

February 19, 2001

Bill Feldman, Assistant Director Filings Division Public Service Commission 211 Sower Boulevard PO Box 615 Frankfort, KY 40602-0615

00013030

Via US Mail

Re: Cessation of Operations

Dear Sirs:

We regret to inform you that, because of financial problems, on February 2, 2001, Affinity surrendered all of its assets to Finova Capital Corporation, its secured lender, for liquidation pursuant to section 409.504 of the Wisconsin Statues. As a result, Affinity has ceased operations and is no longer in business.

Finova sold the assets to an unrelated third party, which did not assume any of Affinity's liabilities. Unfortunately, the sale proceeds were more than \$1.5 million short of satisfying Affinity's secured obligations to Finova. Consequently, there was no surplus available for unsecured creditors of Affinity, such as you. Affinity deeply regrets that it is unable to pay its obligations to you.

Sincerely,

Affinity Corporation