

STATEMENT BY GOLDEN RAIN FOUNDATION

The GRF Board has carefully reviewed the allegations contained in the lawsuit filed by Third Laguna Hills Mutual on June 10, 2010 against PCM, Janet Price and Milt Johns. The Board has retained legal counsel and other expertise to investigate the claims made in this lawsuit.

The Board has met in Closed Session and in conjunction with the Boards of Third, United Laguna Hills Mutual and Mutual Fifty in an effort to make sure that the Board has all of the information that is presently available concerning the allegations made in the lawsuit. The Board intends to continue to work closely with the other Boards as this investigation progresses.

The Board has reached no conclusions concerning the allegations made in the Third lawsuit at the present time. The Board intends to discover the facts surrounding the allegations that have been made and will await receipt of the conclusions reached by the experts retained by GRF to assist the Board in learning the facts and evaluating the claims.

The Board has met with PCM and they have expressed their desire to work with the GRF Board during this investigation and provide GRF with the information that they will need to understand the facts surrounding the allegations made in the lawsuit filed by Third.

The Board will meet its fiduciary duties to the community of Laguna Woods Village while the investigation continues and will keep its members advised to the greatest extent possible under the circumstances.

Thank you for your patience and support as the Board works through these difficult issues.