

Heilig-Meyers Liquidating Trust

Anthony H. N. Schnelling, Trustee
c/o Bridge Associates LLC
2701 North Rocky Point Drive
Suite 183
Tampa, Florida 33607

March 4, 2009

To : Heilig-Meyers Liquidating Trust Beneficiaries

Re : 2008 Income Tax Information and Trust Financial Statements

The Heilig-Meyers Liquidating Trust (“Trust”) was established on February 17, 2006, pursuant to a Liquidating Trust Agreement (“Trust Agreement”) by and among Heilig Meyers Company and its related subsidiaries that were the subject of the bankruptcy proceeding (collectively, “HEILIG-MEYERS”) and Anthony H. N. Schnelling of Bridge Associates LLC, as Trustee (the “Trustee”), in accordance with the Plan confirmed by the Court on December 23, 2005.

As the holder of an allowed unsecured claim in the HEILIG-MEYERS bankruptcy proceeding, you are a Beneficiary of the Trust which has certain tax reporting implication for you. If you are the registered holder on the Heilig-Meyers Liquidating Trust claims register, the enclosed Grantor Letter and Heilig-Meyers Liquidating Trust 2008 Federal Income Tax Information booklet provides 2008 income tax information that will help you understand and determine your pro rata share of taxable income and deductions attributable to your respective beneficial interest in the Heilig-Meyers Liquidating Trust. You are encouraged to read the entire booklet very carefully and to retain the booklet as part of your income tax records

If you are a holder of a MacSaver bond for which Wells Fargo Bank (1) serves as the Indentured Trustee and (2) is the registered holder on the Heilig-Meyers Liquidating Trust claims register, you will not receive a Grantor Letter. The Trust has included a special section in the enclosed Heilig-Meyers Liquidating Trust 2008 Federal Income Tax Information booklet to assist you with determining your pro rata share of taxable income and deductions attributable to your respective beneficial interest in the Heilig-Meyers Liquidating Trust.. You are encouraged to read the entire booklet very carefully and to retain the booklet as part of your income tax records.

THE GRANTOR LETTERS AND THE INSTRUCTIONS AND WORKSHEETS CONTAINED IN THIS BOOKLET ARE DESIGNED TO ASSIST BENEFICIARIES WITH THEIR INCOME TAX COMPLIANCE AND

HAVE BEEN PROVIDED AS A CONVENIENCE BY THE TRUSTEE. THE TRUSTEE CAN NOT AND DOES NOT PROVIDE INCOME TAX ADVICE OR GUIDANCE TO ANY BENEFICIARY AS EACH BENEFICIARY MAY HAVE INCOME TAX SITUATIONS THAT REQUIRE TAX REPORTING OTHER THAN WHAT HAS BEEN DESCRIBED IN THE ENCLOSED GRANTOR LETTER AND 2008 FEDERAL INCOME TAX BOOKLET. THE TRUSTEE RECOMMENDS AND URGES EACH BENEFICIARY CONSULT HIS, HER OR ITS TAX ADVISOR ON ALL TAX COMPLIANCE MATTERS.

The Heilig-Meyers Liquidating Trust financial statements for the periods of January 1, 2008 through December 31, 2008 and January 1, 2007 through December 31, 2007 are included in the enclosed booklets. The financial statements for the Trust are unaudited, and based upon review, reflect all adjustments necessary for a fair presentation of the financial position and income and expenses of the Trust prepared on a Federal income tax basis.

Please check the website at www.bridgeassociatesllc.com/clients/heilig-meyers for the most recently posted information regarding Trust activities.