

Warfield & Company, CPA's
7678 East Greenway Road #100
Scottsdale, AZ 85260
Phone (480) 948-1711
Fax (480) 951-3887

October 13, 1999

«FirstName» «LastName»
«Address 1»
«Address2»
«City», «State» «Postal Code»

Re: Dennel Finance Limited Dear Dennel Investor:

I just returned from Dallas, Texas where I attended a hearing before the United States District Court's Receivership Judge following which the court found Ben Cook in contempt of court for: (1) failing to appear before the court pursuant to the Court's Order to Show Cause, (2) failing to turn over to the Receiver receivership assets under his control, including seven cashier's checks totaling \$694,850.00, (3) making false and untrue statements to Dennel investors, and (4) interfering with the Receiver's attempts to recover receivership assets and the SEC's prosecution of the underlying lawsuit. As a result of the court's finding of contempt, the court ordered the U.S. Marshall to arrest Mr. Cook and take him to the nearest detainment facility where he is to be incarcerated until he complies with the court's orders and delivers all receivership assets in his possession and control to the Receiver. The court also fined Mr. Cook \$50,000.00 for each act of intentional interference with subpoenas served upon third parties and ordered that the pleadings Cook has filed in the case be stricken from the record. As of this date, Mr. Cook is a fugitive.

Among the evidence submitted to the court demonstrating Mr. Cook's contempt were bank records showing that Cook has been utilizing an associate's bank account to secretly expend receivership assets, in some cases in excess of \$26,000.00 per month. These expenditures were for things such as limousines, chartered planes, hotels, and car rentals throughout the country. The court received evidence of a concerted effort by Ben Cook and various associates to prevent the Receiver from obtaining bank records and the deposition testimony of material witnesses in the Receiver's search for the identity and location of investor funds. The court was also presented with evidence that another cashier's check in the amount of \$270,000.00, which Mr. Cook had procured with investor funds prior to the appointment of the Receiver, had been cashed at a check cashing service in Florida. I have sued the collecting bank and the check cashing firm in an effort to recover these funds and I am continuing my investigation to determine where the proceeds obtained from the check cashing firm have gone.

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I know that many of you have received letters and other communications from the defendants or their associates or relatives. It is not possible for me to respond to all the false claims and accusations contained in those communications, however, in an effort to provide you with access to the truth concerning Dennel and the Dennel receivership, I have established a web site which you can access over the Internet at www.dennelfinancial.com. The web site includes information concerning developments in the receivership and copies of court documents which you can read.

Some of the accusations that have been made are that Ben Cook has not turned over additional investor funds to me because I am receiving a percentage commission of assets that I recover. This is completely untrue. Under the orders of the Receivership Court, I am compensated at an hourly rate. So, too, are the attorneys that I must hire in order to carry out my duties. For this reason, if the defendants had cooperated at the outset and turned over all the investor assets, the expenses incurred in this receivership would have been minimal. However, the defendants have chosen to take a different route, they have refused to cooperate with me and in many cases have actively obstructed my efforts to identify and recover receivership assets, as evidenced most recently by the court's Order of contempt against Mr. Cook. The defendant's obstructive tactics have driven up the costs of the receivership because they have made me have to spend additional time which would have been unnecessary if the defendant's had chose to cooperate or even simply comply with the Court's mandates.

The only reason that Mr. Cook and his associates have not turned investor funds over to me is so they can use those assets to pay for their lavish lifestyles and, no doubt, to pay the costs of defending the action brought by the SEC and any criminal charges that may be filed. As Receiver I will continue to search for and recover those assets and to prevent such unlawful expenditures of those assets by the defendants. I would urge you in the future to consider the source of communications you receive concerning this receivership. For example, a recent letter from the daughter of Defendant McLaws, Tonya Armendariz, contained the false statement about my receiving a commission. Ms. Armendariz, as well as other relatives of Defendant McLaws, have filed claims in the Arizona forfeiture action in an attempt to recover 100% of the funds they invested in Dennel, while leaving all other Dennel investors to share *pro rata* what will likely be less than 100% of their total investment.

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When the associates or relatives of the defendants write you letters, they often have ulterior motives that you should take into consideration. Therefore, I urge you to review the court documents available on the web site or consult with your own legal counsel before drawing conclusions about whether your interests are being adequately protected by the Receivership Court.

Very truly yours,

Lawrence J. Warfield, CPA

Receiver

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