



# Ragghianti | Freitas LLP

ATTORNEYS AT LAW

1101 FIFTH AVENUE, SUITE #100  
SAN RAFAEL, CA 94901-3246  
telephone 415.453.9433  
facsimile 415.453.8269  
www.rflawllp.com

Eric Sternberger  
sternberger@rflawllp.com  
direct 415.526.0136

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June 7, 2020

**Re: Informational Memo Sent at the Direction of Professional Financial Investors, Inc. ("PFI") and Professional Investors Security Fund, Inc. ("PISF")**

Dear Investors:

Over the past few days, I have received many email and voicemail messages from many of you relating to your investments with PFI-PISF. I want you to know that I am truly anguished over the concern and fears that you have. We recognize that you want and deserve more information regarding your investments, but the issues are very complex and there is a tremendous amount of data and information to process and analyze before we can provide more reliable information.

However, to better address some of your concerns and questions, I want to provide you with some additional information. Some of the questions and answers below will not apply to you because there are four separate groups of investors with PFI-PISF, including: (1) Members of various limited liability companies; (2) Lenders, secured by deeds of trusts on properties held by various limited partnerships; (3) Lenders, secured by deeds of trusts on various properties owned solely by PFI; and (4) Lenders to PISF, who were provided collateral in the form of the interests held by PISF in various limited partnerships.

## **QUESTIONS & ANSWERS:**

1. Is my investment safe? PFI is continuing to provide property management services, including ensuring proper maintenance, with respect to limited liability companies, limited partnerships, and PFI-owned properties. At this time, there is no way to satisfactorily answer this question as it pertains to each investment. What we can say is that there were legitimate questions involving the structure and investment history of Mr. Casey's companies, which necessitated the involvement of the Securities and Exchange Commission. It is possible (but not certain) that each of the four categories



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of investments noted above will be affected, but affected to varying degrees depending on the type of investment and several other factors that we are analyzing.

2. How long will the Securities and Exchange Commission (“SEC”) Investigation take?  
We do not know the answer, but I think you should plan for approximately three months. As I mentioned above, the issues are very complex and there is a tremendous amount of data and information to process and analyze. I can assure you that the companies are cooperating fully and extensively with the SEC, and we are very pleased with the professional, diligent, and timely responsiveness of the SEC.
3. How long will payments to noteholders be suspended? As of now, payments to all noteholders are suspended, including notes secured by a deed of trust or that have collateral provided by PISF. Regrettably, we do not know how long this suspension will need to be in place. We are working very hard to analyze the entirety of the financial health and dealings of PFI and PISF, which span over three decades. The results of this analysis will help us provide a substantive response to your reasonable inquiries in the weeks that follow. I recognize that this answer is not particularly helpful or satisfying to you right now, but my hope is that we can provide clarity in the near future.
4. Can I withdraw my investment? Like payments to noteholders, PFI and PISF have suspended all withdrawals of investments (*i.e.*, any requests for payoff of notes). As of now, there is no estimate of time when, or any determination of whether, withdrawals of investments will take place in the future.
5. Will Members in the limited liability companies receive their normal distributions? As of now, there has been no determination as to whether normal distributions will be suspended. We are conducting a review of each of the thirty (30) LLCs and we will update members in each of their respective LLCs as to the status of distributions. We hope to complete this analysis within two weeks.
6. Why did I not receive the letter to investors dated June 4, 2020? If you know an investor who did not receive the original communication or this communication, please have them email me at [sternberger@rflawllp.com](mailto:sternberger@rflawllp.com) and put “Add Me to Email List” in the subject line; we will make sure to add them to our distribution list. The failure to include them was either an oversight, or because an email address was missing from their contact information with PFI or PISF.



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7. Why did I receive more than one letter dated June 4, 2020? Each of the four categories of investment described above had a letter with slightly different language, given the nature of the investment. If you received more than one letter, it is likely because you invested in more than one investment category.

Understandably, I am sure that you will still have unanswered questions and concerns. As promised in my June 4<sup>th</sup> letter, we will promptly update you as soon as circumstances warrant.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Eric Sternberger', with a large, sweeping flourish at the end.

Eric Sternberger

cc: Clients