RECEIVER'S STATEMENT TO INVESTORS REGARDING
THE SECURITIES INVESTOR PROTECTION CORPORATION

Some investors have inquired about "SIPC" and being allowed to participate in a SIPC emergency fund.

"SIPC" stands for the Securities Investor Protection Corporation. The SIPC is a federally mandated non-profit United States corporation that protects securities investors from financial harm if a member broker-dealer company fails and is forced into bankruptcy.

Congress created the SIPC in 1970 through the Securities Investor Protection Act (15 U.S.C. § 78aaa *et seq.*).

The SIPC it is *not* a government agency. It is a membership corporation funded by its members.

The SIPC maintains a database of valid members on its website, available at www.sipc.org/who/database.cfm. Further, companies that are members of the SIPC include "member SIPC" on their literature, along with the SIPC logo. While investment companies sometimes use misleading names or language that might lead investors to think the companies are SIPC members, only actual members listed on the SIPC's database are qualified for the coverage and protections that SIPC provides.

None of the Defendants in the Millennium Bank Ponzi scheme were SIPC members. In addition, among the investments that are **ineligible** for SIPC protection are investment contracts that are not registered with the United States Securities and Exchange Commission ("SEC") under the Securities Act of 1933. *None* of the offshore bank's investment offerings were registered with the SEC. For these reasons, among others, SIPC does not apply in this case, and thus, no SIPC emergency funds exist.