

NCUA LETTER TO CREDIT UNIONS

**NATIONAL CREDIT UNION ADMINISTRATION
1775 Duke Street, Alexandria, VA 22314**

DATE: December 2001

LETTER NO.: 01-CU-23

TO: All Federally Insured Credit Unions

SUBJ: Investments in Brokered Certificates of Deposit (CDs) sold by *Bentley Financial Services, Inc. and Entrust Group*

ENCL: Letter from *Bentley Financial Services, Inc. and Entrust Group* Under Receivership

Dear Board of Directors:

This Letter is to advise you that the Securities and Exchange Commission ("SEC") has charged Robert L. Bentley, Bentley Financial Services, Inc. ("BFS") and Entrust Group ("EG") (Defendants), located in Paoli, Pennsylvania, with securities fraud for selling securities misrepresented as insured certificates of deposit (CDs). BFS was a CD broker and EG acted as the custodian for CDs placed through BFS. The SEC alleges BFS sold financial instruments to investors with interest rates and maturity dates that varied substantially from the underlying CDs. Many credit unions were included on the client list of BFS. NCUA has previously issued advisories on this subject.

On October 24, 2001, David H. Marion, Esq. with the firm of Montgomery, McCracken, Walker & Rhoades LLP, was appointed Receiver for the Defendants' assets by Judge Jay C. Waldman of the United States District Court for the Eastern District of Pennsylvania ("Court"). NCUA is maintaining close contact with the SEC, the Receiver, and other federal and state regulatory agencies involved in the case, and will keep you informed of any pertinent information received.

In accordance with a Court Order issued November 7, 2001, the Receiver is currently making a preliminary accounting to determine the extent, location and availability of any assets of the Defendants. As part of this effort the Receiver has provided a letter to the Defendants' customers. A copy of the letter is attached for your information. After the preliminary accounting is made and submitted to the Court, the Court will determine when and how to release information to all interested parties. Unfortunately, the Receiver is

unable at this time to provide a definite date for when the final results of the accounting will be available to the public.

No claims procedures or claims filings deadline have been established. As soon as the Receiver learns of claims procedures or a claims filings deadline, he will make this information known via the following Web site: <http://www.bfscorp.net>. Interested parties should visit the web site or contact the Receiver directly at 215-772-7434.

Recommendations

If you have not already done so, credit unions with investments in BFS or EG should promptly photocopy any documentation you possess that pertains to investments made through Robert L. Bentley, Bentley Financial Services, Inc., or Entrust Group. Please mail your documentation to:

David H. Marion, Receiver
Bentley Financial Services, Inc.
P.O. Box 22473
Philadelphia, PA 19110-2473

This will help the Receiver in assembling and verifying assets and potential claims against the assets. Meanwhile, credit unions that hold frozen Bentley CDs may contact Mr. Marion at the above number for information about their funds.

Sincerely,

/s/
Dennis Dollar
Chairman

Enclosure

BENTLEY FINANCIAL SERVICES, INC.
(IN RECEIVERSHIP)

David H. Marlon, Receiver

ENTRUST GROUP
(IN RECEIVERSHIP)

Receiver's Telephone
(215) 772-7434

ROBERT L. BENTLEY
(IN RECEIVERSHIP)

P.O. Box 22473
PHILADELPHIA, PA 19110-2473

November 12, 2001

Customers of:

Bentley Financial Services, Inc. (in Receivership)
Entrust Group (in Receivership)
Robert L. Bentley (in Receivership)

Re: SEC v. Robert L. Bentley, et al., Docket No. 01-CV-5366

Dear Customer:

On October 24, 2001, I was appointed Receiver of Robert L. Bentley, Bentley Financial Services, Inc. and Entrust Group (collectively, "Bentley") by Judge Jay C. Waldman of the United States District Court for the Eastern District of Pennsylvania (hereafter, the "Court"). As Receiver, I have been given jurisdiction and control over all of the Bentley assets (other than the personal residence of Robert L. Bentley). I am being represented in this capacity by Montgomery, McCracken, Walker & Rhoads, LLP.

Since my appointment, I, with the assistance of my counsel, have taken steps to identify and assemble all of the Bentley assets. We have taken control of the business premises and all records which we could find. We have met twice with Mr. Bentley and his counsel. We are continuing to work to safeguard and preserve the assets and to ensure that all assets are found and protected and no assets are lost.

On November 7th, a Preliminary Injunction Order (hereafter, the "Order") was entered by the Court continuing the receivership and freeze of assets. That Order also directed me, as Receiver, to use my "best efforts to conclude an accounting within 30 days..." If you would like more information about the Order, a copy of it can be accessed on our website.

To assist us in complying with the Order, we are requesting Bentley customers to submit a copy of all information regarding investments made with Bentley, including all records,

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receipts and correspondence relating to their Bentley accounts (*you need not resubmit materials already forwarded to me*). Please direct this information to:

David H. Marion, Receiver
Bentley Financial Services, Inc.
P.O. Box 22473
Philadelphia, PA 19110-2473

There will be no distribution of any of the Bentley assets unless and until the Court so orders and only in the manner that the Court directs.

We are endeavoring to provide you with information about this case in a timely and efficient matter and have created a website. Please feel free to visit our website at www.bfscorp.net which will be available by November 13, 2001. If you would like to call my office, you may do so by calling (215) 772-7434.

Sincerely,



David H. Marion

DHM:seb