

Michael I. Goldberg, Receiver
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June 30, 2010

VIA U.S. MAIL AND WEB POSTING

Re: Securities & Exchange Commission vs. Estate of Kenneth Wayne McLeod, et al.
Case No.: 10-22078-CIV-MORENO-TORRES
United States District Court for the Southern District of Florida

Dear Creditors:

I am writing as the court-appointed receiver for Federal Employee Benefits Group, Inc. and F&S Asset Management Group, Inc. (collectively, the "Receivership Entities"). As receiver, I am charged with the responsibility for, among other things, taking control of the Receivership Entities' assets and examining the Receivership Entities' business affairs in order to determine the best course of action to attempt to maximize the value of their assets for creditors. This letter is being sent to you in order to advise you of the circumstances leading to my appointment as receiver and to provide you with my contact information.

On June 24, 2010, the United States Securities and Exchange Commission ("SEC") commenced an action against the Receivership Entities and Kenneth W. McLeod ("McLeod") in the United States District Court for the Southern District of Florida (the "Court") alleging that McLeod utilized the Receivership Entities to operate a Ponzi scheme. At that time, the SEC requested the Court to appoint a receiver over the Receivership Entities. The Court appointed me to serve as receiver. My duty is to safeguard the Receivership Entities' assets and take whatever action is necessary for the protection of creditors. A copy of the Complaint and Order Appointing Receiver can be obtained from the Court or can be viewed on the internet at www.febginfo.com.

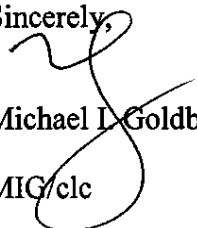
Immediately upon my appointment, I started reviewing the Receivership Entities' business affairs in an attempt to locate and secure assets for the benefit of victims. As you can imagine, it will take a while for me to completely understand the Receivership Entities' business affairs and, as of now, I do not have the answers to many of your questions. I am currently preparing a report on the status of the Receivership Entities' and McLeod's assets and expect to file it with the Court by the end of next month. A copy of the report will be posted on the website set forth above.

In order to keep creditors informed as to the progress of the receivership proceedings, my staff and I may be reached at (800) 223-2234. Creditors can call this number with their questions as well as any information you believe may assist me in my investigation. However, given the number of

creditors and the high volume of calls, it is simply impossible to personally answer every phone call received on the first attempt. If you reach our answering machine, please leave your name and telephone number on the voicemail and either I or one of my professionals will attempt to return your call as soon as possible. In an attempt to reduce the expenses associated with answering your calls, we request that you first access the website, which will likely provide answers to many of your questions. The website will be updated as new information is learned. I also plan to post subsequent letters like this one on the website to update you on the status of the receivership.

Please note that the Receivership Order requires that I take possession of all of the Receivership Entities' and McLeod's assets. Accordingly, I have been taking steps to locate and secure their assets. Preliminarily, the Receivership Entities appear to have minimal assets. McLeod has some personal assets and I will make claim to all of his personal assets and life insurance proceeds for the benefit of his victims. I will explore lawsuits against third parties that may have legal responsibility for the crimes McLeod committed. These assets and claims will be further detailed in future reports.

Finally, please note that the Court's orders grant me exclusive authority over the Receivership Entities' and McLeod's assets to insure an even and fair distribution to all victims. Accordingly, please do not resort to self help as such action will violate the Court's order. Instead, if you know of any assets that either McLeod or the Receivership Entities own, possess or otherwise control, please inform my office.

Sincerely,

Michael I. Goldberg
MIG/clc