



Summit Consumer Receivables Fund, L.P.

September 30, 2010

Quarterly Investor Update

Summit Consumer Receivables Fund, L.P.

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Agenda



- Welcome – 1 min (EG)
- Recent Economic News/Data – 5 min (EG)
- Financial Statement Review – 10 min
 - August, 2010 Financials — 5 min (DH)
 - Financial Statement Q&A—5 min
- Portfolio Review and August Update – 15 min (PC)
- What's New at Summit – 10 min (EG)
- Opportunities—20 min
 - Multi – Series Strategy – 10 min (CG/WC)
 - Potential Equity Investors in the GP—5 min (EG)
 - NYSE-traded company's offer—5 min (EG)
- Closing Remarks – 15 min (EG)
- Q&A – up to 19 min (EG)

Unemployment Statistics



- As of August, 2010 the national UER currently stands at 9.6%
 - August Report: nonfarm payroll employment fell for the third straight month by 54,000 in August as 114,000 temporary workers hired for the census completed their work
 - Govt. revision: June/July show 123,000 fewer jobs lost than previously reported
 - **Private-sector employment** continued to trend up at +67,000 jobs in August

Chart 1. Unemployment rate, seasonally adjusted, August 2008 – August 2010

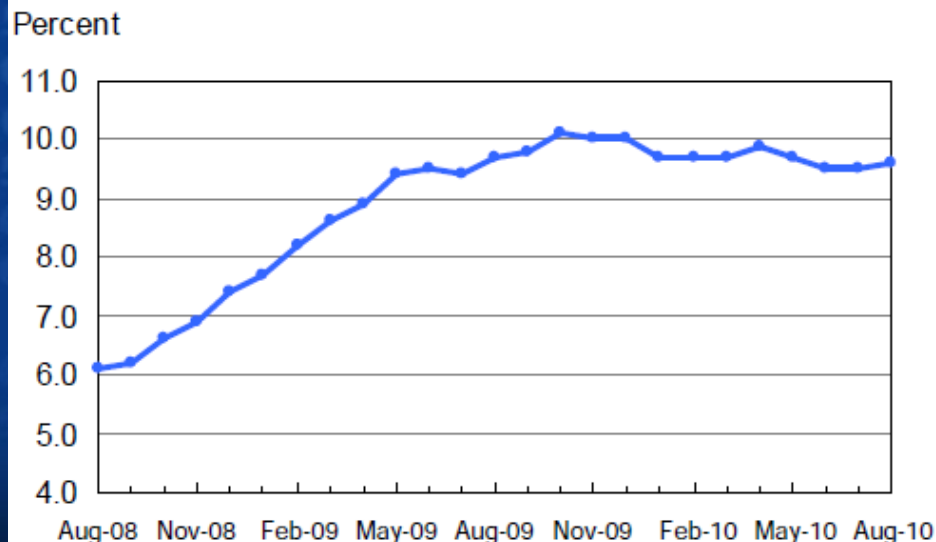
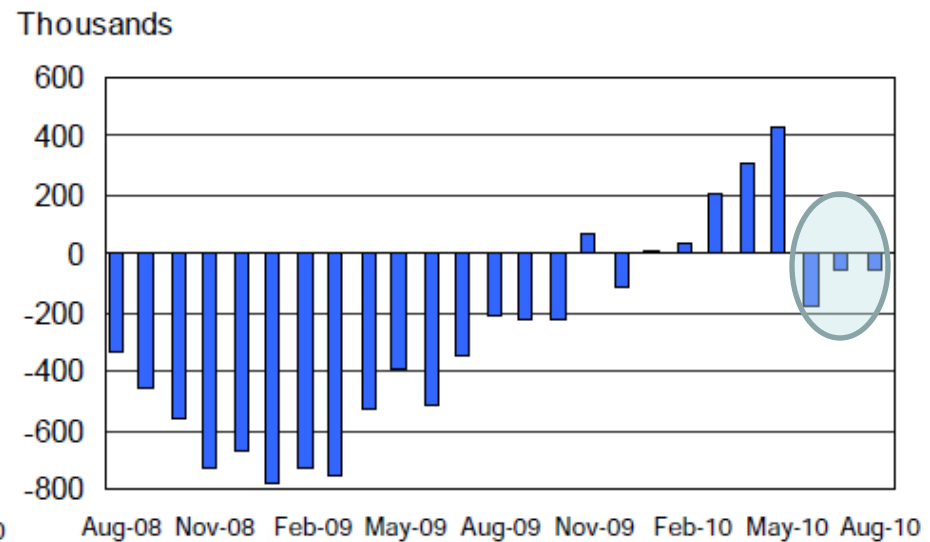


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, August 2008 – August 2010



The Fed and Interest Rates



- Fed announcement: September 21, 2010
 - “Pace of recovery has slowed in recent months”
 - Economic conditions remain constrained by high unemployment, modest income growth, lower housing wealth and tight credit
 - Continues to warrant “exceptionally low levels of the federal funds rate for an extended period” → 0 to 0.25%
- 1-month LIBOR rate currently 0.26% as of today
 - Continues to hover near its lowest point ever (0.23%)
 - 1-month LIBOR was 0.25% one year ago

Financial Statement Review



SCRF, L.P. & SSPE, LLC
August 31, 2010
Consolidated Balance Sheet



Assets

Cash	87,675
Restricted Cash	981,235
Receivable From Servicing Companies	307,322
Prepaid Expenses	262,150
Investment in Consumer Debt Portfolios	40,375,269
Investment in SSPE, LLC	0
Investment in SSPE FCC, LLC	0
Fixed Assets, Net	36,000
Other Assets	13,157
Total Assets	42,062,808

Liabilities & Partners' Capital

Liabilities

Accounts Payable & Accrued Expenses	94,195
Loans Payable	26,699,750
Total Liabilities	26,793,945

Partners' Capital

Partners' Contributions/Distributions	10,874,611
Retained Earnings	3,706,443
Current Year Earnings	687,808
Total Partners' Capital	15,268,863
Total Liabilities & Partners' Capital	42,062,808

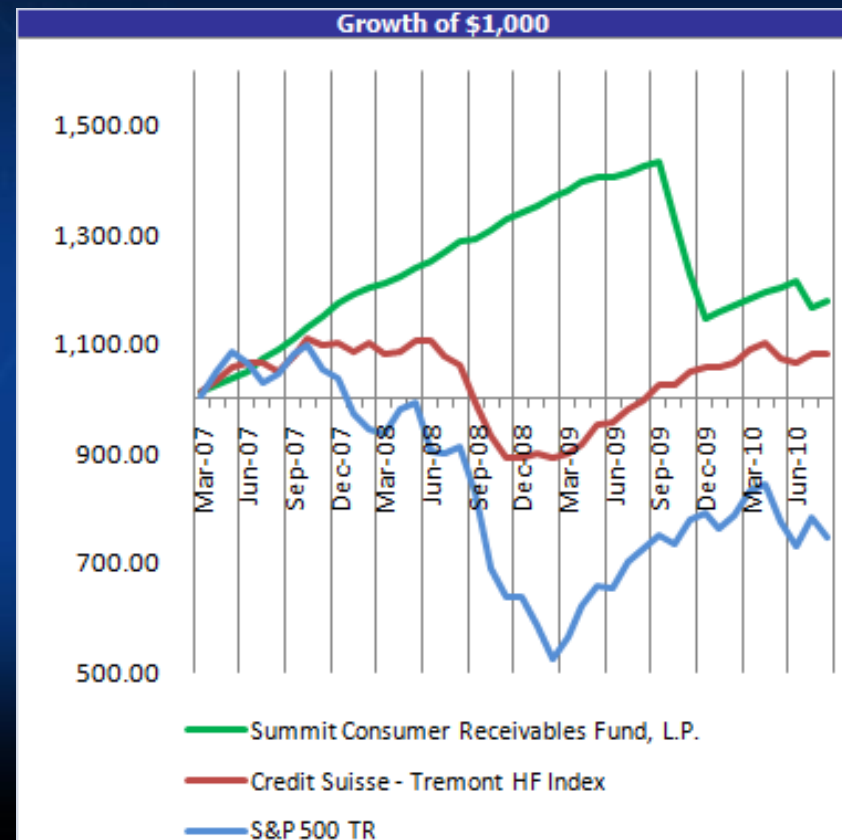
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August 31, 2010
Consolidated Income Statement

	<u>For The Month</u>	<u>Year To Date</u>
<u>Revenue</u>		
Investment Ordinary Income	51,203	346,022
Investment Interest Income	342,672	2,315,696
Total Revenue	<u>393,875</u>	<u>2,661,719</u>
<u>Expenses</u>		
Interest Expense	135,785	1,169,057
Office Expenses	16,827	138,200
Travel, Meals & Entertainment	0	2,021
Professional Fees	30,216	223,877
Payroll	48,489	440,756
Overhead Expense Allocation	0	0
Total Expenses	<u>231,316</u>	<u>1,973,910</u>
Net Income	<u>162,560</u>	<u>687,808</u>

Consolidated Returns



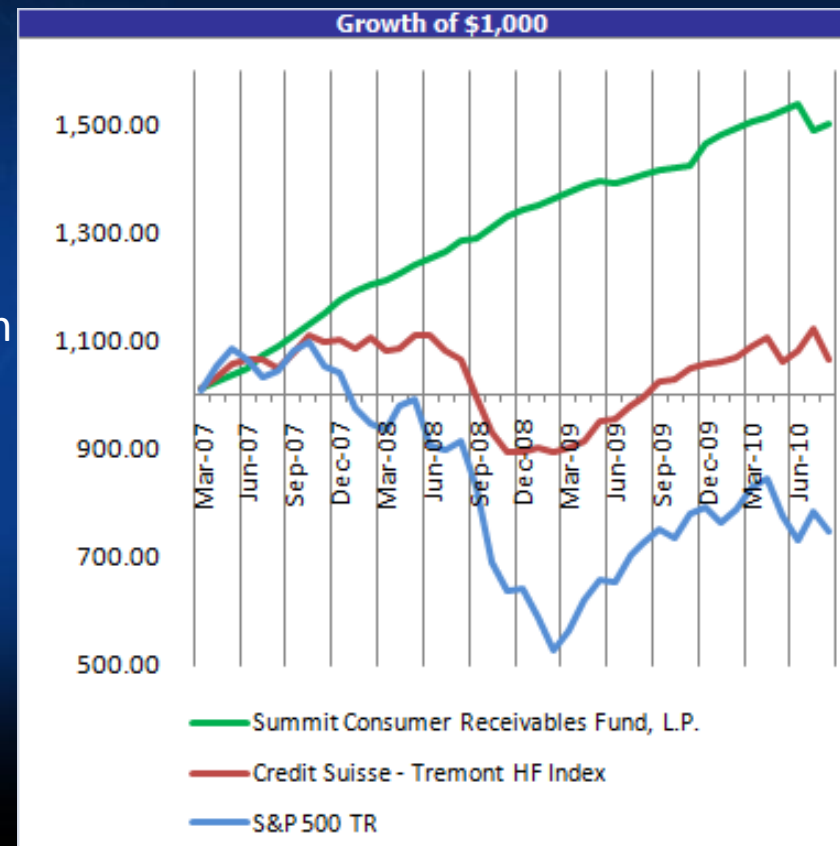
- SCRF, L.P. return statistics through August, 2010:
 - 17.75% total return since inception
 - 4.78% annualized return since inception
 - 2.54% YTD return (3.83% annualized)
- CSFB/Tremont Hedge Fund Index:
 - 8.42% return since inception
 - 2.34% annualized return since inception
- Merrill Lynch US High-Yield Index:
 - 25.63% return since inception
 - 6.74% annualized return since inception



Non-Side Pocket Returns



- SCRF, L.P. non-side pocket return through August, 2010:
 - 50.13% total return since inception
 - 12.31% annualized return since inception
 - 2.39% YTD return (3.61% annualized)
- S&P 500 Index:
 - -25.13% total return since inception
 - -7.94% annualized return since inception
- Nasdaq 100 Index:
 - 0.77% return since inception
 - 0.22% annualized return since inception



Financial Q&A



Portfolio Review

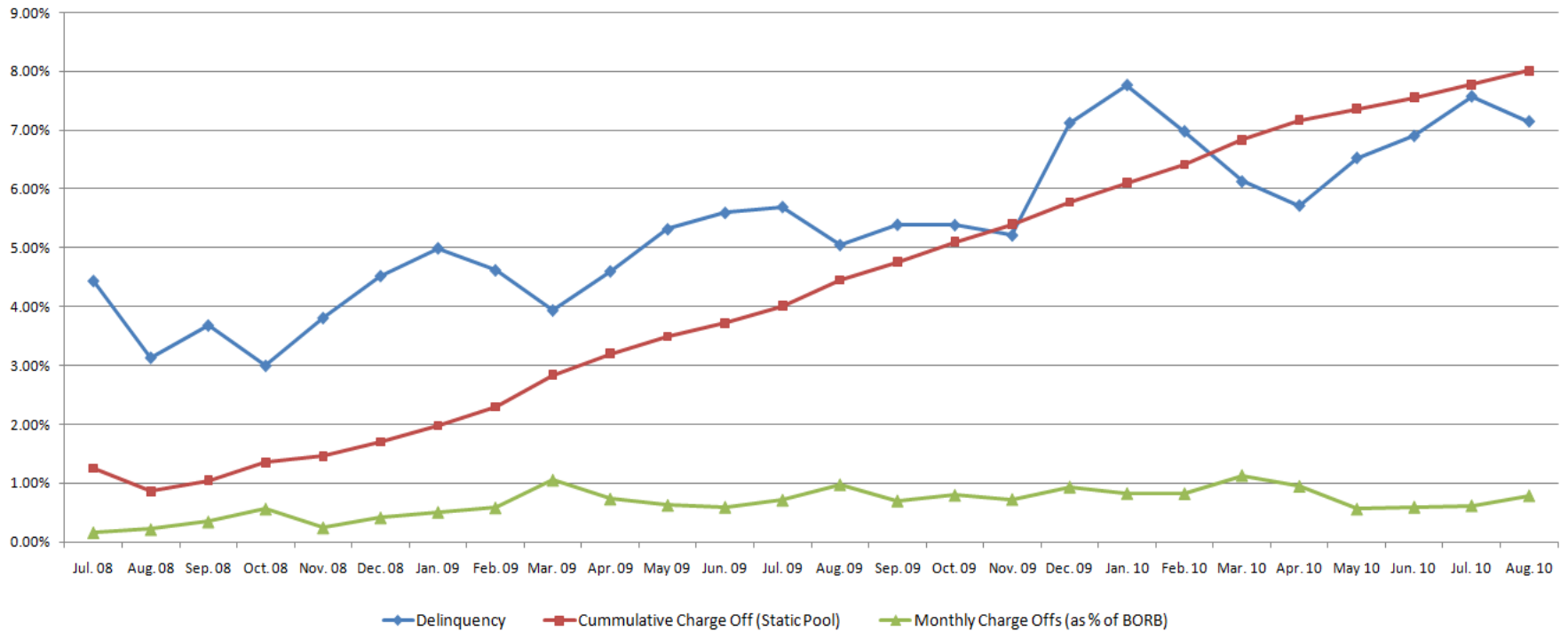


- Asset Performance – Data presented as of 8/31/10
- 92.85% of fund assets are current on a principal balance basis
- There are 7,173 total individual consumer loans with a \$41,550,974 current balance
- Cumulative delinquency of all fund assets on a static pool basis:
 - Cumulative delinquency at 30+ days past due is 7.15%
 - Change since 2010 Q1 meeting: +0.62%
- Cumulative default rate of all Fund assets on a static pool basis is 8.01%
 - Projected 11.75% vs. Actual 8.01%
 - Change since 2010 Q1 meeting: +0.65% vs. +0.94% change over the prior period
 - Projections are dynamic and change with new purchases

Portfolio Review (Cont.)



Total Portfolio - Delinquency and Default Rates



AUGUST 10' TOTAL PORTFOLIO

CLIENT	PORT	MONTH PURCH	TOTAL PBAL	ORIGINAL BALANCE	0-30		31-60		61-90		90+		Tot DQ %	COLLECTIONS		WRITE OFFS		Tot W/O %
					PBAL	%	PBAL	%	PBAL	%	PBAL	%		PBAL	%	PBAL	%	
TOTAL			41,550,974	124,243,471	38,580,572	92.85%	1,420,045	3.42%	888,592	2.14%	661,765	1.59%	7.15%	6,560,868	5.28%	3,392,140	2.73%	8.01%

AUGUST 10' NON-SIDE POCKET PORTFOLIO

CLIENT	PORT	MONTH PURCH	TOTAL PBAL	ORIGINAL BALANCE	0-30		31-60		61-90		90+		Tot DQ %	COLLECTIONS		WRITE OFFS		Tot W/O %
					PBAL	%	PBAL	%	PBAL	%	PBAL	%		PBAL	%	PBAL	%	
TOTAL			17,202,757	82,656,766	16,311,696	94.82%	397,254	2.31%	226,829	1.32%	266,979	1.55%	5.18%	3,507,035	4.24%	1,107,633	1.34%	5.58%

Portfolio Review (Cont.)



- Industry concentration—delinquency rates by industry (based on current principal balance as of 8/31/10)

Industry	Delinquency %	% of Overall Assets
Durable Goods	5.47%	1.52%
Buyers' Club	3.62%	0.03%
Elective Medical	7.61%	17.00%
Home Improvement	5.11%	81.45%

Portfolio Challenges and Opportunities Ahead



- Continuing to experience challenges with u/e, negative equity home loans and bankruptcies
- Credit score becoming less significant in predictability of bankruptcies:
 - Increasingly related to equity in home vs. mortgage balance, and
 - Employment status
- Keeping an eye on consumer delinquency / default trends
 - Flushing out of negative-equity-driven bankruptcies
 - Recovery opportunities and strategies (post charge-offs)

What's New at Summit



- Investor suggestion re: representing Impairments on investor statements as a separate line item vs. including it in Revenue
 - US Bank can accommodate this
 - September statements will incorporate the change
- Termination of Combined Acceptance Corp (CAC) purchases
 - Last day for loan approvals was 9/26/10
 - Further reduction of staff (Tony Brada, lead CAC credit U/W)
 - Increase in available cashflow for the Fund
- Fair Finance Update
 - Suit filed against Durham and Cochran for their guarantee of the Recourse
 - We will most likely obtain default judgment for D&C, evaluate potential for insurance settlement for D&Os

What's New at Summit (Cont.)



- CLST lawsuit filed earlier this month...SCRF's first
 - CLST was brought in as a participant for the FCC Flow paper
 - They were added as a co-borrower under Summit's Fortress revolving LOC
 - Although the FCC flow is outperforming most other assets SCRF owns, CLST is in default under their Fortress LOC, and unlike Summit, has not managed to negotiate a resolution with Fortress to date
 - CLST is in financial distress, with Fortress trapping their cashflow the way we understand it—and they are looking for a way out
 - This past February, Summit, CLST and Fortress signed a Waiver and Release of the prior LOC agreement, and of Summit & CLST's Purchase Agreement
 - They are no longer a co-borrower with SCRF, and have their own LOC with Fortress

What's New at Summit (Cont.)



- CLST lawsuit (Cont.)
 - Nonetheless, in spite of the fact that they were given all the purchase details of every contract before their purchase, and that they signed the Waiver & Release of the prior agreements over a year after their purchases with no dispute...they now want SCRF to buy over 100 contracts back
 - Their reliance on credit guidelines from the wrong SCRF client in this claim, and the fact that they signed the Waiver, but are still choosing to sue us in TX state court has our counsel recommending that we pursue sanctions against them and their law firm
 - We will most likely make an Offer of Judgment for a small amount—a subsequent analysis by FCC found only 5 contacts they originated for CSLT were outside the Guidelines, and only 1 has defaulted at \$2500
 - Those 5 have a % default of less than 6%--below CSLT's default trigger threshold!
 - They had counts of Federal securities fraud in their Claim, allowing us to remove it to Federal court...this is being done today by TX counsel

What's New at Summit (Cont.)



- Implications of the high September defaults
 - If our FCC defaults stay at the high September level for the next few months, we are in jeopardy of hitting a default trigger on our Fortress loan
 - Once the final September numbers are in, we will be evaluating the risk of hitting the triggers—and of whether we might need to take advantage of the Trigger Buy-Up provision we negotiated with Fortress
 - If so, cashflow may need to be diverted to paying down the Fortress loan for a period of time
 - Additionally, more impairments could be required if the default rates exceed our projections as well
 - We are hoping that with the unpredictable, see-saw nature of defaults so far this year, this was a high point and that lower numbers will follow

What's New at Summit (Cont.)



- Continued challenge raising investor \$ for SCRF, L.P.
 - Low appetite for leverage
 - Redemptions in the queue
- In order to maximize SCRF returns, if we can't raise \$ in the current Fund it may make sense to do so using a new Fund or an alternate structure (ideas on upcoming slides)
 - Reduces O/H burden on SCRF over time
 - May allow purchasing of paper from SCRF to generate liquidity
- Investor request yesterday for an inspection of SCRF's books
 - Will be paid for by the requesting investor(s)...SCRF is already independently audited
 - We are very confident that this will validate that SCRF's books are maintained properly, and the findings of the existing BKB audits
 - If you have any questions on SCRF's books, please let us know

Investor Marketing



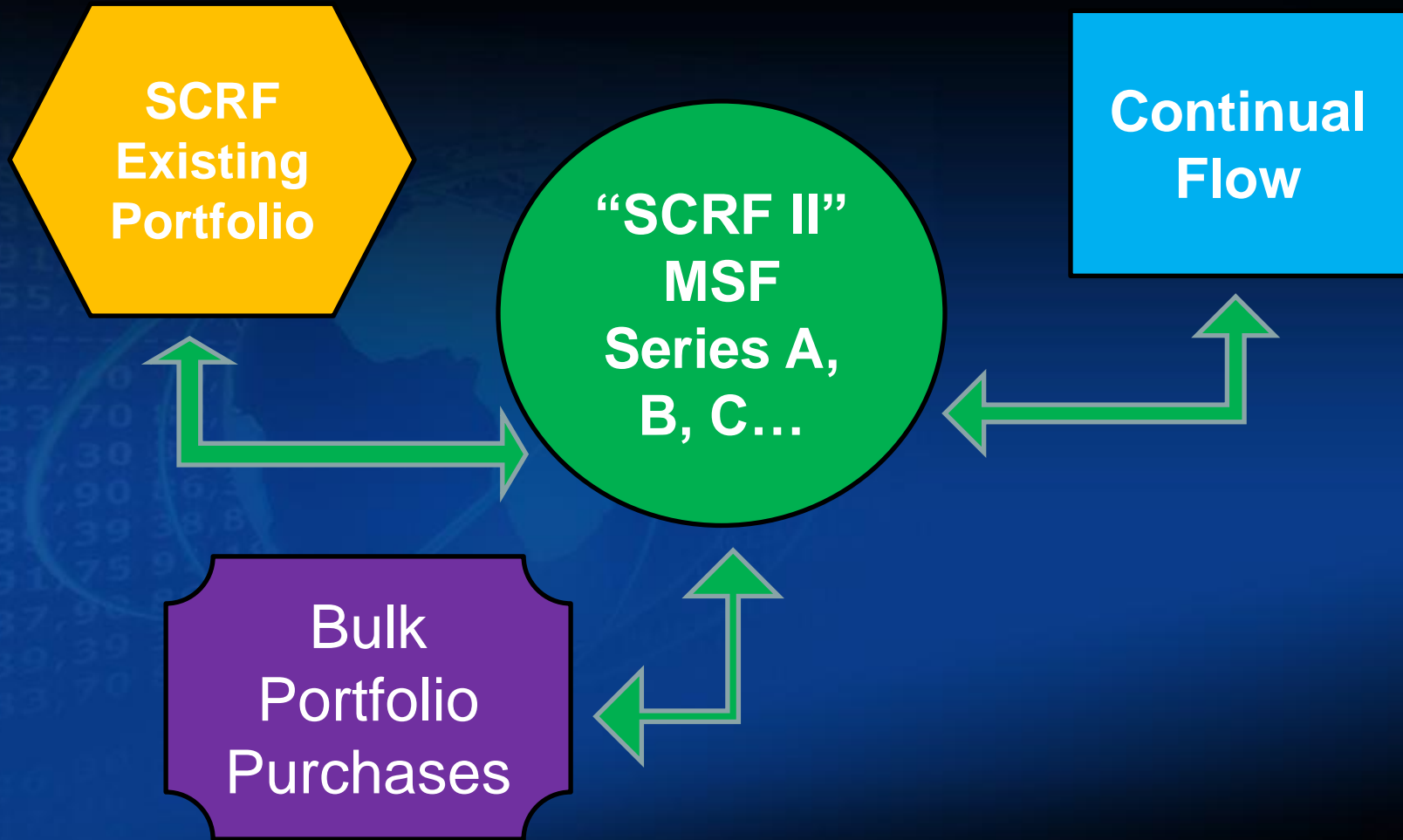
- We continue to operate in challenging environment, with no capital raised so far this year
- Interest in strategies providing high yields still there, but also looking for liquidity and high transparency
- We have found success in identifying investors who recognize current opportunity now in regard to attractive discounts for solid credits, and we are in discussions with 3-4 investors who like our space and approach
- Other potential investors who are interested are waiting for signals that consumer health is on uptrend. Each time there is a negative market event potential investors go into “slow forward”

Multi – Series Strategy



- What are investors currently looking for:
 - Higher Yields (bond market bubble → low yields)
 - Higher Quality Credits (unprecedented buying opportunities)
 - Transparency
 - Liquidity
 - Manager Alignment
- Summit to offer new structure to address these concerns:
 - Series Fund Structure that provides monthly cash flows back to investors while giving them control to take cash or reinvest all or part
 - Fees: Either 2/20 standard fees, or enhanced alignment by providing full repayment of investor principal before performance fees are assessed (likely with a higher % performance fee due to back-end-loading)

MSF Sourcing Oppy's



Multi – Series Characteristics



- **Purchase Period:**
 - Manager will purchase investments during 6-month Purchase Period
 - At close of Purchase Period, Series is frozen and distributions will commence
 - Once a Series is closed, a new Series will be opened to accept new investments and roll-over of existing cash flows from prior Series
- **Diversification:**
 - Receivables will be diversified by geography, industry and type
 - Series will limit weighted average life of receivables to not more than 60 months
- **Liquidity:**
 - Each Series will hold its receivables to maturity with distributions at the end of the first month after the close of the offering period and monthly thereafter

Other Oppy's Being Pursued



- Potential Equity Investors for the GP
 - We are speaking with two parties who have an interest in an equity stake in the GP
 - Additional potential investor contacts, and a cash infusion for SCRF could result
- NYSE-traded company's proposal we're investigating
 - A company that recently moved from the AMEX to the NYSE contacted us through an investment banker
 - Their proposal: to have an independent valuation of SCRF's assets done by a third party pricing firm, and then buy out existing investors—swapping LP interest for shares of their stock
 - Pros: better liquidity if investors want to cash out
 - Cons: we don't know what the valuation exercise will bear, and if it will provide investors a fair price

Closing Remarks



- We at Summit would like to remind all our investors that we're on the same team with you— and that we are working tirelessly to maximize our returns in this very challenging environment
 - Our Team is working for less \$, and in a market environment that is not a lot of fun these days
 - Please help me support them in their efforts—ultimately we are working for you as investors
- If you have any suggestions for ways we can improve communications with you, or suggestions on opportunities you know of in the investor or receivables markets, please let me or any of us know!

Q&A

