

SUMMARY OF MERRILL SCOTT AND ASSOCIATES RECEIVERSHIP

April 2, 2002

On January 15, 2002, the Securities and Exchange Commission filed a Complaint against MERRILL SCOTT & ASSOCIATES, LTD. and affiliated entities¹ (collectively, "Merrill Scott") and PATRICK BRODY, DAVID E. ROSS II and MICHAEL G. LICOPANTIS, alleging, *inter alia*, fraud, misrepresentation, and misappropriation of client funds. In connection with the Complaint, a Temporary Restraining Order ("TRO") was issued freezing the assets and records of Merrill Scott.

After the filing of the Complaint, most of the former employees of Merrill Scott vacated the former Merrill Scott offices and began operations under various new names, including Concilium Group, Inc.

On January 23, 2002, David K. Broadbent of the law firm of Holland & Hart LLP was appointed Receiver of the funds, assets and property of Merrill Scott and all affiliated entities for the purpose of marshalling and preserving the assets of Merrill Scott. Since that time, the Receiver has started the process of locating and taking possession of Merrill Scott assets, including books, records, files, bank accounts, real and personal property and other items, and will continue to do so over the next weeks and months. As part of the process the Receiver will give monthly progress reports to the Court. A copy of the first report is available at the Receivership web site, www.merrillscott.com.

On March 21, 2002, David K. Broadbent as Receiver for Merrill Scott, filed a Complaint against CGI INTERNATIONAL HOLDINGS, INC.; CONCILIUM INSURANCE SERVICES, INC.; CONCILIUM REAL ESTATE AND MORTGAGE SERVICES, INC.; CONCILIUM PLANNING GROUP, INC.; and CONCILIUM MERCHANT CAPITAL GROUP, INC. (collectively "Concilium"), and ROBERT J. HIPPLE; ROD B. READ; DREW ROBERTS; AARON A. NILSEN; DELL W. GAILEY, MELANIE DECKER; PERRY MSHARAH; and Does 1-100. On March 26, 2002, a TRO was issued against Concilium. The court issued a stipulated order on April 5, 2002. A copy of the Complaint, TRO and stipulated order issued by the court are available at www.merrillscott.com.

Clients, investors and creditors of Merrill Scott are encouraged to alert the Receiver of the nature of their claims and investments, as well as any other information considered helpful, by contacting the individuals listed below. Clients/investors of MSA are encouraged to complete and submit the preliminary client/investor response form, available on the web site.

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¹ Additional named entities include Merrill Scott & Associates, Inc., Phoenix Overseas Advisers, Ltd., and Gibraltar Permanente Assurance, Ltd.