

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION :

Plaintiff, :

00 Civ 2685 (MGC)

v. :

ENTERPRISES SOLUTIONS, INC. :

HERBERT S. CANNON :

DR. JOHN A. SOLOMON, :

Defendants, :

And :

ROWEN HOUSE, LTD, :

MONTVILLE, LTD., :

Relief Defendants. :

**MOTION AND MEMORANDUM RELATING TO SUPPLEMENTAL
DISTRIBUTION PLAN FOR GIBRALTAR FUNDS**

Now comes Phillip S. Stenger (the "RECEIVER") in his status as Receiver pursuant to the "*Order for Appointment of Receiver and Administration of Fund*" entered by this COURT on July 21, 2003 (the "APPOINTING ORDER"), by and through his attorneys, Stenger & Stenger, P.C., and moves that this COURT enter an order: (i) approving the conduct of the "INITIAL DISTRIBUTION" of \$875,000 made by the RECEIVER to the "INITIAL CLAIMANTS" authorized to share therein pursuant to this COURT's "*Order Approving Eligible Claimant List and Authorizing Distribution*" dated July 26, 2006 (the "ORDER AUTHORIZING INITIAL DISTRIBUTION");¹ and (ii) authorizing the conduct of a supplemental claims process to determine the identities and APPROVED SUPPLEMENTAL NET STOCK LOSSES of those investors who purchased stock

¹ All terms defined in this COURT'S ORDER AUTHORIZING INITIAL DISTRIBUTION, including its exhibits, shall have the same meaning when used herein.

in American ATM and/or CYGA between April 1, 1997 and June 30, 2000 (the "SUPPLEMENTAL CLAIMANTS") for the ultimate purpose of distributing funds released to the RECEIVER by the Supreme Court of Gibraltar, Chancery Jurisdiction (the "GIBRALTAR COURT"), from monies held in accounts in Gibraltar by Relief Defendants Rowen House, Limited, and Montville, Limited (the "RELIEF DEFENDANTS"), Gibraltar companies controlled by defendant CANNON.

BACKGROUND

1. The general background of this matter is set forth in this COURT's "Opinion" dated June 6, 2001 (the "ESI FRAUD OPINION") and in its "Order Approving Plan of Distribution and Providing for Implementation Thereof" dated May 5, 2005 (the "INITIAL DISTRIBUTION PLAN APPROVAL ORDER"), both entered in a civil enforcement action (the "SEC ACTION") brought by the U. S. Securities & Exchange Commission ("SEC") against Enterprises Solutions, Inc., *et. al.* The details concerning this Motion are contained in the Report from the RECEIVER to this COURT dated June 9, 2010 (the "2010 REPORT"), a copy of which is attached as **Exhibit A** to this Motion and incorporated herein by reference.

THE INITIAL DISTRIBUTION

2. Shortly after the RECEIVER was appointed, he received \$1,100,000 for ultimate distribution to defrauded investors (the "INITIAL FUND"). The ORDER AUTHORIZING INITIAL DISTRIBUTION, approved the ESI ELIGIBLE CLAIMANT LIST and authorized the INITIAL DISTRIBUTION. The APPROVED ESI NET STOCK LOSSES of the eighty-nine INITIAL CLAIMANTS whose claims were approved by the Receiver in the SEC Action totaled \$3,139,552.29. As required by the ORDER AUTHORIZING INITIAL DISTRIBUTION, the

RECEIVER has distributed \$875,000 to such claimants (which is 27.9% of each INITIAL CLAIMANTS' Approved ESI Net Stock Loss), leaving \$2,264,552.20 in Approved ESI Net Stock Losses of the INITIAL CLAIMANTS which has not been returned to the INITIAL CLAIMANTS. After completion of the INITIAL DISTRIBUTION, including payment of professional fees and expenses of the INITIAL DISTRIBUTION, the remaining balance of the INITIAL FUND was \$38,459.23 as of December 31, 2010. Attached as **Exhibit B** is an accounting of the INITIAL FUND. The RECEIVER now requests that the COURT enter an order finding that he conducted the INITIAL DISTRIBUTION in the manner provided in the ORDER AUTHORIZING INITIAL DISTRIBUTION and further finding that the RECEIVER, his attorneys and accountants, and the officers, directors, employees, consultants or agents of any of them, are exonerated from any liability in connection with the INITIAL DISTRIBUTION and/or conduct of the Receivership, except upon a finding by this COURT that he or they acted or failed to act as a result of a bad faith or disregard of their duties.

THE GIBRALTAR FUNDS

3. The SEC ACTION involved only the victimization of investors in connection with the sale of the stock of ESI and its predecessor, American Casinos International, Inc. ("ACII"), and did not address the fraudulent sales of stock in two additional companies, American ATM Corp. ("AATM") and Cybergames, Inc. ("CYGA"), the four companies being collectively referred to as the "CANNON 'SHELL' COMPANIES".

4. Among the hidden assets generated by the fraudulent sale of stock in the CANNON "SHELL" COMPANIES were monies held in accounts in Gibraltar by the RELIEF DEFENDANTS (the "GIBRALTAR FUNDS"). On October 9, 2009, the GIBRALTAR FUNDS,

totaling \$747,144.29, were transferred to the RECEIVER by the Gibraltar Liquidator of the RELIEF DEFENDANTS, pursuant to an order of the GIBALTAR COURT. No money has been removed from the GIBALTAR FUNDS and as of December 31, 2010, the balance of the GIBALTAR FUNDS was \$751,816.75.

5. The various frauds involving ESI/ACII, AATM and CYGA, all of which were controlled by Defendant CANNON, are interrelated. The Gibraltar Liquidator of the RELIEF DEFENDANTS requested that the RECEIVER take possession of the GIBALTAR FUNDS in order to include those monies in distributions to defrauded investors, including, if the COURT so orders, to investors in AATM and CYGA.

6. The RECEIVER believes that this COURT, under its broad equity powers, has the authority to permit the RECEIVER to conduct the claims process and to distribute the GIBALTAR FUNDS as set forth herein. See the 2010 REPORT.

7. The RECEIVER requests that he be authorized, pursuant to those procedures set forth in the "*Plan of Supplemental Distribution*" (the "**SUPPLEMENTAL DISTRIBUTION PLAN**") attached as **Exhibit C** hereto, and the "**SUPPLEMENTAL CLAIM FORM**" attached as **Exhibit D** hereto, both of which are incorporated herein by reference, to determine the identities and APPROVED SUPPLEMENTAL NET STOCK LOSSES of those investors who purchased stock in AATM and/or CYGA between April 1, 1997 and June 30, 2000 (the "**SUPPLEMENTAL CLAIMANTS**"). The RECEIVER further requests that the COURT approve the notice form attached as **Exhibit E** hereto, also incorporated herein by reference.

8. Following such determinations, the RECEIVER will further petition this COURT for approval to make a distribution out of the GIBALTAR FUNDS (subject to

availability of funds, including payment of estimated administrative costs as well as any federal, state or local taxes payable in connection with the Receivership) to the SUPPLEMENTAL CLAIMANTS of up to 27.9%² of such claimant's APPROVED SUPPLEMENTAL NET STOCK LOSS.

9. If further monies remain undistributed after such SUPPLEMENTAL DISTRIBUTION (after a prudent reserve for administrative costs and expenses), the RECEIVER may petition the Court for authority to conduct a final distribution to both the INITIAL CLAIMANTS and the SUPPLEMENTAL CLAIMANTS in equal proportions so that all defrauded investors will receive restitution in equal proportions.

WHEREFORE, the RECEIVER moves that this COURT issue an order as set forth above.

Respectfully submitted,

STENGER & STENGER, P.C.

Attorneys for the RECEIVER

Dated: 1/21, 2011

By: 

Phillip S. Stenger (PS9969)

Business Address:

STENGER & STENGER, P.C.

4095 Embassy Dr., S.E.

Grand Rapids, MI 49546

Telephone: (616) 940-1190

Facsimile: (616) 940-1192

² 27.9% is equal to the percentage of the APPROVED NET STOCK LOSS received by each INITIAL CLAIMANT from the INITIAL DISTRIBUTION.

Exhibit A
2010 REPORT

STENGER & STENGER

A MICHIGAN PROFESSIONAL CORPORATION

PHILLIP S. STENGER
ADMITTED IN MI, KY, MN & GA
LEWIS G. MOSBURG, JR.
ADMITTED IN MI & OK
KAY GRIFFITH HAMMOND
ADMITTED IN MI
LAURA D. DUSTON
ADMITTED IN MI & KY
JOSEPH M. JAMMAL
ADMITTED IN MI & MN

4095 EMBASSY DRIVE, S.E.
SUITE A
GRAND RAPIDS, MICHIGAN 49546
TELEPHONE (616) 940-1190
FACSIMILE (616) 940-1192
TOLL FREE (888) 305-7775

OF COUNSEL:
LEE T. SILVER
ADMITTED IN MI
DOUGLAS W. VAN ESSEN
ADMITTED IN MI
DENISE M. HALLETT
ADMITTED IN IN
MELISSA HOFFMAN
ADMITTED IN NJ & PA

June 9, 2010

VIA FEDERAL EXPRESS

The Honorable Miriam Goldman Cedarbaum
United States District Court
Southern District of New York
United States Courthouse, Suite 1330
500 Pearl Street
New York, NY 10007-1312

Re: *Securities and Exchange Commission v. Enterprises Solutions, Inc., et al.*
Case No. 00-cv-2685 (MGC) (SDNY)

Dear Judge Cedarbaum:

This report is being provided by the Receiver in the matter of *SEC v. Enterprises Solutions, Inc., et al.*, Case No. 00-cv-2685 (MGC) (SDNY) (the "SEC Action"); and supplements my earlier report to the Court dated February 17, 2006. The purpose of this report is: (i) to summarize for the Court the results of the conduct of the Receivership Estate to date; and (ii) to outline what actions remain to be taken.

Of particular significance are the developments concerning the "Gibraltar Funds" – monies initially held in accounts in Gibraltar by Rowen House, Limited and Montville, Limited, both of which were Relief Defendants in the SEC Action (the "Relief Defendants"). The Gibraltar Funds were released to the Receiver by the Gibraltar Chancery Court for distribution to the victims of certain frauds masterminded by Herbert S. Cannon ("Cannon"), a stock promoter who was the primary defendant in the SEC Action.¹ As discussed below, the Receiver, with the concurrence of the SEC,

¹ The distribution of monies to the Receiver from the Gibraltar Funds was authorized by a 2008 order of the Supreme Court of Gibraltar (Chancery Jurisdiction), entered in *In the Matter of Rowan [sic] House Limited et al.*, 2005 Comp No. 96-100. The Gibraltar Funds were transferred to the Receiver on October 10, 2008 and totaled \$747,144.29.

recommends that the Receivership be expanded for the sole purpose of allowing victims of other Cannon related frauds to participate in the distribution of the Gibraltar Funds.

BACKGROUND

The SEC Action was a civil enforcement action brought by the U. S. Securities & Exchange Commission ("SEC") to address alleged fraud in the offer and sale of the stock of Enterprises Solutions, Inc. ("ESI").² This fraud was instigated by Cannon.

The pattern of the Cannon frauds involved Cannon's acquiring the stock of certain small publicly-traded companies at little or no cost to Cannon.³ Cannon would then bribe various stock brokers to tout the stocks, thus artificially manipulating the stock price, at which point Cannon would sell his shares in the Cannon "Shell" Companies at these inflated levels. The proceeds of this fraud would then be hidden in accounts of various overseas entities controlled by Cannon, including entities based in Gibraltar; these entities included the Relief Defendants.

Details of the fraud are set forth in this Court's *Opinion* entered June 6, 2001 in the SEC Action (the "ESI Fraud Opinion").

As a part of the SEC Action, and pursuant to the ESI Fraud Opinion and this Court's related *Judgment* dated June 28, 2001 (the "Judgment"), Cannon was required to disgorge \$1,000,000 in illicit profits and to pay a statutory penalty of \$100,000. Subsequently, by this Court's *Stipulation and Order of Settlement and Dismissal* dated February 4, 2003 (the "Settlement Order") in a parallel Justice Department forfeiture proceedings filed April 5, 2002, *United States of America v. The Contents of Various Bank Accounts*; (02 Civ. 2664) (the "Justice Department Forfeiture Action"), \$1,100,000 was transferred from the Relief Defendants' accounts at a brokerage firm named Wall Street Equities to the Court Registry, and from there ultimately to the Receiver for distribution to victims of the ESI fraud.

Pursuant to this Court's *Order for Appointment of Receiver and Administration of Fund* entered in the SEC Action on July 21, 2003 (the "Appointing Order"), the undersigned was appointed as Receiver to propose and implement a claims and distribution process and then to distribute such monies. The distribution process approved by the Court yielded approved claims of \$3,139,552.29; and, as discussed

² ESI's stock was publicly traded on the Over the Counter Bulletin Board of the National Association of Securities Dealers, Inc. ("NASD").

³ The companies included ESI; ESI's predecessor, American Casinos International, Inc. ("ACII"); American ATM Corp. ("AATM"); and Cybergames, Inc. ("CYGA") (formerly Professional Sports Holdings, Inc.); referred to collectively as the "Cannon 'Shell' Companies"). All were publicly traded on the NASD Bulletin Board.

References to ESI will include its predecessor ACII where applicable.

below, \$875,000 has now been distributed to approved claimants.⁴ Thus, Approved ESI Net Stock Losses of \$2,264,552.20 remain.

As of April 30, 2010, the remaining balance of the \$1,100,000 initially transferred to the Receiver was \$38,259.92. This amount does not take into account any allowance for accrued but unbilled professional fees and other costs of administration. As of April 30, 2010, the balance of the Gibraltar Funds was \$750,558.09.

The SEC Action involved only the victimization of investors in connection with the sale of ESI stock and did not address the fraudulent sales of AATM and CYGA. However, on August 9, 2004, the United States filed the Justice Department Criminal Action against Cannon and certain others for both the ESI fraud, and fraud in the sale of AATM and CYGA.⁵ The criminal proceedings filed by the Department of Justice involved not only the victimization of the purchasers of ESI stock, as identified in the SEC Action, but further included additional victims who purchased AATM and/or CYGA stock.⁶

LITIGATION SUMMARY

As just discussed, multiple suits have been filed in connection with the Cannon fraud.⁷ The following is a summary of that litigation:

- In April, 2000, the SEC Action was filed by the U. S. Securities & Exchange Commission.⁸ At the present time, the SEC Action addresses only fraud in the sale of the stock of ESI. This Court has ordered that Cannon disgorge \$1,000,000 in illicit profits and pay a statutory penalty of \$100,000. These amounts have been paid and an initial distribution made to the ESI Eligible Claimants in the amount of \$875,000 (27.9% of aggregate ESI Eligible Claimant losses).

⁴ The "Approved ESI Net Stock Losses" of the eighty-nine "ESI Eligible Claimants" whose claims were approved by the Receiver in the SEC Action totaled \$3,139,552.29. To date, \$875,000 has been distributed to such claimants (27.9% of each ESI Eligible Claimant's Approved ESI Net Stock Loss), leaving \$2,264,552.20 in unrecovered Approved ESI Net Stock Losses for the ESI Eligible Claimants.

⁵ *United States of America v. Cannon et al.*, 04 Crim. 842 (USDC SDNY), filed August 9, 2004 (the "Justice Department Criminal Action").

⁶ Certain ESI victims may also have further uncompensated losses, and be entitled to participate in any supplemental distribution, as a result of their additional purchases of AATM and/or CYGA stock.

⁷ The Receiver, the SEC and the U. S. Attorney's office have closely coordinated in the conduct of this litigation and the resulting distribution(s).

⁸ *SEC v. Enterprises Solutions, Inc.*, Case No. 00-cv-2685 (MGC) (SDNY).

- In April, 2002, the Justice Department filed the **Justice Department Forfeiture Action**,⁹ again for the benefit of ESI Eligible Claimants only, seeking forfeiture of the contents of certain accounts being held in the name of the Relief Defendants at Wall Street Equities, Inc., a Manhattan brokerage firm. Pursuant to the Settlement Order, \$1,100,000 was transferred to this Court (and subsequently to the Receiver) to satisfy the Cannon disgorgement and penalty obligation.

After Cannon's disgorgement and penalty, funds remained in accounts subject to the Justice Department Forfeiture Action. Pursuant to a settlement approved by this Court in the Settlement Order, these funds (approximately \$1.2 million) were divided evenly between the United States of America and ESI.¹⁰

The Receiver has worked cooperatively with the United States Attorneys office throughout this matter. To that end, the United States Attorneys office has provided the Receiver with all the information in its possession regarding the identity and loss amounts of ESI related victims.

Originally, it was the intention of the U.S. Attorney to transfer the \$600,000 received from this settlement to the Receiver for distribution to those victimized in the sale of the Cannon "Shell" Companies". However, the Justice Department subsequently advised the Receiver that restoration of the funds to the victims of the fraud must be administered through the SDNY Clerk of Court.¹¹

- In August, 2004, the Department of Justice filed criminal charges against Cannon, Mori Schweitzer, and Steven Staltare alleging fraud in the sale of all four Cannon "Shell" Companies. This action – the **Justice Department Criminal Action**¹² – was not limited to fraud in the sale of ESI, but covered fraudulent sales of AATM and CYGA stock as well.¹³
- In 2005, proceedings were commenced in Gibraltar to liquidate the Relief Defendants, which were Gibraltar companies (the "**Gibraltar Liquidation Proceedings**"). In 2008, the Gibraltar Liquidator applied for, and received, authority to transfer the Gibraltar Funds to the Receiver for the

⁹ *United States of America v. The Contents of Various Bank Accounts*; (02 Civ. 2664).

¹⁰ See *Stipulation and Order of Settlement and Dismissal* entered February 4, 2003 in the Justice Department Forfeiture Action.

¹¹ See email from Katherine Failla (USANYS) sent August 21, 2009 to Laura Duston, attorney for the Receiver.

¹² *United States of America v. Cannon et al.*, 04 Crim. 842 (USDC SDNY)

¹³ For further details concerning the Justice Department Criminal Action, see the *Affidavit of Katherine Polk Failla*, Assistant U. S. Attorney, dated May 30, 2008.

benefit of the victims of these frauds. On October 10, 2008, \$747,164.29 was transferred to the Receiver's account at Chase Bank.

INITIAL DISTRIBUTION TO ESI DEFRAUDED INVESTORS

As discussed above, as directed in the ESI Fraud Opinion and related Judgment entered in the SEC Action, and the Settlement Order entered in the Justice Department Forfeiture Action, Cannon was ordered to pay \$1,100,000 in disgorgement and penalties for his part in the ESI fraud; such funds were subsequently released in accordance with the Settlement Order. Pursuant to the Appointing Order, the Receiver, in consultation with the SEC, was directed to develop a proposed plan of distribution (the "**Distribution Plan**"), including a claims procedure. Such a plan was submitted to the Court and approved by this Court in its SEC Action *Order Approving Plan of Distribution and Providing for Implementation Thereof* dated May 5, 2005 (the "**Distribution Plan Approval Order**").

The Distribution Plan and Distribution Plan Approval Order established a detailed procedure through which "**Potentially Eligible Claimants**" would be identified and set the process whereby they could present their claims and share in the Court-ordered distribution, including a definition of who could qualify as "**Eligible Claimants**", the "**Claims Bar Date**" by which claims must be filed, and the procedure for the determination of each Eligible Claimant's "**Approved Net Stock Loss**". The Distribution Plan Approval Order also established an "**Objections Bar Date**" by which objections to the Distribution Plan must be filed with the Court.¹⁴

The procedures for notification of potential claimants, identification of Potentially Eligible and Eligible Claimants, and the method of establishing claims and the Approved Net Stock Loss of each Eligible Claimant, are set forth in the Distribution Plan and the Distribution Plan Approval Order.

The Receiver issued *Determination Notices* to a total of one hundred twenty-nine claimants; only twelve of these claimants sought reconsideration of the Receiver's determination of their Approved Net Stock Loss. Only one claimant appealed the Receiver's final determination of its Approved Net Stock Loss; the Court, in adjudicating this appeal, affirmed the Receiver's determination.

On July 3, 2006, the Receiver filed his *Motion and Memorandum for Order Approving Proposed Eligible Claimant List and Authorizing Distribution* (the "**Distribution Motion**"), requesting authority to distribute \$875,000 to the eighty-nine

¹⁴ Only one objection to the Distribution Plan was filed and this objection was overruled by the Court: see the Court's *Order Overruling Objection to Distribution Plan* dated March 29, 2006, in reference to the objection of Richard Jaszczak

Eligible Claimants identified by the Receiver.¹⁵ The Distribution Motion and its attached *Proposed Eligible Claimant List* showing the name and Approved Net Stock Loss of each Eligible Claimant were approved by this Court's *Order Approving Eligible Claimant List and Authorizing Distribution* ("**Distribution Order**") dated July 26, 2006.

On August 25, 2006, pursuant to the Distribution Order, \$875,000 was distributed by the Receiver to the ESI Eligible Claimants (the "**Initial Distribution**").

GIBRALTAR FUNDS AND PROPOSED SUPPLEMENTAL DISTRIBUTION

During the ESI investigation, it was discovered that certain accounts located in Gibraltar in the names of the Relief Defendants contained monies that could be traced not only to the ESI fraud but also to fraud in the sale of the stock of at least two additional Cannon "Shell" Companies; AATM and CYGA. As the SEC Action was limited to ascertaining the claims of, and distributing monies to, investors of ESI who were victims of the ESI fraud, the Distribution Plan did not require nor authorize the processing of claims of those individuals who may have invested in AATM and/or CYGA, either in addition to or independently of any investment in ESI. However, the Justice Department Criminal Action was not so limited and dealt with the fraud involved in the sale of all four of the Cannon "Shell" Companies. Likewise, the Gibraltar Funds were generated from fraud in the sale of all four Cannon "Shell" Companies and not merely ESI.

The various frauds involving the Cannon "Shell" Companies are quite interrelated. Of the 47 ESI Potentially Eligible Claimants who have provided brokerage statements to the Receiver (out of a total of 126 claimants who returned claim forms to the Receiver), nearly two-thirds (63%) also invested in either AATM or CYGA. The Receiver was also provided information on 114 apparent ESI investors who did not file claim forms but whose status as an ESI investor was otherwise indicated.¹⁶ Again, nearly two-thirds of these investors (61%) also invested in either AATM or CYGA.

The Gibraltar Funds were being held by the Gibraltar Chancery Court in connection with the Relief Defendants (Gibraltar companies) which were holding monies related to the sale of stock in all four Cannon "Shell" Companies: AATM and CYGA, as well as ESI/ACIL. The Gibraltar Liquidator of the Relief Defendants requested that the Receiver take possession of the Gibraltar Funds in order to include those monies in distributions to defrauded investors, including, if the Court so orders, to investors in AATM and CYGA.

¹⁵ As indicated above, the amount available for distribution to the ESI Eligible Claimants was not sufficient to make them whole: the Approved ESI Net Stock Losses of such claimants totaled \$3,139,552.29, while the \$875,000 distribution represented only 27.9% of that amount.

¹⁶ Such an investor still would not have qualified as an ESI Eligible Claimant unless he or she had filed a claim form or related document.

The Receiver believes that this Court, under its broad equity powers, has the authority to grant the recommended expansion in the scope of this action and a related expansion of the authority of the Receiver. District courts have broad powers and wide discretion to determine the relief in an equity receivership. *SEC v. Basic Energy & Affiliated Resources, Inc.*, 273 F.3d 657, 668 (6th Cir. 2001); see also *Norwest Bank v Malachi Corp.*, 245 F. App'x 488 (6th Cir. 2007) and *SEC v. Hardy*, 803 F.2d 1034, 1037-39 (9th Cir. 1986). The law concerning receiverships clearly and repeatedly demonstrates that the receiver's powers in operating the estate are extraordinary and virtually only limited by the district court judge's concept of equity. The discretion of the district court derives from the inherent powers of an equity court to fashion relief. *SEC v. Safely Finance Service, Inc.*, 674 F.2d 368, 372 (5th Cir. 1982).

The federal courts have inherent equitable authority to issue a variety of "ancillary relief" measures in actions brought by the SEC to enforce the federal securities laws. The power of a district court to impose a receivership or grant other forms of ancillary relief does not in the first instance depend on a statutory grant of power from the securities laws. Rather, the authority derives from the inherent power of a court of equity to fashion effective relief. *SEC v. Wencke*, 622 F.2d 1363, 1369 (9th Cir. 1980). Therefore any action by a trial court in supervising an equity receivership is committed to the sound discretion of the trial judge and will not be disturbed unless there is a clear showing of abuse. *SEC v Arkansas Loan & Thrift Corp.*, 427 F.2d 1171, 1172 (8th Cir. 1970).

The Receiver recommends that he be authorized to determine the identities and Approved Net Stock Losses of those investors who purchased stock in AATM and/or CYGA (the "**Supplemental Eligible Claimants**").¹⁷ This would include ESI Eligible Claimants to the extent of any additional Approved Net Stock Loss arising from AATM or CYGA investment. However, no redetermination of the ESI Approved Net Stock Loss of any ESI Eligible Claimant will be permitted, nor will an investor be permitted to assert any new ESI Approved Net Stock Loss not currently reflected on the List of Eligible Claimants previously approved by the Court.

In determining the names and Approved Net Stock Losses of the Supplemental Eligible Claimants, the Receiver would send a Proof of Claim form to all "**Potential Supplemental Eligible Claimants**" known to the Receiver and to all other persons requesting such a claim form. For this purpose, the Receiver would utilize the information regarding potential victims and loss amounts provided by the United States Attorneys office. Notice of the proposed supplemental distribution would also be posted on the Receiver's ESI website, www.enterprisessolutions.com and/or the national edition of the Wall Street Journal.

¹⁷ The Receiver has already identified a number of investors who are Potential Supplemental Eligible Claimants, including investors identified to the Receiver by the Department of Justice as such potential claimants.

Sixty days would be allowed for a Potential Supplemental Eligible Claimant to return his or her properly-completed Proof of Claim Form. The claim form and website notice would be on forms approved by this Court.

Once the Receiver has determined the names and Approved Net Stock Losses of the Supplemental Eligible Claimants, the Receiver further recommends that, with Court approval, he be permitted to distribute out of the Gibraltar Funds to each Supplemental Eligible Claimant (subject to availability of funds, including payment of estimated administrative costs) an amount equal to the percentage of such claimant's Approved Net Stock Loss equal to the percentage of its Approved Net Stock Loss received by each ESI Eligible Claimant from the Initial Distribution (27.9%). If further monies remain undistributed after such Supplemental Distribution (after a prudent reserve for administrative costs and expenses), the Receiver may petition the Court for authority to make a final distribution to both ESI and Supplemental Eligible Claimants in the ratio of each claimant's Approved Net Stock Loss.

The SEC concurs in this proposed supplemental distribution and the expansion of the class of Eligible Claimants.

A motion requesting such an expansion and authorization of such a supplemental distribution(s) will be filed separately with the Court.

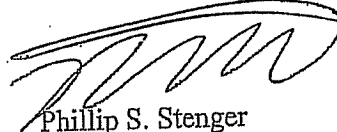
* * *

Throughout the discussions concerning the Gibraltar Funds, the Receiver has made clear that any expansion of the scope of the SEC Action and the authority of the Receiver, as well as whether or not, to whom, and on what terms any supplemental distribution will be made, are in the sole discretion of this Court. While the Gibraltar Liquidator has indicated his preference that all victims of the Cannon "Shell" Companies fraud share in any such distribution, these matters remain in this Court's sole discretion.

The Honorable Miriam Goldman Cedarbaum
June 9, 2010
Page 9 of 9

Should you have any questions concerning this matter or require additional information, please do not hesitate to contact me. Thank you for your time and consideration of this matter.

Respectfully submitted,



Phillip S. Stenger
Receiver

Copy:

Charles D. Stodghill, Assistant Chief Litigation Counsel
United States Securities & Exchange Commission

Katherine Polk Failla, Assistant United States Attorney,
United States Attorney's Office

EXHIBIT B
ACCOUNTING FOR INITIAL DISTRIBUTION

ENTERPRISES SOLUTIONS SETTLEMENT FUND
STATEMENT OF CASH, CASH EQUIVALENT AND INVESTMENT ACTIVITY
For the period November 30, 2003 through December 31, 2010
ACCOUNTING FOR THE FIFTH THIRD AND CITIBANK ACCOUNTS

Receipts

Cash, Cash Equivalents and Investments, November 30, 2003	\$ 1,100,000.00
Interest Income	<u>55,013.25</u>
Total Cash Receipts	1,155,013.25

Disbursements

Professional Fees and Expenses	233,515.80
Bank Fees	2,133.44
Advertising Expense	<u>5,904.78</u>
	241,554.02
Claimant Distributions	<u>875,000.00</u>
Total Cash Disbursements	1,116,554.02
Cash and Cash Equivalents and Investments, December 31, 2010	<u><u>\$ 38,459.23</u></u>

Exhibit C
SUPPLEMENTAL DISTRIBUTION PLAN (Proposed)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION :

Plaintiff, :

00 Civ 2685 (MGC)

v. :

ENTERPRISES SOLUTIONS, INC. :
HERBERT S. CANNON :
DR. JOHN A. SOLOMON, :

Defendants, :

And :

ROWEN HOUSE, LTD, :
MONTVILLE, LTD., :

Relief Defendants. :

SUPPLEMENTAL DISTRIBUTION PLAN

Adopted _____, 2011

I. DEFINITIONS

As used herein, the following words shall have the following meanings:

- (i) **"AATM"** shall mean American ATM Corp., a CANNON "SHELL" COMPANY.
- (ii) **"ACIF"** shall mean American Casinos International, Inc., the predecessor of ESI and a CANNON "SHELL" COMPANY.
- (iii) **"AGGREGATE NET STOCK LOSS"** shall mean the sum of an ELIGIBLE CLAIMANT'S ESI NET STOCK LOSS and SUPPLEMENTAL NET STOCK LOSS (collectively, **"AGGREGATE NET STOCK LOSSES"**).
- (iv) **"APPROVED SUPPLEMENTAL NET STOCK LOSS"** shall mean the amount of a POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT'S asserted

SUPPLEMENTAL NET STOCK LOSS that is finally approved pursuant to this plan.

- (v) "*CANNON*" shall mean DEFENDANT Herbert S. Cannon.
- (vi) "*CANNON 'SHELL' COMPANIES*" shall mean ESI, ACIL, AATM and CYGA.
- (vii) "*COURT*" shall mean the United States District Court for the Southern District of New York.
- (viii) "*COURT CLERK*" shall mean the Clerk of the COURT.
- (ix) "*CYGA*" shall mean Cybergames, Inc., a CANNON "*SHELL*" COMPANY.
- (x) "*DEFENDANT*" shall mean ENTERPRISES, CANNON and SOLOMON (collectively, "*DEFENDANTS*").
- (xi) "*ELIGIBLE SUPPLEMENTAL CLAIMANT(S)*" shall mean those persons and entities filing a PROOF OF SUPPLEMENTAL CLAIM FORM (or other authorized substitute therefor as provided in Section II.(v)) with the RECEIVER in the manner provided in this plan who purchased stock of AATM and/or CYGA between April 1, 1997 and June 30, 2000 and who are finally determined in the manner provided in this plan to have sustained an APPROVED SUPPLEMENTAL NET STOCK LOSS. Unless waived by the RECEIVER or the COURT for good cause shown, in no event shall an ELIGIBLE SUPPLEMENTAL CLAIMANT include any of the EXCLUDED PARTIES.

- (xii) “*ENTERPRISES*” or “*ESI*” shall mean the DEFENDANT Enterprises Solutions, Inc., a CANNON “SHELL” COMPANY.
- (xiii) “*ESI NET STOCK LOSS*” shall mean an ESI ELIGIBLE CLAIMANT’S NET STOCK LOSS as determined by the COURT for purposes of the INITIAL DISTRIBUTION (collectively, “*ESI NET STOCK LOSSES*”).
- (xiv) “*EXCLUDED PARTIES*” shall mean the DEFENDANTS, RELIEF DEFENDANTS, the CANNON “SHELL” COMPANIES, GLOBAL, their RELATED PARTIES, the defendants in *United States of America v. Cannon et al.* 04 Crim. 842 (United States District Court for the Southern District of New York), or any other person or entity who the RECEIVER determines participated in the development or implementation of the fraudulent scheme of the DEFENDANTS, or in the marketing of the stock of the CANNON “SHELL” COMPANIES, or who knew or with the exercise of reasonable diligence could have known of the fraudulent nature of the scheme.
- (xv) “*FINAL SUPPLEMENTAL CLAIMS DETERMINATION NOTICE*” shall mean the RECEIVER’S response to a request for reconsideration of an initial RECEIVER’S SUPPLEMENTAL CLAIMS DETERMINATION.
- (xvi) “*GIBRALTAR FUNDS*” shall mean monies, totaling \$747,144.29, transferred to the RECEIVER by the Gibraltar Liquidator of the RELIEF DEFENDANTS, as the same may have increased or decreased through the earning of interest, the payment of administrative costs, etc..

- (xvii) "**GLOBAL**" shall mean Global Financial Group, a Minneapolis-based brokerage firm.
- (xviii) "**INVESTOR RESPONSE FORM**" shall mean a document previously submitted to the RECEIVER by a POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT on a form developed by the RECEIVER containing financial and other information requested by the RECEIVER in reference to purchases of stock of any of the CANNON "SHELL" COMPANIES.
- (xix) "**POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT(S)**" shall mean those persons identified by the RECEIVER as having possible claims against the GIBRALTAR FUNDS under this plan, or who are asserting such status. Designation of a person or entity as a POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT does not involve any determination of the validity or amount of such person or entity's claim, or its status as an ELIGIBLE SUPPLEMENTAL CLAIMANT.
- (xx) "**RECEIVER**" shall mean Phillip S. Stenger or his successor(s).
- (xxi) "**RECEIVER'S SUPPLEMENTAL CLAIMS DETERMINATION**" shall mean the determination of the RECEIVER concerning a POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT's claim, as reflected in the relevant SUPPLEMENTAL CLAIMS DETERMINATION NOTICE.
- (xxii) "**RELATED PARTY**" or "**RELATED PARTIES**" shall mean family members (blood or marriage); entities such as corporations, trusts, partnerships

or limited liability companies, etc., in which the POTENTIALLY ELIGIBLE CLAIMANT, POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT or EXCLUDED PARTY (or any of its family members or other RELATED PARTIES or affiliates) were officers, directors, general partners, trustees, beneficiaries, members, equity owners, or otherwise played a significant role or held a significant position; and if the POTENTIALLY ELIGIBLE CLAIMANT, POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT or EXCLUDED PARTY is a "legal entity" (corporation, trust, partnership, limited liability company, etc.) rather than a "natural person," its RELATED PARTIES would include its own officers, directors, general partners, trustees/beneficiaries, members, equity owners, and those who otherwise played a significant role or held a significant position.

(xxiii) "**RELIEF DEFENDANT**" shall mean Rowen House, Ltd., a Gibraltar entity, and Montville, Ltd., a Gibraltar entity controlled by CANNON (collectively, "**RELIEF DEFENDANTS**").

(xxiv) "**SOLOMON**" shall mean DEFENDANT Dr. John A. Solomon.

(xxv) "**SUPPLEMENTAL CLAIM DETERMINATION NOTICE**" shall mean the notice sent by the RECEIVER to a POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT stating the RECEIVER'S SUPPLEMENTAL CLAIM DETERMINATION concerning the claim of the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT.

(xxvi) "**SUPPLEMENTAL CLAIMS BAR DATE**" shall mean the date one hundred and fifty (150) calendar days after entry of the SUPPLEMENTAL DISTRIBUTION PLAN APPROVAL ORDER by which date a POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT'S PROOF OF SUPPLEMENTAL CLAIM FORM must be filed as prescribed in this plan to avoid the permanent barring of any right of the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT to participate in any distributions from the GIBRALTAR FUNDS. The SUPPLEMENTAL CLAIMS BAR DATE shall be **July 17, 2011**; provided that such SUPPLEMENTAL CLAIMS BAR DATE may be extended by the RECEIVER in his absolute discretion, in which event such extension shall constitute the SUPPLEMENTAL CLAIMS BAR DATE.

(xxvii) "**SUPPLEMENTAL CLAIM FORM**" shall mean the form prescribed by the SUPPLEMENTAL DISTRIBUTION PLAN APPROVAL ORDER for the filing of proof of a POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT'S claim, and may also include any INVESTOR RESPONSE FORM accepted in lieu thereof as provided in Section II. (v).

(xxviii) "**SUPPLEMENTAL DISTRIBUTION PLAN**" shall mean the plan approved by the COURT for the distribution of the GIBRALTAR FUNDS to the ELIGIBLE SUPPLEMENTAL CLAIMANTS as set forth in this document, as the same may be modified by the COURT from time to time.

- (xxix) "**SUPPLEMENTAL DISTRIBUTION PLAN APPROVAL ORDER**" shall mean the order or orders entered by the COURT adopting a SUPPLEMENTAL DISTRIBUTION PLAN.
- (xxx) "**SUPPLEMENTAL DISTRIBUTION PLAN NOTICE**" shall mean the notice given to POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANTS as provided in this plan, notifying the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANTS of their right and obligation to file their PROOF OF SUPPLEMENTAL CLAIM FORMS and any SUPPLEMENTAL DISTRIBUTION PLAN OBJECTIONS.
- (xxxii) "**SUPPLEMENTAL DISTRIBUTION PLAN OBJECTION(S)**" shall mean objections to the SUPPLEMENTAL DISTRIBUTION PLAN filed in the manner provided in this plan by a POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT.
- (xxxiii) "**SUPPLEMENTAL NET STOCK LOSS**" shall mean: (a) the aggregate amount paid by an ELIGIBLE SUPPLEMENTAL CLAIMANT for the purchase of stock of AATM and/or CYGA (b) less any amounts realized by that ELIGIBLE SUPPLEMENTAL CLAIMANT through sales of such stock (collectively, "**SUPPLEMENTAL NET STOCK LOSSES**").
- (xxxiiii) "**SUPPLEMENTAL DISTRIBUTION PLAN OBJECTIONS BAR DATE**" shall mean the date ninety (90) calendar days after entry of the SUPPLEMENTAL DISTRIBUTION PLAN APPROVAL ORDER by which date a POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT must file, as

prescribed in this plan, any SUPPLEMENTAL DISTRIBUTION PLAN OBJECTIONS, to avoid the permanent barring of any right of the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT to object to the SUPPLEMENTAL DISTRIBUTION PLAN. The SUPPLEMENTAL OBJECTIONS BAR DATE shall be **May 18, 2011**.

II. THE SUPPLEMENTAL DISTRIBUTION PLAN

The following, including the definitions set forth above, is hereby established as the SUPPLEMENTAL DISTRIBUTION PLAN:

- (i) Promptly following the entry by the COURT of the SUPPLEMENTAL DISTRIBUTION PLAN APPROVAL ORDER, the RECEIVER shall cause to be mailed by United States First Class Mail to those POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANTS known to the RECEIVER a SUPPLEMENTAL DISTRIBUTION PLAN NOTICE and a PROOF OF SUPPLEMENTAL CLAIM FORM.
- (ii) The RECEIVER shall also post a copy of the SUPPLEMENTAL DISTRIBUTION PLAN APPROVAL ORDER including Exhibits on the RECEIVER'S ENTERPRISES website, www.enterprisessolutions.com, and, if so directed by the COURT, shall publish a copy of the SUPPLEMENTAL DISTRIBUTION PLAN NOTICE for one time in the national edition of the *Wall Street Journal*. The RECEIVER, at his sole discretion, may also give additional notice of the distribution process in such manner as the RECEIVER deems appropriate.

- (iii) The RECEIVER shall promptly provide a copy of the SUPPLEMENTAL DISTRIBUTION PLAN APPROVAL ORDER and PROOF OF SUPPLEMENTAL CLAIM FORM to any POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT so requesting.
- (iv) Any POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT who objects to the SUPPLEMENTAL DISTRIBUTION PLAN may file a written SUPPLEMENTAL DISTRIBUTION PLAN OBJECTION with the COURT, with a copy to the RECEIVER. Such written SUPPLEMENTAL DISTRIBUTION PLAN OBJECTION must be mailed by the objecting POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT in sufficient time that it is received by both the COURT and the RECEIVER by no later than the SUPPLEMENTAL DISTRIBUTION PLAN OBJECTIONS BAR DATE; the burden of insuring such timely receipt shall be upon the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT. The RECEIVER shall have the right, in his discretion, to file with the COURT a written response to any such SUPPLEMENTAL DISTRIBUTION PLAN OBJECTION, with copies to the objecting POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT. The COURT shall thereafter rule upon the SUPPLEMENTAL DISTRIBUTION PLAN OBJECTIONS, making such revisions, if any, to the SUPPLEMENTAL DISTRIBUTION PLAN as the COURT feels advisable, or may set the matter for hearing. Any POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT who does not timely file a SUPPLEMENTAL

DISTRIBUTION PLAN OBJECTION in the manner herein provided shall be forever barred from subsequently asserting objections to the SUPPLEMENTAL DISTRIBUTION PLAN.

- (v) On or before the SUPPLEMENTAL CLAIMS BAR DATE, each POTENTIALLY ELIGIBLE CLAIMANT must file with the RECEIVER a properly completed SUPPLEMENTAL CLAIM FORM in the form approved by the RECEIVER, reflecting such POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT'S claim, together with all supporting documentation; provided that if any POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT has previously provided investment information to the RECEIVER by providing the RECEIVER a properly completed INVESTOR RESPONSE FORM, and has received written confirmation from the RECEIVER of receipt of such INVESTOR RESPONSE FORM, then such POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT shall not be required to complete and/or file with the RECEIVER an additional PROOF OF CLAIM FORM, but shall provide to the RECEIVER such additional information, if any, as the RECEIVER may request. The SUPPLEMENTAL CLAIMS BAR DATE shall be July 17, 2011; provided that, as to any POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT, such SUPPLEMENTAL CLAIMS BAR DATE may be extended by the RECEIVER in his absolute discretion for good cause shown, in which event such extension shall constitute the SUPPLEMENTAL

CLAIMS BAR DATE as to such POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT. Unless waived by the RECEIVER in his sole discretion for good cause shown, any POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT who does not file a properly completed and documented SUPPLEMENTAL CLAIM FORM in the manner herein provided, so that such form and documentation are received by the RECEIVER on or before the SUPPLEMENTAL CLAIMS BAR DATE, shall be forever barred from asserting a claim against the RECEIVER or the GIBRALTAR FUNDS. The burden shall be upon the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT to insure that its SUPPLEMENTAL CLAIM FORM has been properly and timely received by the RECEIVER, as evidenced by a letter of confirmation from the RECEIVER.

- (vi) The RECEIVER shall review each SUPPLEMENTAL CLAIM FORM to determine the apparent validity and amount of such POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT'S SUPPLEMENTAL NET STOCK LOSS, together with any additional conclusions of the RECEIVER on other issues relevant to the claim. Each POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT shall have the burden of proof to establish the validity and amount of its claim, and that it qualifies as an ELIGIBLE SUPPLEMENTAL CLAIMANT; and the RECEIVER shall have the right to request, and the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT shall be obligated to provide to the RECEIVER, any

additional information and/or documentation deemed relevant by the RECEIVER in order to make the RECEIVER'S SUPPLEMENTAL CLAIMS DETERMINATION. The RECEIVER shall mail by United States First Class Mail a SUPPLEMENTAL CLAIMS DETERMINATION NOTICE to each POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT who has filed a PROOF OF SUPPLEMENTAL CLAIM FORM with the RECEIVER, setting forth the RECEIVER'S conclusions concerning such claim..

- (vii) Any POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT that is dissatisfied with the RECEIVER'S SUPPLEMENTAL CLAIMS DETERMINATION concerning its claim, as reflected in the relevant SUPPLEMENTAL CLAIMS DETERMINATION NOTICE, may request reconsideration of the RECEIVER'S SUPPLEMENTAL CLAIMS DETERMINATION by filing a written request for reconsideration with the RECEIVER. Such written request must be mailed by the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT in sufficient time that it is received by the RECEIVER no later than twenty (20) calendar days after the date on which the SUPPLEMENTAL CLAIMS DETERMINATION NOTICE was mailed to the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT by the RECEIVER; the burden of insuring such timely receipt shall be upon the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT. Such request for reconsideration shall clearly explain the POTENTIALLY ELIGIBLE SUPPLEMENTAL

CLAIMANT'S disagreement with the RECEIVER'S SUPPLEMENTAL CLAIMS DETERMINATION as reflected in the SUPPLEMENTAL CLAIMS DETERMINATION NOTICE and shall include copies of all relevant documentation not previously provided to the RECEIVER. A failure to properly and timely seek reconsideration of a RECEIVER'S SUPPLEMENTAL CLAIMS DETERMINATION as reflected in the relevant SUPPLEMENTAL CLAIMS DETERMINATION NOTICE shall permanently waive the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT'S right to object to or contest the RECEIVER'S SUPPLEMENTAL CLAIMS DETERMINATION. The RECEIVER shall respond to such request for reconsideration with a FINAL SUPPLEMENTAL CLAIMS DETERMINATION NOTICE.

- (viii) Any POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT that is dissatisfied with a FINAL SUPPLEMENTAL CLAIMS DETERMINATION NOTICE concerning its claim may appeal such decision by the RECEIVER to the COURT by filing a written notice of appeal with the COURT CLERK, with a copy to the RECEIVER. Such written notice of appeal must be mailed by the appealing POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT in sufficient time that it is received by both the COURT CLERK and the RECEIVER by no later than twenty (20) calendar days after the date on which the FINAL SUPPLEMENTAL CLAIMS DETERMINATION NOTICE was mailed to the POTENTIALLY

ELIGIBLE SUPPLEMENTAL CLAIMANT by the RECEIVER; the burden of insuring such timely receipt shall be upon the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT. Such appeal shall clearly explain the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT's disagreement with the RECEIVER's decision as reflected in the FINAL SUPPLEMENTAL CLAIMS DETERMINATION NOTICE and shall include copies of all relevant documentation, which shall also be provided to the RECEIVER. The RECEIVER shall have the right, in his discretion, to supplement his position as stated in his SUPPLEMENTAL CLAIMS DETERMINATION NOTICE and FINAL SUPPLEMENTAL CLAIMS DETERMINATION NOTICE by filing with the COURT CLERK a written response to such appeal, with copies to the appealing POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT.

- (ix) An appealing POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT shall have the right to reasonable discovery from the RECEIVER relating to its claim if necessary for the proper preparation and presentation of the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT's appeal, so long as such discovery and its manner of conduct would not interfere with, or unduly burden, the administration of the Receivership. If the RECEIVER and the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT cannot agree concerning the reasonableness and appropriateness of such discovery request and/or implementation, the request for

discovery shall be referred to the COURT for determination. A revised written notice of appeal, with supporting documentation, may be filed with the COURT CLERK by the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT, with copies to the RECEIVER, within twenty (20) calendar days after the date such discovery materials are delivered to the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT by the RECEIVER.

- (x) A failure to properly and timely request reconsideration of a RECEIVER'S SUPPLEMENTAL CLAIMS DETERMINATION as reflected in the relevant SUPPLEMENTAL CLAIMS DETERMINATION NOTICE, or to appeal the decision contained in a FINAL SUPPLEMENTAL CLAIMS DETERMINATION NOTICE, shall permanently waive the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT'S right to object to or contest the RECEIVER'S SUPPLEMENTAL CLAIMS DETERMINATION or the FINAL SUPPLEMENTAL CLAIMS DETERMINATION NOTICE.
- (xi) In the event that a POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT properly appeals a FINAL SUPPLEMENTAL CLAIMS DETERMINATION NOTICE, the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT shall have the burden of proof in such appeal. The COURT shall review the documentation provided by the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT and the RECEIVER. At that time, the COURT may make a final determination or may set the matter for hearing and at the conclusion of the hearing make a final

determination. In the COURT's discretion, any such matter may be referred to a Magistrate Judge.

- (xii) No POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT who has failed to timely file an appropriate SUPPLEMENTAL CLAIM FORM or SUPPLEMENTAL DISTRIBUTION PLAN OBJECTION, or to request reconsideration of an initial RECEIVER'S SUPPLEMENTAL CLAIMS DETERMINATION, or to appeal a FINAL SUPPLEMENTAL CLAIMS DETERMINATION NOTICE, shall be permitted to object to the barring or treatment of its claim or any objections to the SUPPLEMENTAL DISTRIBUTION PLAN on the basis that the RECEIVER failed to mail, or properly to mail, or that such POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT failed to receive, a copy of the SUPPLEMENTAL DISTRIBUTION PLAN NOTICE, SUPPLEMENTAL CLAIM FORM or the relevant SUPPLEMENTAL CLAIMS DETERMINATION NOTICE or FINAL SUPPLEMENTAL CLAIMS DETERMINATION NOTICE, or that a SUPPLEMENTAL CLAIM FORM, SUPPLEMENTAL DISTRIBUTION PLAN OBJECTION, request for reconsideration, or appeal made by the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT, was improperly reflected as not having been received by, or properly recorded as received by, the RECEIVER or the COURT CLERK, or that a POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT'S name and/or contact information was not properly reflected on the RECEIVER'S

records. The burden of notifying the RECEIVER of a POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT's current address and other contact information, and of insuring that a POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT's name and/or contact information are properly reflected on the RECEIVER's records, shall be upon the POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT; and the RECEIVER shall be under no obligation to attempt to determine current contact information for any POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT or to determine the identity of POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANTS whose names and/or current contact information do not appear, or properly appear, on the RECEIVER's records. The RECEIVER shall be exonerated against any and all liability arising out of or related to the conduct of his duties, including implementation of this SUPPLEMENTAL DISTRIBUTION PLAN, except for willful misconduct.

- (xiii) Promptly following completion of processing of all POTENTIALLY ELIGIBLE SUPPLEMENTAL CLAIMANT claims and SUPPLEMENTAL DISTRIBUTION PLAN OBJECTIONS, including the resolution of any appeals arising therefrom, the RECEIVER shall prepare a list of all ELIGIBLE SUPPLEMENTAL CLAIMANTS, the APPROVED SUPPLEMENTAL NET STOCK LOSS of each such ELIGIBLE SUPPLEMENTAL CLAIMANT, and the percentage of the aggregate APPROVED SUPPLEMENTAL NET STOCK LOSSES of all ELIGIBLE SUPPLEMENTAL CLAIMANTS represented

by each ELIGIBLE CLAIMANT'S APPROVED SUPPLEMENTAL NET STOCK LOSS, and shall petition the COURT for approval of such list. At the same time, the RECEIVER shall petition the COURT for authority to distribute out of the GIBALTAR FUNDS to each ELIGIBLE SUPPLEMENTAL CLAIMANT (subject to availability of funds, including payment of estimated administrative costs as well as any federal, state or local taxes payable in connection with the Receivership) an amount equal to the percentage of such claimant's APPROVED SUPPLEMENTAL NET STOCK LOSS which is equal to the percentage of the APPROVED NET STOCK LOSS received by each ESI ELIGIBLE CLAIMANT from the INITIAL DISTRIBUTION (27.9%). If further monies remain undistributed after such SUPPLEMENTAL DISTRIBUTION (after a prudent reserve as stated above), the Receiver may petition the Court for authority to conduct a final distribution in equal proportion to both ESI and SUPPLEMENTAL ELIGIBLE CLAIMANTS in the ratio of each claimant's APPROVED NET STOCK LOSS on terms to be approved by this Court.

- (xiv) Following such distribution, any monies remaining out of the GIBALTAR FUNDS shall be distributed to the United States Treasury or otherwise be disposed of as the COURT shall order.

The COURT reserves the right to amend this SUPPLEMENTAL DISTRIBUTION PLAN from time to time.

AS ORDERED BY THIS COURT on the ____ day of _____, 2011.

Honorable Miriam Goldman Cedarbaum
United States District Court Judge
Southern District of New York

Exhibit D
SUPPLEMENTAL CLAIM FORM (Proposed)

PROOF OF SUPPLEMENTAL CLAIM FORM

If you bought stock in AMERICAN ATM CORPORATION. [TRADING SYMBOL: AATM or AATME] and/or CYBERGAMES, INC., f/k/a Professional Sports Holdings, Inc. [TRADING SYMBOL: CYGA or PSHG], you may be eligible to receive compensation for some portion of your losses. Please complete and return this form as directed to the address indicated below by the CLAIMS BAR DATE of _____.

Re: SECURITIES AND EXCHANGE COMMISSION,

v.

**ENTERPRISES SOLUTIONS, INC.
HERBERT S. CANNON
DR. JOHN A. SOLOMON,**

Defendants,

and

**ROWEN HOUSE, LTD.
MONTVILLE, LTD.,**

Relief Defendants

Case No. 00 civ 2685 (MGC)
Honorable Miriam Goldman Cedarbaum
United States District Court
Southern District of New York

To: Phillip S. Stenger, Receiver
Enterprises Solutions, Inc.
Stenger & Stenger, P.C.
4095 Embassy Drive, S.E.
Grand Rapids, MI 49546
Telephone: (616) 940-1190
Facsimile: (616) 940-1192
Website: www.stengerlaw.com
E-mail: Laura@stengerlaw.com

The purpose of this Proof of Supplemental Claim Form is to allow the Receiver to determine the particulars of any purchase(s) or sale(s) you may have made in the stock of AMERICAN ATM CORPORATION and/or CYBERGAMES, INC. f/k/a Professional Sports Holdings, Inc. in order to determine if you are eligible to receive partial compensation from a court-established Receivership for your losses. Additional information and filings may be requested in the future. Thank you.

INVESTOR NAME: _____

Soc. Sec./EIN: _____

Address: _____

Telephone No.: _____

Facsimile No.: _____

Email Address: _____

Type: ☐ Individual ☐ Corporation ☐ General Partnership
 ☐ Limited Liability Company
 ☐ Limited Partnership ☐ Estate of a Decedent
 ☐ Guardian for ____ Minor or ____ Incompetent (mark one)
 ☐ Custodian ☐ Other _____ (explain)

Note: Proof of authority to act must be submitted as to an Entity. Name and address of the deceased, minor or incompetent must be submitted, as well as the name and address of the person completing this form, for Estate, Guardian, or Custodian claims, together with copies of currently effective authorizing documents.

Attorney Information (if applicable):

Name: _____

Firm Name: _____

Address: _____

Telephone No.: _____

Facsimile No.: _____

Email Address: _____

**PLEASE COMPLETE A SEPARATE PROOF OF
SUPPLEMENTAL CLAIM FORM FOR EACH INVESTOR**

All Information is Provided under Penalties of Perjury _____

GUIDELINES FOR COMPLETING THIS FORM:

1. Attach *copies* of all records that support your Proof of Supplemental Claim Form, including, but not limited to, proof of payment (i.e. wire transfer confirmations, cancelled checks, bank statements), brokerage account statements and trade confirmations. *Do not send original documents to the Receiver.*
2. ***Initial each page of the documents you produce, including this form.***
3. If a particular item does not apply to you specifically, write "not applicable." If you do not know the answer to a particular item, write, "not known." ***Do not leave a question blank.***
4. You must certify the accuracy of the Proof of Supplemental Claim Form and sign it under penalties of perjury in the space provided on the final page. ***If you are signing on behalf of an entity, you must provide the Receiver with documentation to show that you have the authority to make this claim on behalf of the entity and to bind the entity.***
5. Correspondence concerning your Proof of Supplemental Claim Form should be addressed to Stenger & Stenger, attorneys for the Receiver, at the address shown for the Receiver on the cover page to this Proof of Supplemental Claim Form. The firm of Stenger & Stenger is a law firm for the Receiver and cannot give you personal legal advice concerning your Proof of Supplemental Claim Form; such advice must come from *your own* attorney or other advisor. Likewise, information communicated by you to Stenger & Stenger is not confidential and will be utilized by the Receiver in administering the Receivership, including the resolution of any claim you may make against the Receivership. All such communications should be in writing.
6. This Proof of Supplemental Claim Form consists of nine (9) pages. If you did not receive all nine pages, please immediately notify Stenger & Stenger at the address shown on the cover page.
7. The Receiver reserves the right to request additional information from you.
8. In the event that any information provided in this Proof of Supplemental Claim Form, including your contact information, changes or becomes inaccurate or incomplete, ***you are obligated to so advise the Receiver and revise and update your Proof of Supplemental Claim Form.*** Failure to do so would make your Proof of Supplemental Claim Form inaccurate or misleading and could subject you to penalties.
9. The fact that you have received this Proof of Supplemental Claim Form from the Receiver, or that the Receiver accepts your return of that form, does not constitute a determination by the Receiver that you are in fact an eligible claimant to share in any distributions from the Receivership. Approval of claims and distributions, if any, are dependent upon the procedures established by, and orders of, the Court.
10. Please note that ***the statements made by you in this Proof of Supplemental Claim Form are being submitted by you under penalty of perjury.*** If you have any questions concerning how to complete this form, consult your own attorney or other independent advisor. ***The Receiver recommends that you secure such independent advice.***

Investment Information

1. a. I purchased stock in American ATM Corporation ("AATM") [trading symbol: AATM or AATME] as follows (add extra sheets if necessary):

Name Under Which Shares were Purchased	Purchase Date	Number of Shares Purchased	Purchase Price per Share	Total Dollar Amount Paid for Shares	Name of Brokerage Firm	Name of Brokerage Agent
TOTAL						

- b. I sold stock in American ATM Corporation ("AATM") [trading symbol: AATM or AATME] as follows (add extra sheets if necessary):

Name Under Which Shares were Sold	Sale Date	Number of Shares Sold	Sale Price per Share	Total Dollar Amount Received*	Name of Brokerage Firm	Name of Brokerage Agent
TOTAL						

PLEASE ATTACH PROOF OF THE ABOVE-MENTIONED TRANSACTIONS, INCLUDING (IF APPLICABLE) STOCK CERTIFICATES, ACCOUNT STATEMENTS, CANCELLED CHECKS, WIRE TRANSFER CONFIRMATIONS, BROKERAGE ACCOUNT STATEMENTS, TRADE CONFIRMATIONS OR ANY OTHER EVIDENCE.

* Gross, including commissions.

2. a. I purchased stock in Cybergames, Inc. f/k/a Professional Sports Holdings, Inc. ("CYGA") [trading symbol: CYGA or PSHG] as follows (add extra sheets if necessary):

Name Under Which Shares were Purchased	Purchase Date	Number of Shares Purchased	Purchase Price per Share	Total Dollar Amount Paid for Shares	Name of Brokerage Firm	Name of Brokerage Agent
TOTAL						

- b. I sold stock in Cybergames, Inc. f/k/a Professional Sports Holdings, Inc. ("CYGA"). [trading symbol: CYGA or PSHG] as follows (add extra sheets if necessary):

Name Under Which Shares were Sold	Sale Date	Number of Shares Sold	Sale Price per Share	Total Dollar Amount Received*	Name of Brokerage Firm	Name of Brokerage Agent
TOTAL						

PLEASE ATTACH PROOF OF THE ABOVE-MENTIONED TRANSACTIONS, INCLUDING (IF APPLICABLE) STOCK CERTIFICATES, ACCOUNT STATEMENTS, CANCELLED CHECKS, WIRE TRANSFER CONFIRMATIONS, BROKERAGE ACCOUNT STATEMENTS, TRADE CONFIRMATIONS OR ANY OTHER EVIDENCE.

* Gross, including commissions.

All Information is Provided under Penalties of Perjury

3. Please indicate the method of payment(s) you used on your purchase(s) of AATM and/or CYGA stock:

☐ check ☐ cash ☐ wire transfer ☐ credit card ☐ other

ATTACH PROOF OF PAYMENT FOR YOUR PURCHASE(S), INCLUDING (IF APPLICABLE) CANCELLED CHECKS, BANK STATEMENTS, RECEIPTS, ETC.

4. a. If you sold any of your AATM and/or CYGA stock, please indicate the form of payment(s) you received for the sale:

☐ check ☐ cash ☐ wire transfer ☐ other

- b. If you received payment by check, please indicate the payor on the check(s):

- c. If payment was made in cash, please identify the person(s) who made the payment(s):

- d. If payment was made via wire transfer, please indicate the account number(s) and name(s) on the account(s) from which the funds were transferred:

- e. If other, please describe the form in which payment(s) were made to you and the name of the person who made the payment(s):

5. a. Have you ever received a payment of cash, stock or anything else from AATM, CYGA, Enterprises Solutions, Inc. ("ESI"), American Casinos International, Inc. ("ACII"), Herbert S. Cannon, John A. Solomon, Rowen House, Ltd. and/or Montville, Ltd.? ☐ Yes ☐ No

- b. If so, please indicate the amount of each payment received and the form in which the payment was made (i.e., cash, check, wire transfer, additional stock, etc.)

Date Payment was Received	Amount of Payment	Form in which Payment was Made
TOTAL		

6. a. Do you still own stock in AATM and/or CYGA? ☐ Yes ☐ No
- b. If yes, please indicate how many shares you still own: _____
(Also, please attach copies of any documents confirming any current ownership of stock in AATM and/or CYGA).
7. a. Please identify the individual(s) or entity(ies) who informed you about the investment(s) and any relationship they may have had with AATM, CYGA, ESI, ACII, Herbert S. Cannon, John A. Solomon or any other person affiliated, directly or indirectly, with any of these persons or entities: _____

- b. If the individual(s) worked for a company other than AATM, CYGA, ESI or ACII, please indicate the name of the company and their position with that company: _____

- c. If the individual(s) worked for Global Financial Group, Inc. ("Global Financial"), please identify the person(s) and their position: _____

Investor Information

8. a. Did you recommend this investment to any other individual(s) or entity(ies) who may have invested? ☐ Yes ☐ No
- b. Did the person(s) or entity(ies) ultimately purchase the stock? ☐ Yes ☐ No
- c. If the person(s) or entity(ies) purchased the stock, please provide the person(s) or entity(ies)' current name, address and phone number: _____

- d. Did you receive any form of compensation, including finders fees, stock, gifts or other benefits, for recommending other individuals to invest? ☐ Yes ☐ No
- e. If Yes, what was the total dollar value of any compensation you received? _____

- f. In what form did you receive your compensation? _____

9. If you are an entity other than a natural person (e.g., a corporation, general or limited partnership, limited liability company, trust etc.), please list the officers, directors, managing partners, managers, beneficial owners, consultants, attorneys, promoters, agents and controlling persons of the entity and provide their current addresses:

Name	Position	Address

If the stock was purchased and/or sold by an entity other than a natural person, and you plan to assert a claim on behalf of that entity, please provide documentation to show your authority to make this claim on behalf of the entity.

10. a. Are you or any of your entity's beneficial owners related to or affiliated with any past or present owner, officer, director, employee, consultant, attorney, promoter or agent of AATM, CYGA, and/or ESI? ☐ Yes ☐ No
- b. If Yes, to whom are you related or affiliated, and what is that person's past or present position with AATM, CYGA, and/or ESI?

- c. Are you or any of your entity's beneficial owners related to or affiliated with any past or present owner, officer, employee, consultant, attorney, promoter or agent of Global Financial Group, Inc.? ☐ Yes ☐ No
- d. If Yes, to whom are you related or affiliated, and what is that person's past or present position with Global Financial Group, Inc.?

- e. Are you or any of your entity's beneficial owners directly or indirectly related to or affiliated with Herbert S. Cannon or any business or entity associated, directly or indirectly, with Cannon? ☐ Yes ☐ No
- f. If Yes, what is your relationship to Herbert S. Cannon or the related business or entity? _____

- g. Are you or any of your entity's beneficial owners directly or indirectly related to or affiliated with John A. Solomon? ☐ Yes ☐ No
- h. If Yes, what is your relationship to John A. Solomon? _____
- i. Are you or any of your entity's beneficial owners related to or affiliated with any past or present owner, officer, director, manager, employee, consultant, attorney, promoter or agent of Rowen House, Ltd or Montville, Ltd.? ☐ Yes ☐ No
- j. If Yes, to whom are you related or affiliated, and what is that person's past or present position with Rowen House, Ltd or Montville, Ltd? _____

(Attach Additional Pages if Necessary)

**By Signing Below, I Hereby Make the Following
Acknowledgements and Certifications:**

- I certify, under penalty of perjury, that my answers on this Proof of Supplemental Claim Form are true, correct and accurate; and
- I will supplement this Proof of Supplemental Claim Form if any information given herein later becomes, or is determined to be, inaccurate or incomplete.

Dated: _____

Signature: _____

Print Name: _____

Reminder Checklist:

- Remember to attach supporting documentation, including the following: proof of payment for each transaction; brokerage account statements; trade confirmations; and any other documents reflecting your transactions involving the stock of AATM and/or CYGA.
- Initial each page of this Proof of Supplemental Claim Form and each page of your supporting documentation.
- If your contact information changes, please send us your updated address and telephone number.

All Information is Provided under Penalties of Perjury _____

Exhibit E
NOTICE (Proposed)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION :	
Plaintiff, :	
v. :	00 Civ 2685 (MGC)
ENTERPRISES SOLUTIONS, INC., et al. :	
Defendants. :	
ROWEN HOUSE, LTD, and MONTVILLE, LTD., :	
Relief Defendants. :	

**TO ALL INTERESTED CLAIMANTS IN THE SUPPLEMENTAL
DISTRIBUTION OF "GIBRALTAR FUNDS" OF RELIEF DEFENDANTS
ROWEN HOUSE, LTD AND MONTVILLE, LTD
(Enterprises Solutions, Inc.; American Casinos International, Inc.;
American ATM Corp.; and Cybergames, Inc.)**

Note: *Terms used in this Notice bear the meanings set forth in the Supplemental Distribution Plan, referenced below.*

Notice is hereby given that, on [REDACTED] 2011, United States District Court Judge Miriam Goldman Cedarbaum issued an "*Order Approving Plan of Supplemental Distribution and Providing for Implementation Thereof*" (the "Order"), establishing a Supplemental Distribution Plan for the distribution of "Gibraltar Funds" aggregating \$751,816.75 transferred to Receiver Phillip S. Stenger pursuant to an order of the Supreme Court of Gibraltar, Chancery Jurisdiction, in the liquidation of Rowen House, Ltd. and Montville, Ltd, Gibraltar companies that are also Relief Defendants in the captioned litigation.

The Order established a "**Claims Bar Date**" of [REDACTED], 2011.

Under the terms of the Supplemental Distribution Plan, "Eligible Supplemental Claimants" may share in a supplemental distribution of the Gibraltar Funds on the basis to be established by the Court. Eligible Supplemental Claimants are persons not otherwise disqualified under the terms of the Supplemental Distribution Plan who file a Supplemental Claim Form with the Receiver in the manner provided in the Supplemental Distribution Plan who purchased stock in **American ATM Corp. or Cybergames, Inc.** (both all traded publicly on the Over the Counter Bulletin Board of the National Association of Securities Dealers, Inc.) **between April 1, 1997 and June 30, 2000.**

Note that, under the terms of the Supplemental Distribution Plan, various potential claimants designated in the plan, including the Defendants, and, without limitation, others who participated in the development or implementation of the scheme, or in the marketing of Cannon "Shell" Companies' stock, or who with reasonable diligence could have known of the fraudulent nature of the scheme, are excluded from participating in the

distribution of the Gibraltar Funds. This includes the Related Parties of these Excluded Parties.

To qualify as an Eligible Supplemental Claimant, a Potentially Eligible Supplemental Claimant among other requirements must, on or before [REDACTED], 2011 (the "Claims Bar Date"), file with the Receiver a properly completed Supplemental Claim Form in the manner provided in the Supplemental Distribution Plan.

While the basis for distributing the Gibraltar Funds among the Eligible Supplemental Claimants will be established by the Court, a "Motion and Memorandum Relating to Gibraltar Funds" (the "Motion") has been filed by the Receiver that contains various recommendations concerning the basis on which the Gibraltar Funds should be distributed; this Motion and its attached proposed Supplemental Distribution Plan should be carefully reviewed by all potential claimants. A Potentially Eligible Supplemental Claimant may on or before [REDACTED], 2011 (the "Objections Bar Date") file with the Court objections to the provisions of the proposed Supplemental Distribution Plan in the manner provided in the Order.

A failure to properly file the required Supplemental Claim Form, or to object to the terms of proposed Supplemental Distribution Plan, on or before the Claims Bar Date and/or the Objections Bar Date, may bar a Potentially Eligible Supplemental Claimant's claim against the Gibraltar Funds and waive any right to object to the Supplemental Distribution Plan.

Any Potentially Eligible Supplemental Claimant may secure a Supplemental Claim Form, a copy of the Order, and/or a copy of the Receiver's Motion (including the proposed Supplemental Distribution Plan), by contacting Receiver Phillip S. Stenger, c/o Stenger & Stenger, P.C., 4095 Embassy Drive SE, Suite A, Grand Rapids, MI 49546, (616) 940-1190, (616) 940-1192 (fax), phil@stengerlaw.com (email). These documents may also be downloaded from the Receiver's ESI website, www.enterprisessolutions.com.

Note: The Receiver has already mailed information to known Potentially Eligible Supplemental Claimants as reflected on his records. If you did not receive a copy of this notice by mail, you may not be listed, or your contact information may not be correct, on the Receiver's list of possible claimants; and you should contact the Receiver immediately to avoid a loss of your possible claim against the Gibraltar Funds.

Potentially Eligible Supplemental Claimants are strongly urged to carefully study the Motion, Order and proposed Supplemental Distribution Plan, and to consult with their own attorneys or other advisors, to understand their rights and obligations under the proposed Supplemental Distribution Plan. Copies of these documents are available from Mr. Stenger or may be downloaded from his ESI website as set forth above.