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April 13, 2011

To Investors and Creditors:

Re: SEC v. Commodities Online, LLC and Commodities Online, Management, LLC
Case No. 11-60702-CIV-PAS, S.D, Fla.

On Friday, April 1, 2011, the Securities & Exchange Commission filed a complaint in the Federal District Court in Miami, Florida, against Commodities Online, LLC and Commodities Online Management, LLC (collectively the “Company”) seeking injunctive and other relief. Contemporaneously, an Agreed Emergency Motion for Appointment of Receiver was also filed with the court. In its Complaint, the Commission alleged that Commodities Online, LLC and its management and primary shareholder, Commodities Online Management, LLC were “duping investors into funding a fraudulent scheme violating the antifraud and registration provisions of the federal securities laws.” The Complaint further alleged that the Company “dissipated investor funds by sending millions of dollars to companies controlled by its co-founder and former managing member and one of its vice-presidents.”

The Commission also asserted in the Complaint that the Company “fraudulently depicted [itself] as a growing and lucrative business and failed to disclose that its co-founder and former managing member is a convicted felon, who was charged with grand theft and organized scheme to defraud in conjunction with an unrelated Ponzi scheme in March, 2010. The Company also failed to disclose that one of its vice-presidents pled guilty to bank fraud and narcotics charges in 2005 and to transmitting a threat to injure charge in 2007.”

The Commission further alleged that the Company raised money from investors through the sale of unregistered securities and that the Company’s marketing contained misrepresentations and omissions regarding the promised investor return. The Complaint includes a number of fraud violations perpetrated by the Company. Finally, the Commission seeks a permanent injunction and disgorgement of all ill-gotten gains.

The Company agreed, through its counsel to the appointment of a Receiver and on the afternoon of April 1st United States District Judge Patricia Seitz appointed me to that post. Pursuant to the Court’s Order, in my capacity as Receiver I have the “duty and authority to administer and manage the business affairs, funds, assets, causes in action and any other property of the Defendants;

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marshal and safeguard all of their assets; and take whatever actions are necessary for the protection of their investors.”

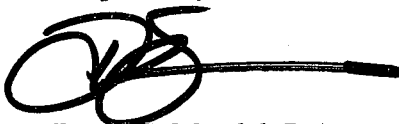
Upon accepting the Court’s appointment, I directed my counsel to travel to the Company’s corporate office and sales office to secure both locations, i.e., locks were changed, computers disabled and records seized. I also immediately retained Kapila & Company, a well respected forensic accounting firm with significant experience in receiverships.

To date, we have taken control of the Company’s bank accounts and have been actively engaged in the process of tracing the transfer of funds from the Company’s accounts to others. We interviewed several Company officials and employees in an effort to gain knowledge about the operation of the Company and to further identify individuals who may have received funds from the Company. This process is ongoing and we will continue to work towards identifying and recovering all investor money which may have been improperly taken from the Company.

I have directed my staff to begin the process of contacting investors and will, to the best of my ability, keep investors informed regarding the progress of our investigation and our efforts to recover the Company’s assets. Updated information will be posted on the Receiver’s website at www.commoditiesonline.com. We intend to maintain contact with the Securities and Exchange Commission and, if necessary and beneficial, coordinate our actions with the Commission.

In short, I am the Court’s appointed representative in this matter, and one of my primary goals is to try to recover as much of your investments as possible. To that end, please feel free to contact me or my counsel via email commodities-receiver@mandel-law.com or at 305-374-7771. We would be pleased to obtain your contact information and any other relevant information you may have.

Respectfully,

A handwritten signature in black ink, appearing to read 'David S. Mandel', with a long horizontal line extending to the right.

David S. Mandel, P.A.
Receiver