

JAMES D. SALLAH, ESQ.
Court-Appointed Receiver for
JCS Enterprises Inc., d/b/a JCS Enterprises Services Inc., T.B.T.I. Inc., My Gee Bo,
Inc., JOLA Enterprises, Inc. and PSCS Holdings, LLC

3010 NORTH MILITARY TRAIL, SUITE 210
BOCA RATON, FLORIDA 33431
TEL: (561) 989-9080; FAX: (561) 989-9020

April 12, 2019

Re: *Claims Process for JCS Enterprises Inc., d/b/a JCS Enterprises Services Inc., T.B.T.I. Inc., My Gee Bo, Inc., JOLA Enterprises, Inc. and PSCS Holdings, LLC*

Dear Claimant:

The purpose of this letter is to update you on the status of the claims process. Although my staff or I have spoken with dozens of you over the last few months, I thought it would be prudent to remind you about, as well as make you aware of, certain events that will inevitably slow down the distribution process.

As you are aware, the Court previously issued an Order granting my Motion to Approve Claim Form, Manner and Notice of Claim Form, and Claims Bar Date. In addition to publishing the proof of claim form in *The Palm Beach Post* once a week for four (4) weeks and posting the claim form on the Receivership website (www.jcs-tbtireceivership.com), among other things, I mailed a cover letter and claim form to at least 1,030 potential claimants and/or creditors for whom I had gathered contact information.

In response, I received approximately 700 claim forms that my forensic accountants and I compared to the Receivership financial reconstruction. After resolving numerous claims without the need for litigation, I estimate that there will be approximately 5 to 10 claimants who will be litigating their claims with me as part of the objection procedure that I recommended and discussed at length in my Motion to (1) Approve Determination and Priority of Claims, (2) Approve Plan of Distribution, and (3) Establish Objection Procedure (“Claims Motion”). The Court-approved objection procedure (“Objection Procedure”) allows me and claimants with claims that I am disputing to take discovery from each other, including taking depositions and producing documents.

Of these 5 to 10 claimants, one is a company that provides credit card processing services to merchants (“Credit Card Processor”) that submitted a claim for more than \$7.3 million, which is, by far, the largest claim in the Receivership Estate. I contend that the Court should deem the Credit Card Processor as a trade creditor. As set forth in my Claims Motion, I recommended that

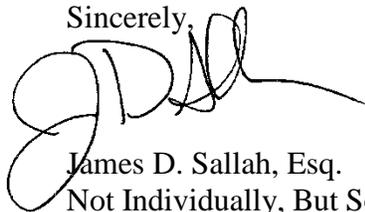
investor claims should be prioritized over trade creditor claims. *See* Claims Motion, pages 17 through 20, which can be found on the Receivership website, referenced above. In turn, the Credit Card Processor disputes my position. Notwithstanding the foregoing, it will ultimately be up to the Court to decide the prioritization and approval of claims.

Accordingly, the Credit Card Processor and I are currently taking discovery from each other pursuant to the Objection Procedure. I anticipate that the discovery will be voluminous and time-consuming. I plan to move the Court to extend the deadline for the Objection Procedure from the current deadline of May 7, 2019 to August 7, 2019. Therefore, I anticipate that the Credit Card Processor and I will conclude discovery and submit our respective dispositive motions to the Court for adjudication by August 7, 2019. The Court will then rule on the dispositive motions and may elect to set the motions for a hearing before ruling on them. There is no deadline or timetable for the Court to rule on the dispositive motions or set the motions for hearing.

Based on the above, it is still too early to predict when a first distribution/payment will take place and I will not be able to make such a prediction for, at a minimum, many months. As I have previously stated, I will not be able to make a first distribution/payment to anyone, including approved claims, until (1) I finish litigating the disputed/subordinated claims (such as the First Data claim), (2) the Court rules on same, and (3) the Court rules on my future separate motion for authorization to make a first distribution/payment.

Please continue to remain patient during this claims process, which will continue for many more months. If you have any questions, please email me at claimsinfo@jcs-tbtireceivership.com or feel free to call my office at (561) 989-9080.

Sincerely,

A handwritten signature in black ink, appearing to read 'JD Sallah', with a long horizontal flourish extending to the right.

James D. Sallah, Esq.

Not Individually, But Solely in His Capacity as Receiver for
the Receivership Entities