

Equity Receivership Over Nationwide Automated Systems, Inc., et al.
9339 Genesee Ave Suite 130
San Diego, Ca 92121
Phone: (858) 242-1166 & (858) 242-1161
Fax: (858) 242-1266
Email: receiver@nasi-receivership.com

**Frequently Asked Questions
Claims Process
(Update February 18, 2019)**

1. Q: When will distribution checks be sent to approved net losing investors?

A: Distribution checks will be mailed to approved net losing investors after an Order approving the Claims Approval Motion is signed by Judge Otero.

2. Q: When will the Receiver file the Motion for Claims Approval for net losing investors?

A: The approved net losing list that will be included in the Claims Approval Motion is at its final stage and the Motion and Exhibits are expected to be filed in March 2019.

3. Q: What is included in the Claims Approval Motion?

A: The Claims Approval Motion will include: (i) a list of net loser claims that are recommended for approval, along with the proposed allowed amount of each claim (i.e. net loss amount), (ii) a list of non-investor/creditor claims recommended for approval, along with the proposed allowed amount of each claim, (iii) a list of unresolved claims, along with the Receiver's recommended allowed amount of each unresolved claim.

4. Q: Will an investor with a net losing claim number receive multiple distribution checks for each round of distributions (i.e., interim distribution and final distribution)?

A: No. For each round of distributions, each net losing claim number assigned by the Receiver will be entitled to one (1) distribution check.

5. Q: If the investor's name on the Claims Submission Form ("CSF") is different than the name on the IRS Form W-9 ("W-9"), which name will be the approved net losing investor?

A: Assuming the different names on the CSF and W-9 were investors (i.e., deposited funds, executed ATM Contract, received payments from NASI, etc.), the name on the W-9 will be the default net losing investor. The Receiver cannot make a distribution payment without receiving a W-9 in that investor's name.

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6. Q: If a person invested with NASI as both an individual and with a retirement account (i.e., IRA, Roth IRA, PSP, etc.) and provided a CSF with both accounts but only one (1) W-9 with the individual's Social Security Number to the Receiver, will there be two (2) net losing claim numbers (and distribution checks)?

A: No. If only one (1) W-9 was received with the individual's SSN, both the individual and retirement account will be combined and the approved net losing claim will be to the person, individually.

7. Q: Assuming the situation in Question 6, will there be tax implications if the approved net losing investor is the person, individually, and the distribution check is used to invest in the retirement account?

A: The Receiver (and his staff) cannot provide legal and/or tax advice to investors. The Receiver recommends that investors discuss the tax consequences of making a claim and receiving distributions with his/her/its tax advisor (i.e., tax preparer, CPA).

8. Q: If an investor is a foreign tax filer and does not have a U.S. taxpayer identification number, is a W-9 required?

A: No. A non-U.S. tax filer is required to provide the Receiver with an IRS Form W-8 BEN instead of a W-9. IRS Form W-8BEN can be found on the IRS's website, <https://www.irs.gov/forms-pubs/about-form-w-8>. Again, the Receiver cannot provide tax advice to investors. Investors should seek the advice of his/her/its tax advisor.

9. Q: Is there additional information regarding the Claims Process?

A: Yes, the Motion for Approval of Procedures for the Administration of Investor and Creditor Claims Against the Receivership Estate can be found on the Receiver's website, www.nasi-receivership.com, under the "Court Docs" link.