

NOTICE OF DISTRIBUTION FUND
SEC v. SAYRE, ET AL. CASE NO. CV-00-3800-MMM (C.D. Cal.)

The Securities and Exchanges Commission (the "SEC") filed an amended complaint against Stephen C. Sayre, Independent Financial Reports, Inc. (IFR), and Silver Screen Industries, Inc. (the "Defendants") alleging that Sayre made materially false and misleading statements in stock recommendations issued through his company IFR about eConnect, whose stock at the time was quoted on the Over-The-Counter Bulletin Board. The statements were further misleading, stating that IFR held no eConnect stock and would not be compensated for its opinion. The amended complaint also alleged that Sayre, the sole officer and director of IFR, purchased eConnect shares before issuing the buy recommendations and sold them through Silver Screen brokerage accounts at dramatically higher prices once the recommendations contributed to a substantial increase in eConnect's stock price.

On April 8, 2000, the SEC obtained a temporary restraining order freezing the assets of Defendants. The district court entered a final judgment against Sayre and IFR, permanently enjoining them from future violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and ordering Sayre to pay a civil penalty. The district court also ordered Sayre, IFR, and Silver Screen Industries, Inc. pay disgorgement with prejudgment interest. As a result, the SEC has created a fund of approximately \$987,333 includes disgorged profits, prejudgment interest and accrued interest. This amount will be available for distribution to harmed investors who submit a completed and timely claim form.

The Court appointed Gilardi and Co. LLC the Distribution Agent to distribute funds to eConnect investors who qualify under a court-approved distribution plan.

Who may be Eligible

All persons who purchased eConnect common stock between February 29, 2000 and March 10, 2000.

How to Participate

Submit a completed Proof of Claim form no later than November 30, 2010, to the Distribution Agent at the address listed below:

SEC v. Sayre Distribution Fund
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040

Questions?

- Visit the case website at www.gilardi.com/sayrefund or
- Call the dedicated toll free number 1-866-967-6895 or
- Send an email inquiry to classact@gilardi.com