



# **Pioneer Capital Corporation**

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1/21/08

Dear Pioneer Broker:

At this time Pioneer must limit fundings until the week of January 26. Our funding and warehouse lines are still open and performing satisfactory, however, we have used our funding limits on these existing facilities. In normal times, the simple course of action is to establish either an increase in our lines or to find additional funding facilities. In these challenging times, as you can imagine this is no small task. As a result, our funding of transactions will be hampered until we can complete a bulk sale of receivables that is in process and scheduled for next week. We are also in the process of several other bulk sale transactions that should be completed shortly.

This is a short term event. Pioneer's portfolio has performed extremely well during this period with our 2008 losses being equal to our 2007 losses – an amazing feat in this trying economic period. As a result this situation is a capacity constraint issue and not a credit loss issue. Once we can reduce our bank lines with these impending sales, we expect to be back to normal operations. Please accept our apologies for any inconvenience this may cause, but feel confident that we shall resume our funding next week.

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