

NOTICE OF LIQUIDATION of National Foundation of America

**To: Individuals who contracted with National Foundation of America; and
Other Creditors of National Foundation of America**

Beginning in January 2006, National Foundation of America ("NFOA") entered into contracts with individuals to provide a future stream of income. Individuals transferred to NFOA either cash, securities, annuities or real estate and in exchange received an installment plan agreement. A charitable tax deduction was one component of these annuity contracts.

NFOA has not been issued the designation of a 501 (c)(3) organization by the IRS and you should contact your tax/legal professional regarding tax implications.

On September 11, 2007 the Chancery Court of Davidson County, Tennessee placed NFOA in liquidation pursuant to the Insurers Rehabilitation and Liquidation Act, Tenn. Code Ann. §§ 56-9-101, et seq. Under this Final Order of Liquidation and Injunction, the Commissioner of the Tennessee Department of Commerce and Insurance has possession of all assets and property of NFOA and will liquidate its business. Paul Eggers has been appointed as the Commissioner's Special Deputy Liquidator and Paula Flowers has been appointed as the Commissioner's Special Counsel.

CLASSES OF CLAIMANTS

NFOA installment plan agreement holders

The Commissioner will determine the value of refunds due to any known annuity contract holder and will admit such claims for purposes of NFOA's receivership proceeding only. The Commissioner will serve notice no later than November 1, 2007, by certified mail, return receipt requested, of the amount of all such refund claims and the priority of such claims for payment as prescribed in Tennessee Code Annotated § 56-9-330(a)(2) from the assets of the NFOA receivership estate, hereafter "Notice of Annuity Refund Claim Against NFOA." This notice will further provide that any objections to either the amount or priority of annuity contract refund claims (pertaining to your installment plan agreement) must be filed by the claimant no later than 4:30 p.m. C.S.T. on December 3, 2007 with Special Deputy Liquidator, Paul Eggers. If no objection is timely filed, the amount of the annuity contract holders' refund claim will be established as presented in the Notice of Annuity Refund Claim Against NFOA. Objections timely raised as to the amount or priority of the annuity contract refund claims will be subject to the procedures for resolution of such disputes as provided in Tennessee Code Annotated § 56-9-327.

Termination of Monthly Annuity Payments. Tennessee Code Annotated § 56-9-307 provides that, "[u]pon issuance of the [liquidation] order, the rights and liabilities of any such insurer and of its creditors, policyholders, shareholders, members and all other persons interested in its estate shall become fixed as of the date of entry of the order of liquidation" except as may be specified by statute or the Liquidation Order. **The last installment payments to be made under the installment plan agreement will be issued October 1, 2007.**

All Other Creditors

To all other creditors, the Commissioner will serve notice, by first class mail of the entry of the Final Order of Liquidation and will prescribe the form for filing a Proof of Claim against NFOA's receivership estate, and will specify that all Proofs of Claim must be filed no later than 4:30 p.m. C.S.T. on December 3, 2007 or **will be barred** from consideration for payment with other timely-filed claims. Upon receipt of these proofs of claim, the Commissioner will make a determination of the amount of all claims asserted against NFOA's receivership estate and will provide notice of determination of the amount and priority of such claims as provided in Tennessee Code Annotated § 56-9-327. Disputes regarding these proofs of claim will be subject to the procedures for resolution of such disputes as provided in Tennessee Code Annotated § 56-9-327. **IN ORDER TO ASSERT A CLAIM AGAINST NFOA, YOU MUST FILE A PROOF OF CLAIM BY THE CLAIMS FILING DEADLINE SHOWN ON THE BACK OF THIS PAGE.** If you do not file a Proof of Claim by the claims filing deadline, you will be barred from consideration for payment with other timely-filed claims that are allowed in these proceedings.

SEE BACK SIDE FOR FURTHER IMPORTANT INFORMATION

CLAIMS FILING DEADLINE

**The Chancery Court of Davidson County, Tennessee has established a
Proof of Claim filing deadline. All Proofs of Claims
must be received no later than
December 3, 2007 at 4:30 p.m. CST.**

If you are a **general creditor** and do not file a Proof of Claim by the claims filing deadline shown above, you **will be barred** from consideration for payment with other timely-filed claims.

Proofs of Claims must be received by the liquidation at either

Post Office Box

NFOA in Liquidation

PO Box 281108

Nashville, Tennessee 37228, or

Physical Address

NFOA in Liquidation

240 Great Circle Road, Suite 326

Nashville, Tennessee 37228

Included with this Notice are the Proof of Claim form and the instructions. You may also download these forms at www.nfoaliquidation.com

Questions regarding this Notice or the liquidation of NFOA may be directed to

- email
 - (questions@nfoaliquidation.com),
- mail
 - to the above shown Post Office Box, or Physical Address, or
- telephone
 - (615) 277-0700.

**Paul Eggers
Special Deputy Liquidator for
National Foundation of America in Liquidation**