

March 1, 2013

I have received many requests for an update on our efforts to maximize the recovery of Rex Venture assets and establish a plan to refund as much money as possible to the victims of Rex Venture and ZeekRewards. The complete, detailed reports of our activities can be found in two recent court filings, the “Quarterly Status Report – Q4, 2012,” and the “Final Liquidation Plan,” both of which are available for review on this website under the heading “Case Documents.” However, for the many of you that would prefer to read a shorter summary, I have tried to provide that below.

Claims Process

We have spent a great deal of time designing what we hope will be an efficient and accurate claims process. I understand this is imperative to providing the victims and creditors of the Receivership Defendant with the greatest possible recovery on their claims. With more than two million usernames registered on ZeekRewards.com, this has been a significant undertaking. We have been working diligently on this issue, and are in the process of finalizing the plan. We attached screen shots of a draft claim form to the Final Liquidation Plan.

While I had hoped to be able to do so earlier, I will file a motion with the Court seeking approval of our proposed claims process no later than March 31, 2013. We will notify affiliates that the claims process has begun within fourteen days of the Court’s approval. If approved by the Court, the notices will be sent electronically, using email addresses provided by the affiliates and other creditors to the Receivership Defendant. We will also post the notice on this website. The notice will detail the procedure for submitting claims. Generally, subject to Court approval, the process will be as follows:

- With few exceptions, the claims process will be carried out electronically. Affiliates and other creditors will be provided with a website address where they will be able to fill out and submit a claim form.
- The Receiver team will review each submitted claim and compare it to our records for the purpose of determining whether the team agrees with the claim and then will notify the claimant of its initial determination.
- The claimant will have 30 days to respond to our determination. If no objection is received by the team, we will accept the amount determined by the team to be a valid claim. If the claimant timely objects to our determination, we will work with the claimant to resolve the claimant’s objection. If we are not able to resolve the claimant’s objection, we will use a court-approved process for resolution.
- This does not mean that all of an approved claim will be paid. Even with more than \$300 million recovered already, and hopefully with more to come, we likely will be able to pay only a percentage (but we hope a significant percentage) of approved claim amounts.

- The claims submission period will most likely end 120 days after the Court's order approving the process. After that date, no further claims will be accepted.

We will evaluate and reconcile claims submitted throughout the submission period. If it is practical and cost effective, I will ask the Court for permission to make a partial, interim distribution on approved claims after the close of the claims submission and review process. The final distribution will be made after we have recovered, in a cost effective way, all assets possible.

Refund Checks

I have received many emails asking why some affiliates are already receiving "refund checks." I assure you that I have not issued checks to any affiliates, and will not be doing so until the claims process has been completed. The "refund checks" you are hearing about are the result of our efforts in December and January to assist affiliates and their financial institutions in refunding affiliates whose cashier's checks, made payable to Rex Venture but never received or deposited, are being credited to affiliates.

Potential Litigation Claims

Although we have already recovered more than \$300 million for return to victims and other creditors, we want to recover everything we can while staying cost effective in our efforts. In the next few months we will sue "net winners" (those who withdrew more than they invested in ZeekRewards) in what you have heard called "claw back" litigation. We are in active negotiations with many "net winners" for the return of their winnings, which is really just other peoples' money. Before bringing this suit we will continue to negotiate with "net winners" to settle the claims against them, and I encourage any net winner interested in agreeing to a settlement prior to litigation to contact my team at zeeksettlement@mcguirewoods.com. I estimate that nearly \$300 million was fraudulently transferred to "net-winners." It is simply too early to estimate the potential amount that will ultimately be recovered in these "claw back" claims.

We are also considering claims against insiders including employees, contractors, other Receivership Defendant agents, and third-party advisors who played an active role in furthering the fraudulent scheme or facilitated the Receivership Defendant's activities for their own gain.

Additionally, we are working with appraisers to determine the value of the Receivership Defendant's personal and real property. Ultimately, I intend to sell those assets to collect more money to return to victims through the claims process.

Other Litigation

Unfortunately, we have also spent a great deal of time, and money, fending off what we believe to be unnecessary and meritless motions brought before the Court by large "net winners." We have also had to expend time and money to require various "net winners" to respond to legitimate subpoenas asking for financial and other information showing their role in, and

liability to the victims of, this scheme. We have no choice but to respond to these attacks and delaying tactics, but we will continue to try to do so in the most appropriate and efficient ways.

Conclusion

I greatly appreciate your continuing support and patience. I know that for many of you this has been a trying and stressful ordeal. Please know that we are being vigilant in our court-appointed duties to reduce your losses as much as possible, while acting as quickly and cost effectively as possible.

Sincerely,

Kenneth D. Bell
Receiver