

ANSWERS TO FREQUENTLY ASKED QUESTIONS

This section is designed to efficiently address the emails I receive and to provide answers to questions that may arise. Because information is still limited at this early stage and because the questions are abstract at this point, answers may change over time.

1. What authority does a receiver have?

I was appointed receiver by Judge Sam R. Cummings of the United States District Court for the Northern District of Texas. The scope of my authority is established by Judge Cummings' Order appointing me. The Order is posted under the Receivership Court Documents tab on this website. That authority may be modified from time to time. For example, if we learn of assets that should be part of the receivership, the United States Securities and Exchange Commission may ask Judge Cummings to broaden the scope of the receivership.

Federal equity receivers are governed by Rule 66 of the Federal Rules of Civil Procedure and by Title 28 of the United States Code. While these provisions give the receiver and the court general guidelines about the conduct of receiverships, they are necessarily broad. Each receivership presents unique factual circumstances. Receivership courts are vested with wide discretion as they try to fairly administer the receivership.

2. Do I need to file a claim form?

I have already requested information by way of initial claim forms. At some point, I expect to request additional claim forms. I intend to gather more information before doing so. I will post the claim form on this site and will email it or mail it to the most recent address I have for you when the time comes. I will notify you of the date the completed claim form must be submitted.

3. How long will this process take?

Receiverships take a long time, typically over one year in duration. Some of the factors affecting the time line are:

Sale of real estate.

Negotiating restructuring plans.

Distribution. I anticipate the Securities and Exchange Commission will propose a plan of distribution. If we are successful in gathering sufficient assets, there may be an interim distribution. Each distribution requires court approval and an opportunity for objections. This can also be time consuming.

4. How much might I expect to receive?

This is a reasonable question of all investors. Unfortunately, I cannot provide much information until I have a better idea of the actual value of the assets and a complete understanding of the estate's financial condition.

5. Can I send someone to be at the investor's meetings if I can't be there?

Yes. Although you are encouraged to attend the investor's meetings, you may send a representative to be present on your behalf.

6. Should I hire my own attorney?

You are encouraged to retain independent legal counsel if you are able. There is no requirement that you do so. As the court appointed receiver, I am tasked to fairly and efficiently regain funds for investors and creditors as a whole. I do not, however, represent any individual investors or creditors, and I cannot offer legal advice to you.

7. What is the order of priority for payment? Where do investors fall in line?

In addition to investors, other entities must be paid, including outstanding tax payments, employee back wages, and secured creditors. Once assets are collected and liquidated and all claims are verified, there will be a pro rata distribution among all investors.

8. Will the businesses owned by Mr. Judah and Excel continue to operate as usual?

At this time, all businesses with the exception of Excel Lease Fund, Inc. are expected to continue operating in the normal course of business.

9. Will all interest payments and dividends cease?

Yes, at this time any monthly interest payments or dividends you may have been receiving have been halted. This is a necessary action in order that all assets may be evaluated and properly redistributed to creditors and investors.