



Dear friends of Teen Challenge,

If you have been following the news lately, you've no doubt heard that Petters Companies was recently raided on beliefs of potential fraud involving huge sums of money. In an affidavit, Teen Challenge was mentioned as being one of many victims. We have been contacted by many of you who are concerned for us and are praying; we are so thankful for your kind thoughts and prayers.

Our board felt it important to communicate to you the background of our involvement with Petters Companies and how this situation has affected us. About seven years ago, one of our other donors recommended that we consider investing some of his contributions with Petters Companies or some other investment that could build a savings for Teen Challenge in case of emergency or for expansions.

He suggested that we consider using the Harvest Fund and later the Fidelis Foundation which worked with several existing ministries investing with the Petters Companies.

In an attempt to do our due diligence, the board hired one of the Midwest's largest law firms to examine this investment as it involved Teen Challenge and then give a legal opinion. Since the investment was supposedly secured with the state, insured, backed by valuable collateral and had been successfully profitable for years, our board felt comfortable to follow the legal opinion and consider the investment.

Those who have walked along side Teen Challenge over the years have seen the generosity Tom Petters has shown towards Teen Challenge. For seven years this investment has helped us expand our programming and outreach.

We feel it is important for you to know that, at the very beginning of our involvement in the investments with Fidelis Foundation, our board of directors has adamantly insisted that no general donor funds would ever be transferred into those notes. We have followed our board's directive in this regard. Thus, with the exception of the one donor mentioned above who approved his donations for these investments, none of our donors' contributions were ever invested in Petters Company.

Needless to say, we are saddened by the news we have recently heard. It is important for you to know that our board is very prudent and careful with all contributions that come into the ministry. This apparent fraud has caught hundreds of investors and ministries by surprise. For the last year we have been using the interest on these funds to help underwrite the costs of our program. Your prayers in the months to come are much appreciated.

Sincerely,

A handwritten signature in blue ink that reads 'Rich Scherber'.

Rich Scherber
Executive Director

