



July 27, 2017

Dear Pacific West Capital Investor:

This letter is to respond to your recent inquiry about the class action lawsuit filed against Pacific West Capital Group, Inc., (“PWCG”) and Mills Potoczak & Company (“MPC”).

Our law firms, Foley Bezek Behle & Curtis, LLP (“FBBC”) and Donahoo & Associates, PC (“D&A”), represent Plaintiffs Konstantin Shechter and Svetlana Averbukh (collectively “Plaintiffs”) in the action filed against PWCG and MPC (“Defendants”).

You, and other PWCG investors, have contacted FBBC and/or D&A, asking questions or requesting further information. Below are responses to common questions received.

1. What is this case about? Why have PWCG and Mills Potoczak been sued? Can I get a copy of the lawsuit?

A website has been established to give investors access to copies of important pleadings, notices, and general information about the case. A copy of the First Amended Complaint, which contains the allegations against the Defendants, can be located at that website. That website address is <http://www.pacificwestcapitalclassaction.com>

Plaintiffs allege PWCG, and its principal Andrew B. Calhoun IV (“Calhoun”), assisted by MPC, sold investments to the public structured around when life insurance policies “mature” (when the insured dies) and the benefits are paid. Plaintiffs allege that PWCG and Calhoun wrongfully took their investment without proper disclosures and by engaging in misrepresentations. Plaintiffs allege causes of action for negligence, violations of California securities laws, fraud/deceit, and financial elder abuse (of those over 65) arising out of the sale of fractionalized interests in universal life insurance policies, or “life settlements.” Plaintiffs also allege that the Trustee, Mills, Potoczak, & Company, PC (“MPC”), among other things, aided and abetted Pacific West and Calhoun, as well as breached fiduciary duties to the Plaintiffs.

2. Am I specifically named as a plaintiff in the lawsuit?

No. Although the complaint proposes that the case proceed as a class action on behalf of all similarly situated investors, at this stage, the action is not a *certified* class action. A case does not become a “certified” class action until it is “certified” by the judge. A class action can only be “certified” after a court makes a number of findings, including that common issues predominate over individual issues. The case has not been so certified by the judge. At this time it is a “putative” or “proposed” class action. Whether or not the case will actually proceed as a class action will not be decided by the judge until sometime in 2018.

3. *Will I be a member of the Class if it is certified?*

Whether you will be a member of a certified class has not been determined. If you have received a notice from the Notice Administrator it is because, according to PWCG records, you are within the definition of the proposed class of persons who invested in a life settlement through PWCG and who have yet to collect their investment or their promised “total fixed return.”

However, the class definition that will ultimately be approved by the court may differ from the current proposed class definition in the complaint. Therefore, while you may be a putative (“proposed”) class member now, when a class is certified, you may or may not be a member of that certified class.

4. *What is the status of the litigation?*

Plaintiffs have filed a First Amended Complaint against Defendants, alleging that this case is appropriate for class certification. In the current complaint, Plaintiffs have pleaded multiple claims (legal theories) against the Defendants. Having survived Defendants’ attack on the complaint, all of the claims (legal theories) are active. Defendants have filed an answer. Defendants have denied the allegations. They will have other opportunities to attack the legal theories raised by Plaintiffs in their current complaint.

Discovery is ongoing. Plaintiffs are in the process of obtaining documents, and investigating and ascertaining facts that will aid in efforts to certify the class.

The expected date of filing a motion for certification is February 2, 2018. Once the motion is filed, the Court will set a hearing date to determine the certification issue, likely in mid-2018.

5. *Is this the same case as the case brought by Securities and Exchange Commission?*

No. While we are aware of a pending case filed by the SEC against PWCG, this is not that case. This is a civil action brought by private plaintiffs, not an action by the SEC or any other government agency. We do not represent the SEC, nor have we participated in that case.

6. *Why did I receive a notice from ILYM asking if I object to my information being provided?*

ILYM is third party company that is typically hired to provide notices about and/or to administrate class action cases. As explained in more detail in the notice from ILYM, the purpose of the notice you may have received is to ascertain whether you object to your name, address, phone number, and email address, to the extent available, being provided

to us. Documents containing your contact information may assist us in certifying the class action.

7. Are attorneys at FBBC and D&A acting as my attorneys in an individual action for me against Defendants?

No. No formal class has been certified, and thus, FBBC and D&A have not been appointed by the judge as class counsel of a certified class against Defendants. In the event that a class is certified and FBBC and D&A are appointed as class counsel, then FBBC and D&A will represent the class as defined in the Court's order approving class certification. Again, the decision on certification will not happen, if at all, until 2018 at the earliest.

At this stage, FBBC and D&A are not entering into additional individual retainer agreements for individual representation of PWCG investors. We have not filed an individual lawsuit on your behalf.

8. If there is a class settlement, can I participate?

If there is a proposed class wide settlement, and you fall within the class definition, you will receive notice of it and have an opportunity to participate, oppose or reject any settlement.

9. How does this case affect my personal investment with PWCG?

Because we do not represent you in an individual capacity, at this time FBBC and D&A cannot advise you one way or another as to your individual PWCG investment or whether you should make an individual claim. If you believe you have an individual claim, you should obtain independent legal advice as to your individual investment and situation.

10. If I have received a premium cash call payment, should I make the payment?

Again, because we do not represent you in an individual capacity, at this time FBBC and D&A cannot advise you one way or another as to your individual PWCG investment or whether you should make the premium cash call payment. If you believe you need individual advice you should obtain independent legal advice.

11. Do I need to take individual action against the Defendants?

As discussed above, there is no guarantee that a class will be certified, and if certified, whether you will fall within the class definition.

Therefore, you should consult with an attorney to determine how to best protect your *individual* rights and whether to pursue an *individual* claim. Please be advised that state and federal law impose mandatory time limits for the filing of claims and/or lawsuits. Although a complaint alleging the appropriateness of a class action has been filed,

mandatory time limits *could* still bar your claims if your claims are not timely filed with the court.

12. Is there anything that I can do to assist certification of the class or your investigation?

Not at this time. You may be contacted by one of our offices requesting further information and, if so, we hope that you will cooperate and provide us with requested information.

13. How can I get further information?

Hopefully this information provides you with answers to your questions. If you wish to obtain a copy of the FAC, as discussed above, it can be located at <http://www.pacificwestcapitalclassaction.com>

If you need to speak to somebody for more information, you can contact us by telephone or email:

William Donahoo
Donahoo & Associates, PC
440 W. First Street, Suite 101
Tustin, CA 92780
Email: wdonahoo@donahoo.com
Telephone: (714) 953-1010

Chantel Walker
Foley Bezek Behle & Curtis, LLP
15 W. Carrillo St.
Santa Barbara, CA 93101
Email: cwalker@foleybezek.com
Telephone: (805) 962-9495

However, we will not be providing individual legal advice to each individual. And because of the number of investors, please be advised that we cannot guarantee a returned call within the same week. We are responding to individual requests for further information as best as possible.

Sincerely,

FOLEY BEZEK BEHLE & CURTIS, LLP
Kevin D. Gamarnik