

EXHIBIT 2

To: Alanar, Inc. Bond Issue Investors and Bond Fund Investors

Re: *United States Securities & Exchange Commission v. Alanar, Inc., et al.*
United States District Court of the Southern District of Indiana (Indianapolis
Division) Case No. 1:05-cv-01102-DFH-TAB

**TO INVESTORS IN THE ALANAR, INC. RECEIVERSHIP CONCERNING THE
“INVESTOR CLAIMS PROCEDURE” FOR DISTRIBUTIONS FROM THE
RECEIVERSHIP ESTATE**

You are encouraged to carefully study this summary and accompanying documents for details concerning the Investor Claims Procedure approved by the Court, and to consult with your own attorney or other advisors concerning your rights and obligations thereunder.

On _____, 2008, the United States District Court for the Southern District of Indiana (the “Court”) approved the Investor Claims Procedure proposed to the Court by the Court-appointed Receiver, Bradley W. Skolnik (the “Receiver”). The following is a summary of the provisions of the Investor Claims Procedure provided for your convenience; a copy of the Investor Claim Procedure has also been sent to you. The Investor Claims Procedure adopted by the Court, the Receiver’s *Motion to Adopt Investor Claims Procedure* (the “Claims Procedure Motion”), and the Claims Procedure Adoption Order are also available from the Court Clerk, 46 East Ohio Street, Room 105, Indianapolis, Indiana 46204, or by accessing the Receiver’s website at www.alanarinfo.com. Again, you are encouraged to carefully study the Investor Claims Procedure and to consult with your own advisors regarding your rights and obligations under the Claims Procedure.

SUMMARY OF INVESTOR CLAIMS PROCEDURE

- (1) **Mailing to Known Investors.** No later than July 1, 2008, the Receiver shall mail or cause to be mailed the Claims Packet to all Investors known to the Receiver by United States First Class Mail. The Claims Packet includes: (i) a Statement of Claim Form which sets forth each Investor’s Adjusted Net Investment Claim (“ANIC”); (ii) the Investor Claims Procedure; and (iii) this Summarizing Letter. Any purported Claimant who does not receive a Claims Packet may request one by contacting the claims administrator for the Receiver at Stenger & Stenger, PC, 4095 Embassy Drive SE, Grand Rapids, MI 49546, (616) 940-1190, (616) 940-1192 (fax), phil@stengerlaw.com (email).
- (2) **Publication and Posting on Website.** Within ten (10) days following the entry of the Claims Procedure Adoption Order, the Receiver shall post a copy of the Investor Claims Procedure and the Claims Procedure Adoption Order, including all Exhibits, on the Receiver’s Alanar website, www.alanarinfo.com. The Receiver shall also promptly provide a Claims Packet to any requesting Investor.
- (3) **Agreeing Investors.** Investors who agree with the Receiver’s calculation of their ANIC do not need to take any action in response to the Statement of Claim Form to preserve their claims. **However, all Investors must provide the Receiver with updated**

contact or address information, if necessary, and return that part of the Statement of Claim Form to the Receiver.

(4) **Disagreeing Investors.** On or before the Claims Bar Date of **August 15, 2008**, any Investor who disagrees with the ANIC as set forth in the Statement of Claim Form must file with the Receiver a properly completed Statement of Claim Form reflecting such Investor's disagreement with the ANIC together with the Investor's claimed ANIC amount and all supporting documentation. Unless waived by the Receiver in his sole discretion for good cause shown, any disagreeing Investor or purported Investor that does not file a properly completed and documented Statement of Claim Form with the Receiver on or before the Claims Bar Date shall be forever barred from disputing the ANIC shown on the Statement of Claim Form. Investors shall bear the burden of ensuring that Statement of Claim Forms and accompanying documentation have been properly and timely received by the Receiver.

(5) **Review of Requests for Redetermination.** An Investor's return of a disagreeing Statement of Claim Form by the Claims Bar Date will be treated as a Request for Redetermination of the ANIC. The Receiver will review each Request for Redetermination and accompanying documentation to determine the validity of such Request. The Receiver will then mail by United States First Class Mail a Final Determination Notice to each Investor Claimant filing a Request for Redetermination setting forth the Receiver's conclusions concerning such Request for Redetermination. The Receiver will also have the right to refer the Request for Redetermination of any Investor Claimant to the Court for final adjudication.

(6) **Right to Request Adjudication.** Any Investor Claimant dissatisfied with the Receiver's Final Determination Notice may request adjudication of their Request for Redetermination from the Court by filing a Request for Adjudication with the Receiver and the Court. A failure to request adjudication will waive the Investor Claimant's right to object to the Final Determination Notice.

(7) **Resolution by Magistrate Judge or Special Master.** If an Investor Claimant files a Request for Adjudication or the Receiver requests that a claim be referred to the Court, the matter will be referred to a Magistrate Judge or Special Master appointed by the Court. The Magistrate Judge or Special Master may make a final determination based upon the written submissions or may set the matter for hearing. The Investor Claimant shall have the burden of proof in any adjudication. The final determination of the Magistrate Judge or Special Master may be appealed to the Court through procedures to be established by the Court as needed.

(8) **Validity.** No Investor or Investor Claimant who has failed to timely file an appropriate Request for Redetermination or Request for Adjudication shall be permitted to object to the barring or treatment of their Investor Claim on the basis that the Receiver failed to properly mail, or that the Investor failed to receive, a Claims Packet or Final Determination Notice, or that such documents were not properly recorded as received by

the Receiver or the Court Clerk. The burden of notifying the Receiver of an Investor's current address and other contact information shall be upon the Investor.

Definitions

- A. "**ANIC**" (Adjusted Net Investor Claim) is calculated by subtracting all payments made to Investors on account of investments in Alanar bond issues or bond funds from all payments made to Alanar or a related entity. Investors who have zero or negative ANICs may not be entitled to participate in a Receivership distribution. In calculating ANICs for Investors with multiple investments, the Receiver shall net positive and negative ANICs to arrive at one combined ANIC for each investor.
- B. "**Claimant**" is any Investor or purported Investor that has timely filed an appropriate Statement of Claim.
- C. "**Claims Bar Date**" is the date by which an Investor who disagrees with the calculation of their ANIC must file a properly completed Statement of Claim Form with the Receiver to have a Request for Redetermination considered. Any Request for Redetermination filed after this date shall be barred, except for good cause shown at the discretion of the Receiver. The Claims Bar Date is **August 15, 2008**.
- D. "**Claims Procedure Adoption Order**" is the Court's Order adopting the Investor Claims Procedure and providing for implementation thereof.
- E. "**Court Clerk**" is the Clerk of the United States District Court for the Southern District of Indiana, Indianapolis Division.
- F. "**Final Determination Notice**" is the notice sent by the Receiver stating the Receiver's final determination concerning an Investor Claimant's Request for Redetermination.
- G. "**Investor**" is a natural person or entity that invested in an Alanar bond issue or bond fund.
- H. "**Investor Claimant**" is an Investor or purported Investor that has timely filed an appropriate Statement of Claim Form as prescribed in the Investor Claims Procedure.
- I. "**Investor Claims Procedure**" is the procedure established by the Court through which Investors and purported Investors may file claims with the Receiver for distributions from the Receivership Estate and secure a determination of same.
- J. "**Request for Adjudication**" is an Investor Claimant's request to the Court Clerk asking for an adjudication of the Receiver's Final Determination.
- K. "**Request for Redetermination**" shall mean a disagreeing Investor's return of the Statement of Claim Form together with any necessary supporting documentation, requesting that the Receiver redetermine the Investor's ANIC.
- L. "**Statement of Claim Form**" is the statement initially prepared by the Receiver calculating the Investor's ANIC.