

**WAYNE KLEIN, RECEIVER FOR
FFCF Investors, Ascendus Capital Management, Smith Holdings**

299 South Main, Suite 1300, Salt Lake City, UT 84111, (801) 534-4455
wklein@kleinutah.com

February 18, 2010

Dear Investors:

The Court has granted the Receiver's request to begin the claims process. This will result in a determination of which claims against the Receivership assets are valid and the total amount of valid claims. Because the claims process involves a somewhat lengthy process of validating the claims, we want to begin this process now. The earliest that any distributions can be made to investors will be in November, 2010.

Making distributions to investors depends, of course, on our success in identifying and recovering additional assets for return to investors. While we have recovered a relatively small amount of assets, we expect to recover additional monies as a result of settlements being negotiated, lawsuits we have already filed, and lawsuits we will be filing in the coming months.

Enclosed are:

1. The Instructions for Proof of Claim Form
2. Proof of Claim Form

The deadline for submitting completed Proof of Claim Forms is April 30, 2010. However, we encourage you to complete the form and return it to the Receiver as soon as you have gathered the documents necessary to complete the claim form.

We are also requesting additional documents from you. While the Proof of Claim Form does not require you to submit the following documents, it will assist the Receiver greatly in his efforts to recover additional funds if you will also send to the Receiver:

1. Copies of all account statements you received from Ascendus Capital Management and FFCF Investors.
2. Copies of all account statements you received from Penson Financial Services and Great Eastern Securities. (I know these may include many pages of copies.)
3. A copy of the "signature page" to your FFCF Subscription Agreement. This is the page that you signed. It also lists the amount that FFCF said was your starting investment balance in FFCF.

Sincerely,



WAYNE KLEIN, Receiver

INSTRUCTIONS FOR PROOF OF CLAIM FORM

Ascendus Capital Management, LLC (“Ascendus”), FFCF Investors, LLC (“FFCF”), and Smith Holdings, LLC (“Smith Holdings”)

Instructions

The attached “Proof of Claim” Form has been approved by the Third District Court of Utah. These instructions apply to that Proof of Claim Form. This process is the exclusive method for investors and others to assert claims against any of the monies or assets of Ascendus, FFCF, and Smith Holdings which have been or should be delivered to Wayne Klein, the Court-appointed Receiver (“Receiver”). Persons who invested in Ascendus or FFCF may complete the Proof of Claim Form and submit it to the Receiver. Persons who have other claims against the assets of Ascendus, FFCF, or Smith Holdings also may use this form to make claims.

The following guidelines apply to this Proof of Claim Form:

1. **Documents.** The Receiver will make an initial evaluation of the claim based on records deemed to be reliable. Investors are strongly encouraged to submit copies of documents establishing that funds were sent to Ascendus or FFCF in order to establish the amount invested. Copies of bank documents will be the most persuasive means of demonstrating how much money was invested. *Note: because investment account statements sent to investors did not reflect actual profits earned by the companies, copies of account statements received from Ascendus or FFCF will not be deemed reliable indications of monies invested.* In the event the documents submitted by investors show different results than bank records reconstructed by the Receiver, the Receiver will base his recommendation to the Court on the records deemed most reliable.
2. **Signed Under Oath.** The Proof of Claim Form must be signed under penalty of perjury. If the amount of a claim is based on false or misleading information, the Receiver may recommend that the entire claim be denied.
3. **Confidentiality.** The Receiver will endeavor to maintain the confidentiality of information submitted by claimants, by assigning a claim number to each claim. Public filings will refer to claims by claim number. The Receiver will provide to the Court information allowing it to identify each claimant.
4. **Types of Claims.** Persons whose claims are based on “investments” made with Ascendus or FFCF should list those investments in Section B of the Proof of Claim Form. Persons whose claims are based on other business dealings with Ascendus or FFCF should complete Section C of the Proof of Claim Form. Claimants may make claims under both sections if they had investment and non-investment dealings with the companies. Unsecured claims arising from non-investment dealings with these companies are less likely to be deemed valid claims against the assets of Ascendus, FFCF, and Smith Holdings.

5. **Classes of Claims.** The Receiver may recommend to the Court that claims be divided into more than one class, with higher percentages of claims being paid to certain classes. Claims that may be assigned to classes receiving lower percentages of recovery might include claims for non-investment business dealings with the companies, claims by family members or business associates, claims by persons who may have had knowledge of the true financial condition of the companies or who otherwise may not have acted in complete good faith, claims based on goods or services, and claims containing false or misleading information.
6. **Allowable Claims will be Based on the Principal Amount of Investment.** The amount of valid claims determined by the Receiver will be based on the amount of funds actually paid to Ascendus or FFCF, not based on profits reported on account statements prepared by these companies. Because it is expected that there will only be enough money to pay a portion of valid claims, no one will be allowed to recover more than the amount of their actual investment unless all investors recover at least the amount of their investment.
7. **Submission Deadline.** The Proof of Claim Form must be sent to the Receiver and delivered or postmarked by **April 30, 2010**. Claims postmarked or delivered after that date may be denied. If you are aware of other claimants, please encourage them to submit claims before the deadline. Additional copies of this Proof of Claim Form are available on the Receiver's website at www.kleinutah.com. Proof of Claim Forms and documentation supporting the claim should be mailed, instead of being sent electronically. The Receiver cannot confirm the receipt of claim documents sent electronically. *Claim forms should NOT be sent to the court.*
8. **Keep a Copy!** Claimants should keep a copy of the Proof of Claim Form and supporting documentation. Claimants should keep their original copies of supporting documents and send photocopies to the Receiver. The Receiver will contact you if he needs the original documents for review.
9. **Steps in the Claim Review Process.**
 - a. Proof of Claim Forms will be reviewed for completeness when received. If required information (such as a signature) is missing, the claimant will be contacted and given an opportunity to submit the missing information within ten days.
 - b. The Receiver will determine the validity of the amount of the claim by reviewing the Proof of Claim Form and supporting documentation and by comparing the claim with the financial records reconstructed by the Receiver. If the records do not match, the Receiver will make his recommendations based on records he deems most accurate – whether from the claimant or from the Receiver's analysis.
 - c. The Receiver will make a determination of the Preliminary Allowable Claim Amount. *Note: This is the amount that the claimant can validly claim against the amount of assets recovered by the Receiver. It does **not** mean that that amount*

will be available for payment. The amount actually paid to claimants is expected to be a small percentage of the amount of allowable claims because we anticipate that there will be valid claims for more money than will be recovered.

- d. Claimants will be notified of the Receiver's determination of their Preliminary Allowable Claim Amount. Claimants who disagree with the Receiver's determination of the preliminary allowable claim amount will have thirty (30) days to provide additional documentation to support the amount of their claim or to persuade the Receiver that his preliminary determination should be modified.
- e. The Receiver will file with the Court his recommendations of the Allowable Claim Amount for each claimant.
- f. Claimants who disagree with the Receiver's recommendation will have thirty (30) days from the time the Receiver's recommendations are filed with the Court to file with the Court an objection to the Receiver's recommendation.
- g. The Court will establish a process for evaluating and ruling on the objections.
- h. When the Court has ruled on the objections, the list of allowable claim amounts will be deemed final.
- i. Distribution of funds recovered on behalf of Ascendus, FFCF, and Smith Holdings will be made on a pro-rata basis based on the final allowable claim amounts.

10. **Timetable.** The following is the expected timetable for determining allowable claims:

Date	Event
April 30, 2010	Deadline for submission of Proof of Claim Forms.
June 15, 2010	Receiver will complete his initial review of claim forms and will send notice of Preliminary Allowable Claim Amounts.
July 15, 2010	Deadline for submission of any additional information by claimants disagreeing with the Preliminary Allowable Claim determination and requesting additional review.
August 13, 2010	Receiver will file a report to the Court listing his recommendations for Allowable Claim Amounts. This report will also be mailed to all claimants.
September 13, 2010	Deadline for claimants to file with the Court any objections to the Receiver's recommendation of allowable claims.
November 15, 2010	Goal for completion of the Court's review of objections, creation of a final list of allowable claims, and Court approval of a distribution plan. Distributions of funds can begin.

The Proof of Claim Form must be mailed by **April 30, 2010** to the Receiver at:

**Ascendus/FFCF Claim Form
Wayne Klein, Receiver
299 South Main, Suite 1300
Salt Lake City, UT 84111**

**THIRD DISTRICT COURT
SALT LAKE COUNTY, STATE OF UTAH**

A. David Barnes, M.D.,

Case No. 080922273

vs.

FFCF Investors, LLC, Ascendus Capital Management, LLC, Smith Holdings, LLC, Richard T. Smith, and Roger E. Taylor.

PROOF OF CLAIM FORM

FFCF Investors, LLC ("FFCF") Ascendus Capital Management, LLC ("Ascendus") and Smith Holdings, LLC ("Smith Holdings")

Please review the attached "Instructions" for information on how to complete this form.

Deadline:

All Proof of Claim Forms must be returned to the Receiver (Wayne Klein) by April 30, 2010.

Mail to:

FFCF/Ascendus Claim Form
Wayne Klein, Receiver
299 South Main, Suite 1300
Salt Lake City, UT 84111

Note: Do not mail the claim form to the court.

A. CLAIMANT INFORMATION

Response

1. Contact Information

Claimant Name

Joint Holder/Investor

Address

City, State, Zip

Phone Number

Mobile Phone

E-Mail Address

Tax Identification Number

2. Entities: If any of the investments were made by an entity, list all persons who directly or indirectly hold beneficial interests in the entity and their share of ownership.

3. Affiliation/Relationship: Attach an explanation for any "yes" answers.

Are you related to Roger Taylor or Richard Smith?

	Have you been a business partner with Taylor or Smith, assisted in the creation of companies they managed, or been a signatory on any bank accounts they held?	
	Have you ever received financial support from Taylor or Smith, such as salary, loans, or gifts of money or property?	
4.	Sales Activity: Did you solicit others to invest with Ascendus or FFCF or did you receive compensation as a result of others investing with Ascendus or FFCF?	
5.	Type of Claim	
	<u>Ascendus Investor?</u> Did you pay money (or have others pay money for you) to Ascendus Capital Management? (<i>Note: do not include funds that you deposited into a brokerage account at Penson Financial Services or Great Eastern Securities .</i>)	Yes/No:
	<u>Investor in FFCF?</u> Did you pay money to FFCF Investors, LLC?	Yes/No:
	<u>Non-Investor Creditor?</u> Do you claim that Ascendus or FFCF owes you money for something other than an investment?	Yes/No:

B. INVESTOR CLAIM INFORMATION

1.	Funds Given to Ascendus. <i>List the amount and date of each payment given to Ascendus by you, or by others for you, for investment purposes. (Do not include monies given to FFCF, Penson, or Great Eastern.)</i>	Amount	Date	What documents are enclosed?
	First investment			
	Second investment			
	Third investment			
	Fourth investment			
	Fifth investment			
	<i>Are additional sheets enclosed with more investments?</i>			Yes/No:
	Total amount given to Ascendus			

2.	Monies Received from Ascendus. List the amount and date of each payment you received from Ascendus. This includes interest, withdrawals, and payments by Ascendus to others for you. It also includes payments to you by Roger Taylor, Richard Smith, or others in connection with your investment payments to Ascendus.	Amount	Date	What documents are enclosed?
	First payment			
	Second payment			
	Third payment			
	Fourth payment			
	Fifth payment			
	<i>Are additional sheets enclosed with more payments?</i>			Yes/No:
	Total amount received from Ascendus			
3.	Net Investment Results - Ascendus What is the net results of your investment with Ascendus? In most cases, this will consist of the total amount of investments minus the total amount you were paid.			
4.	Funds Given to FFCF. List the amount and date of each payment given to FFCF by you, or by others for you, for investment purposes.	Amount	Date	What documents are enclosed?
	First payment			
	Second payment			
	Third payment			
	Fourth payment			
	Fifth payment			
	<i>Are additional sheets enclosed with more investments?</i>			Yes/No:
	Total amount given to FFCF			
5.	Monies Received from FFCF. List the amount and date of each payment you received from FFCF. This includes interest, withdrawals, and payments by FFCF to others for you. It also includes payments to you by Roger Taylor, Richard Smith, or others in connection with your investment.	Amount	Date	What documents are enclosed?
	First payment			
	Second payment			
	Third payment			
	Fourth payment			
	Fifth payment			
	<i>Are additional sheets enclosed with more payments?</i>			Yes/No:

	Total amount received from FFCF			
6.	Net Investment Results - FFCF What is the net results of your investment with FFCF? In most cases, this will consist of the total amount of investments minus the total amount you were paid.			
C.	CLAIMS FOR NON-INVESTOR DEBTS			
1.	Nature of Claim	Explanation		
	Explain the nature of the claim you have against Ascendus, FFCF, or Smith Holdings. <i>Attach additional pages as necessary.</i>			
	Explain the reasons you believe this claim should be paid by the Receivership Estate. <i>Attach additional pages as necessary.</i>			
2.	Claims Against Receivership Estate. List the amounts you claim are owed you by the Receivership Estate, along with the dates of each payment and the documentation supporting your claim.	Amount	Date	What documents are enclosed?
	First payment/amount claimed.			
	Second payment/amount claimed.			
	Third payment/amount claimed.			
	Fourth payment/amount claimed.			
	Fifth payment/amount claimed.			
	<i>Are additional sheets enclosed with more claims?</i>			Yes/No:
	Total amount claimed for non-investor debts.			
D.	TOTAL AMOUNT OF CLAIM (investors and creditors).			
E.	SIGNATURES OF CLAIMANT(S): <u>Important:</u> Filing this proof of claim shall constitute agreement that this claims process shall be the exclusive means of making a claim against the Receivership Entities and shall be a waiver of any other claims against the Receivership Entities or the Receiver. All Claimants must sign this Claim Form.			
	I/we do hereby declare under penalty of perjury that the above information is correct to the best of my/our knowledge and belief.			Date