful successor in interest to such purchaser investor. By voluntarily accepting this waiver as indicated below, I/we declare that I/we are barred from pursuing any action of any type in any jurisdiction, including but not limited to the United States, the Republic of Mexico and the Republic of Panama, and we hereby release any claims relating to any such action, against any purchaser, including any successor in interest to such purchaser, of any "Kelly Asset," which is defined as any asset of any type, which is owned, or controlled by Kelly or by any entity owned or controlled by defendant Kelly and which is now or which hereafter comes under the control of the court through the Special Master appointed by the court in the case *United States v. Michael E. Kelly*, 06 CR 964 pending in the United States District Court for the Northern District of Illinois (Chicago).

I/WE ACCEPT

I/WE DO NOT ACCEPT

Please sign below:

(First Investor Signature)

Date: _____

(Print Name)

(Lease Number(s))

(Address)

(Second Investor Signature)

Date: _____

(Print Name)

(Lease Number(s))

(Address)