



In the Interest of Full Disclosure

16 February 2008

Topics covered:

- *Defamatory quotation inaccurately attributed to RMP CEO*
- *Other slanderous comments defaming the character of RMP's CEO offered by sports writer in opinion column*

16 February – Merced Sun-Star

What was published. . .

Merced Sun-Star sports writer Steve Cameron follows the 15 February news story by Corinne Reilly with a defamatory opinion column that insults County officials, erroneously attributes a quotation to RMP's CEO, and promotes a false impression about RMP and its management.

RMP's full disclosure. . .

In a sports column published by the Merced Sun Star on February 16, 2008, Mr. Steve Cameron attributes a negative quotation to RMP CEO John Condren about why Merced County was chosen as the preferred location for the RMP project.

Mr. Condren responded on February 20, in an RMP press release, "I never said the things attributed to me, and I would never say such things. In my opinion, Mr. Cameron's application of quotation marks, inferring that I made such comments, is nothing short of slander. He presents nothing but third-party hearsay. Mr. Cameron also makes detrimental statements and negative implications about Merced County Supervisors and other government officials who recommended or approved the RMP project. Let me assure all concerned that neither the Company, nor I, agrees with or condones his statements. I am disgusted by Mr. Cameron's deceitful tactics, which he offers under the guise of journalism."

Riverside Motorsports Park consistently has reported that the Company selected the 1,200-acre project site in Merced County for the following reasons:

- **Demographics:** within 60 miles of the site reside 3.3 million persons, and within 100 miles of the site reside 9.1 million persons, making it the second highest demographic reach for any motorsports facility in the U.S.
- **Location:** central to the State and adjacent to Merced County's Castle Airport—third longest runway in California
- **Business:** the pre-existence on the project site of an approved Foreign Trade Zone, supporting the development of motorsports-related business center
- **Support:** a long and strong history of motorsports, across a variety of racing classes and events, throughout the Central Valley and the Western U.S.



- Need: job creation and economic stimulus; an economic impact report developed for Merced County by the Fluor Corporation identified the creation of 1,200 jobs on-site and a potential \$300 million annually in park-related business revenue

Of the countless errors and unsubstantiated opinions in the Cameron column, the following are the most egregious:

- RMP is a “*scheme for bilking some honest racing investors with lovely dreams – designed to obtain enough permits and publicity to sell the whole bag of dirt for a profit.*” If a business makes a profit for its investors, how can anyone say they were bilked? RMP’s investors are legally qualified investors and fully understand the risk of a real-estate development investment. However, they also fully understand the potential significant return-on-investment related to RMP, being the only business entity to obtain a set of project approvals and permits for the construction of a world-class motorsports facility within California in over 20 years. Furthermore, if this were some form of “scheme,” why would Mr. Condren invest over \$1 million of his and his wife’s own money into the project? They are the both the largest investors and hold the largest equity holders; so, if anyone had something to lose, it would be them. Mr. Condren has also gone without a salary for 7 years, saving the company’s investors significant amounts of capital to be utilized towards project development.
- RMP has “*failed to pay its bills.*” Yes, we have a lawsuit that we are currently addressing from Somach-Simmons-Dunn (SSD), a Sacramento-based law firm. The amount being contested is less than one percent of the nearly \$20 million spent so far on this project. The SSD complaint emanates from RMP’s 3-year business relationship with the firm, during which time RMP paid SSD over \$700,000 in legal fees. Although RMP has every intention of paying this account, it is interesting to note that the dispute between RMP and SSD occurred immediately after the two (2) senior SSD attorneys working on RMP’s business and environmental impact reports bolted from SSD (taking other employees with them) to join a rival practice, leaving SSD with a significant shortage of specialists in land-matter cases, and taking highly profitable business away, as well. RMP directed its business to this new firm, based on the 3-year working history that its attorneys had with the RMP project. In RMP’s opinion, vindictiveness may play a significant part of the current lawsuit.
- Cameron writes, “*Condren has masked so much of his business in a blizzard of confusing documents and legal mumbo-jumbo...*” Legal documentation is a requirement and standard for business. RMP’s business documentation is such that it would not be confusing to real estate developers, business entrepreneurs, financial or tax or legal consultants, or government agencies who require specific documentation for permits and approvals. Granted, to those ignorant in the requirements of developing a multi-million dollar business, many of these documents would appear to be daunting or confusing.



- “RMP has no money.” Cameron, lacking any other source, is quoting an unsubstantiated comment found in a story written by Merced Sun-Star reporter Corinne Reilly, who surmised that because RMP “had no income,” that the start-up and development company had no money. However, RMP provided the Sun-Star with two opportunities to fully understand its financial position – a written statement that outlined the Company’s investment strategy and a 20-minute conference call with the Company’s Executive Advisory Board, including two members of the investment banking firm, Stone & Youngberg. The Sun-Star omitted publishing RMP’s written statement and also failed to print a transcript of the recorded conference call. In both the written statement and the during the conference call interview, RMP clearly identified that the company has sufficient operating capital from “investment capital” which is completely different from income or revenue. The RMP project has yet to break ground or operate; therefore, the company could not have any income or operating revenue.
- RMP’s stock “has no monetary value.” Legally and technically, this is a correct statement, as the stock is unregistered. This pertains to Rule 144 of the Securities and Exchange Commission under the Securities Act of 1933. Additionally, the stock not been registered under federal securities law or qualified for sale under the California Corporate Securities Law of 1968, nor is such registration or qualification contemplated. As a result of such restrictions and the fact that there will be no public market for the stock, purchasers of RMP stock understand that an equity investment in RMP is not a cash-tangible investment. Accordingly, the purchase of Units is suitable only for persons who have no need for liquidity with respect to their investment. The selling price of the stock has been determined arbitrarily by the Company. There is no relationship between the offering price of the stock and any established criteria of value or the value of any assets owned by the Company. These are but a few of the “legal” qualifications for unregistered stock. However, to infer that RMP’s stock is worthless is completely untrue. Currently, RMP has raised significant investment capital through the sale of equity ownership in the company. Investors, as shareholders, share ownership of the company’s assets, including the project’s 1,200-acre project site.
- “Who really owns the property remains a bit of a mystery...” The sole owner of the entire 1,200-acre project site is Riverside Motorsports Park LLC. Mr. Cameron is free to check Merced County tax rolls or with any real estate office that can provide him with a land ownership parcel map.
- “...the value of the property has dipped to roughly \$10 million.” RMP has recently secured three (3) MAI appraisals on the property and, although proprietary to RMP, the company can assure Mr. Cameron that each appraisal exceeds \$20 million when valued as agricultural land and do not include appreciated consideration with the approved “Planned Development” zoning being applied.



- Finally, Steve Cameron's assertion that RMP's attorneys and other service providers are being paid entirely in stock is another fabricated statement, having no foundation or basis. RMP's contracts are all monetary-based; however, most RMP service providers have DEMANDED stock as part of the compensation package because they understand the significant value-add or appreciation as the project progresses.