

Dear IMET Participant:  
October 29, 2014

As a follow up to our communication to all participants on October 15, 2014, we have further information we wanted to share regarding the Convenience Fund's investments in loans provided by First Farmers Financial, LLC ("*FFF*"), which loans totaling \$50,442,142.78 are in default (the "*FFF Loans*"). As we previously informed you, we learned that all of the loan documents for the FFF Loans provided by FFF to Pennant Management, the advisor who facilitated the acquisitions of the FFF Loans for IMET, were facially regular and complied with the USDA's Good Delivery Requirements. However, FFF forged the loan documents on behalf of fictitious borrowers, forged the signature of USDA officials on the loan guarantees and pocketed the loan proceeds.

On October 16, 2014, Pennant Management, on behalf of IMET and others, filed a demand in accordance with the requirements of 7 CFR 4279.78(b) on the USDA with respect to the forged USDA guarantees delivered as part of the FFF Loans seeking to have the USDA purchase the guaranteed portions of the FFF Loans. On October 21, 2014, the USDA denied Pennant Management's request for the USDA to purchase the FFF Loans because the documents do not reference any valid loans that have been guaranteed under the USDA's Business and Industry Guaranteed Loan program. Attached hereto is a statement prepared by Pennant Management which sets forth a response to frequently asked questions with respect to the FFF Loans and other fraudulent loans made by FFF which, when combined with the FFF Loans, total approximately \$176 million, and measures being taken to recover such loan proceeds. IMET's Convenience Fund's exposure to these fraudulent loans is \$50,442,142.78 with the remaining \$126 million owned by other investors.

As previously disclosed, the portion of the Convenience Fund allocated to FFF Loans was segregated by IMET in a restricted account reflecting the net asset value as of the close of business on September 30, 2014 and redemptions from that restricted account were suspended thereafter pending further notice.

On October 24, 2014, IMET's Board unanimously determined that it is in the best interests of the Convenience Fund and its participants as of September 30, 2014 ("*Eligible Participants*") to remove the value of the FFF Loans on the books and records of IMET's Convenience Fund, and to seek to recover, liquidate and distribute any proceeds received from the FFF Loans to the Eligible Participants. In order to accomplish the foregoing, the Board approved the establishment of a liquidating trust (the "*Liquidating Trust*"). In connection therewith, effective as of September 30, 2014, it is anticipated that IMET will transfer the FFF Loans into the Liquidating Trust. Under the terms of the Liquidating Trust, the Trustee will hold for the account of each Eligible Participant its proportionate share of such FFF Loans and distribute to each such Eligible Participant proceeds from such FFF Loans that are reduced to cash, which may be subject to a reasonable reserve for payment of the expenses of the Trust and any liabilities, including contingent liabilities and unliquidated claims, if any.

In connection with the establishment of the Liquidating Trust, the Board unanimously approved IMET causing a redemption, as of the September 30, 2014, of an aggregate number of

shares of the Convenience Fund from Eligible Participants equal to the total amount outstanding under the FFF Loans as of September 30, 2014 (\$50,442,142.78) in order to preserve the net value of \$1 dollar per share of the remaining shares in the Convenience Fund. This redemption will take place shortly.

Please let us know if you have any questions regarding any of the matters set forth herein or in Pennant Management's "First Farmers Repo FAQ" attached hereto. We did not prepare Pennant Management's attachment and take no responsibility for its accuracy or adequacy for your purposes. We will distribute to the Eligible Participants at a later date answers to the most frequently asked questions that are submitted by Eligible Participants to IMET. In addition, we will keep you apprised of any material developments concerning this matter in the meantime.

If you have any questions regarding this issue or the fund, please contact Executive Director, Laura Allen, at (815) 735-3534 or Associate Director, Deb Zimmerman, at (618) 731-2904.