

*Loan Sense**"A Back to the Basics Company"*

522 Brunswick Rd., Grass Valley, California 95945

Phone 530-272-8591 • Fax 530-272-4780

September 25, 2007

Dear Investor;

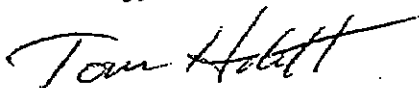
As you already know, Loan Sense is being investigated for improper practices under the regulations of the Department of Real Estate. I am writing with an update of what I know at this time. My primary concern is expediting payoffs and payments to our investors and progress payments to our borrowers. I can assure each investor that their monies have been applied as represented by Loan Sense and are secured as represented in your disclosure documents.

While legally we are able to service existing loans, we are unable at present to do so in that the Grass Valley Police Department has taken possession of our computers and working files. Yesterday I called the California Department of Real Estate to express my concern for the immediate servicing of loans and was referred to the police department. The Department of Real Estate expressed no interest in seeing the loans serviced and is unwilling to make any effort to assist our borrowers or investors. Neither has the police department expressed any interest to me in protecting your interests.

I have retained Craig Leri as my counsel. I have made my priority of him the immediate arranging for the prompt servicing of your loans. You are free to contact the police department (530 477-4600) or the borrower directly if you have payments due.

When I have further information on servicing, I will be in touch.

Sincerely,



Thomas J. Hastert