

July 15, 2009

Dear clients, colleagues, friends & family,

As you know, I have for years worked to assist various start-up and emerging growth companies with their organization, capital formation and growth. In connection with my work, I often encounter obstacles that make achieving the desired results very difficult. While I may not succeed in every endeavor I undertake on behalf of a client, I always give 100% effort.

On Monday, July 13, 2009, the SEC filed a complaint against me, one of my associates, a former client and others claiming, among other things, that I orchestrated a scheme in connection with a deal I worked on for a client, and that my efforts resulted in a benefit to me of over \$1,000,000. Nothing could be further from the truth. Although the SEC does have the ability to make allegations, these allegations have never been tested or proven in court, where the agency is treated the same as any other civil litigant who has made unproven allegations. My lawyers have advised me not to litigate this matter outside of court, so I will have to tell my side of the story at the appropriate time in the judicial process.

As we move forward, I intend to ensure that all relevant facts are brought forth in order that the courts and, indirectly, the public, receive a more complete and accurate view of the events that transpired and the actions I undertook to help my former client.

In the meantime, I will never forget the tremendous support and good wishes I have received from clients, colleagues, friends and family.

Thank you for your patience and understanding.

Sincerely,



David Otto