

HODGES AND ASSOCIATES UPDATE
SEPTEMBER 16, 2010

As all are by now well aware, we have been battling a serious headwind, obtaining Economic Receipt. Although I have previously stated that I would not provide an “update” until we had confirmation of economic receipt or, I became convinced that payment to CMKX shareholders would not be forthcoming in a timely manner, I believe a further update is called for due to the status of the CMKX litigation and due to the unreasonable length of time resolution is taking. Please be advised as follows:

- As previously indicated, the August 2 Court hearing was utilized, in part, as a means of conveying to the Judge and to the defendants, some of the additional information which could be added to the originally filed Complaint; this information has now been included in a First Amended Complaint which, out of an abundance of caution, has been filed and served today, September 16, 2010. We will continue to aggressively pursue this matter until such time as all shareholders have been paid.
- It has been a very unreasonable period of time since we first began this litigation. Shortly after filing the original Complaint, I advised you of my opinion that resolution was imminent. I am confident that many of you are now convinced that I either don’t know the meaning of that word or am certifiably non compos mentis. Unfortunately, neither is the explanation; in point of fact we, and many others involved in bringing this matter to resolution, have been consistently lied to and ‘played’ by our own government.

I do remain convinced that we will prevail. I know that the SEC is anxious for this to be over; however, it is not particularly the SEC that has held things up, IMO. We are, like it or not, tied to the World Global Settlements payouts. Until that process has been concluded, I do not believe that you will receive your payment.

As always, inquiring minds want to know: what is our status; what has been going on; what is holding up economic receipt; when will our money be released; etc. etc.? I will try to address some of these concerns, to the extent I am able, separately:

1. Our Status – Our status remains pretty much the same as before. We remain literally on the threshold. This means that the “work” remaining to be finished will not consume more hours than can be accomplished within one day; we have been at this point now for way too many months. However, progress in consummating the World Global Settlements has been made, which is a substantial improvement. I have now been advised that nearly all of the BASEL list items [some 20 in number] have been paid out; only one or two items remain IMO.

2. When is Release – The CMKX distribution funds will be released within a very short time after there is confirmation of Economic Receipt. What does that mean? There is in process a massive shift of wealth within the US and the world community which includes: pay-out of all the domestic prosperity settlements; institution of the US dollar re-funding project; pay-out of world settlements; and, distribution of funds to many other programs. This involves a total of more than \$42 Trillion. Economic Receipt occurs when all trustees have access to all of the funds they are responsible for. When the last BASEL item is paid, we will have ER and the CMKX trustees can begin distribution, IMO.

3. Goings On – What’s been going on behind the scenes is a war. As I said before, there is an economic war raging in the background; this war is between those who have controlled this planet for the last hundred and fifty years, and we who think that it must stop. It is a war which, as much due to world

circumstance as anything else IMHO, we seem slowly, inexorably winning. Because the naked corruption in D.C. is so endemic, it takes time. These miscreants are, in effect, fighting for their lives – at least that part of their lives that secures an environment in which they can continue to lie, cheat, steal, and mortgage your progeny’s lives, all for their personal gain. Accordingly, they will fight until the doors are all closed by a power that they cannot subvert. The good news is, we are winning the battle.

4. When - When will it be over, you ask; when will we get paid? I have suggested dates in the past, each of which was based upon information that I had received from the people on the scene and in the trenches. I am unwilling at this point to say anything more than I believe it will be soon:

- 1) because of the status of the World Global Settlements;
- 2) because I have received anecdotal information regarding movement of CMKX funds; and
- 3) because of additional information received concerning the status other related payments being made.

I again want to extend my heartfelt thanks to those of you who continue to demonstrate support and encouragement for our efforts; I am especially thankful for all of the IM good wishes and thank-you’s. I remain very optimistic for the long term; rest assured that the fight will continue until we succeed. We will prevail!