Frequently Asked Questions

On July 23, 2004, U.S. District Court Judge John C. Coughenour approved our proposed distribution plan, which was posted on our website on August 4, 2004. The Court ordered that investors would have 45 days to file objections to the plan. Thereafter, our office had 20 days to respond.

Over 200 individuals filed objections or new applications with the Court. Our office filed responses to the objections on October 27, 2004. On February 8, 2005 and February 14, 2005, the Court ruled on the objections and ordered our office to recalculate the proposed distribution plan pursuant to the Court's rulings.

We revised the distribution plan on February 24, 2005, and posted the Amended Distribution Report on our website. We expect the Court to approve or deny the Amended Distribution Report on or about March 11, 2005. It is our hope and expectation that the Court will order our office to make payment according to the Amended Distribution Report at that time.

We try to return calls and e-mails at our earliest opportunity, but given the large number of investors involved, it may take us some time to reach everyone. In the interim, please review the following answers to some of the common inquiries. Hopefully, this information will address some of your questions.

Q. What is the Pro Rata Ratio and how is it calculated?

A. The Amended Distribution Report includes a column labeled "Pro Rata Ratio." This is the recommended payment owed each person. It is based on the total Receivership Assets maintained and managed by the Receiver as of February 23, 2005 ($24,801,473.39) and the total Verified Amount, or net loss, approved for all claimants ($61,603,302.95). The Pro Rata Ratio, or recommended distribution, is calculated by dividing the total Receivership Assets by the total Verified Amount. Based on the aforementioned calculation, the Receiver proposes that each investor receive 41.48% of his or her net investment, or Verified Amount.

The Pro Rata Ratio varied throughout the process because our office continued to process and approve claims after the date we filed the initial distribution plan. The pro rata percentage would change each time a claim is approved. It also changed in response to the Court's February 14 order.

Q. When will I receive my restitution payment?

A. We anticipate that the Court will order our office to make payment on the Amended Distribution Report within the next few weeks. And we hope that we will be able to mail payments via U.S. Mail soon thereafter.

Q. I invested in the Higher Education Student Assistance Foundation (HESAF), why does the Distribution Plan show my Pro Rata Distribution as $0.00?

A. HESAF investors are in a unique category. HESAF claimants will share in the Pro Rata Distribution that is currently assigned to Mr. Roland Baldwin, in proportion to the amount of their investment in HESAF. As you can see, we verified the fact that Mr. Baldwin invested $65,994.00 in one of the Zidar investment schemes. This money belongs to all of the HESAF investors. Pursuant to the court order, each individual who invested in HESAF will share the pro rata amount of $27,347.31 according to the proportionate amount invested by each HESAF investor.

Mr. Baldwin invested the funds on your behalf and in his name. Most of you did not invest in this program directly. As a result, your name is listed on the Distribution Report because you filed a claim with our office, but you have a zero dollar entry next to your name because you did not actually invest money with Zidar and his investment schemes. This does not mean that you are not eligible for restitution. It means that you will share in the restitution assigned to Mr. Baldwin's name.

Q. My money was frozen at ANZ Bank. Why does the Amended Distribution Report show a Pro Rata Ratio of $0.00 for me?

A. $388,455.36 that was frozen by the ANZ Bank was transferred to the Receivership on December 27, 2004. Of this amount, we identified funds belonging to sixteen investors (each individual was identified in the Court's February 8, 2005 order). This money was not co-mingled with the defendant's other accounts, and the Court ordered that these funds should be transferred back to their "originator." Since you may be one of the sixteen individuals to receiver your entire loss, you will receive $0.00 from the pro rata distribution. Individuals whose funds were frozen at ANZ Bank will receive a separate payment on or about the same time we make a payment pursuant to the pro rata distribution. The remaining ANZ Bank funds have been deposited into the Receivership Assets for general distribution.

Q. I am represented by Attorney David Smith (or my own separate attorney). Who should I contact if I have questions about my claim? Is my claim being treated differently if I am represented by someone other than myself?

A. Updates posted to the Zidar Receivership website apply to all victims in the matter, regardless whether he or she has legal representation. Similarly, the process for confirming and validating claims is the same for all claims filed with us, irrespective of a claimant's representation. Investors who have chosen David Smith to represent them may contact his office directly with questions about their individual claims. Investors represented by Mr. Smith may also contact our office, although given the large number of investors, it would help us if you contacted your own attorney who then can communicate with us on your behalf. Of course, if you find it necessary to communicate with us directly, we will be available to answer your questions through our toll free number or via e-mail. We do encourage you to keep your attorney informed with regard to any direct communication to our office.

Q. **My name is not included on the Distribution Report, and I did not complete a Questionnaire or apply for restitution with the Receiver according to the prior deadlines. I believe that I am a victim of this fraud. Can I become eligible for restitution even though I did not previously notify the Receiver?**

A**.** The July 23, 2004 court order ruled that our office cannot accept or consider any new investor claims after August 2, 2004, the date I mailed the 45-day objection notice to each investor known to my office at that time. As a result, we cannot accept new claims.

However, on September 16, 2004, the Court issued an order directing any new applicants to file a claim with the Court by September 29, 2004. The Court further ruled that all the claims filed after September 29, 2004, would be denied.

Q. **I filed an objection or a new petition for inclusion in the distribution with the Court. When and how do I find out the outcome of my petition or objection?**

A. The Court's February 8, 2005 and February 14, 2005 orders identified the individuals whose new applications were accepted by the Court. The Court ordered our office to incorporate those individuals in the Amended Distribution Report.

Q. **What is the status of the additional outstanding assets? Is there still going to be a supplemental distribution?**

A. The July 23, 2004 Court order directed us to continue to attempt to recover additional assets for liquidation. The Court further ordered us to file a supplemental distribution proposal within six months after the initial distribution if we manage to liquidate any outstanding assets. Although most of the Zidar defendants' assets have been recovered or depleted, we continue to investigate any reasonable and significant outstanding assets.