Dear Friends,

The Ryan Scott Kappes Foundation was established a little over a year ago. Never could we have imagined the support and generosity of our friends, which has allowed us to raise nearly \$135,000 to date. As most of you know, the foundation was started in the memory of our son, Ryan Scott Kappes, a very courageous little boy that battled a congenital heart defect for all 72 days of his precious life. Ryan passed away on January 30, 2006, but we are proud to say that his legacy remains alive and well.

The first Ryan Scott Kappes Foundation fundraiser was a wine tasting and silent auction on May 28, 2006 at the Holiday Inn in Bethany Beach. Unfortunately we had to turn away over 100 people because we just did not have enough room to accommodate everyone that wanted to attend. More than 50 wines were poured at the event highlighted by: Opus One, D'arenberg Dead Arm Shiraz, Silver Oak, Far Niente and many others. The silent auction of approximately 150 lots was a huge success thanks to the many donations from our friends. Don't miss this years event to be held on Sunday May 27, which promises to be even bigger and better. To reserve tickets call: 302-893-9522.

Last June the Foundation was selected as one of the charities to benefit from a golf tournament help by the Quiet Resorts Charitable Foundation. The event was held at Cripple Creek Country Club just outside of Bethany Beach. It is safe to say that this was as fun of a golf tournament as you will ever attend and we plan on personally supporting this event for years to come. Thanks again to everyone at the Quiet Resorts Charitable Foundation for helping us raise \$13,000.

On June 22, 2006 we held a kickoff happy hour for our 1st annual golf tournament. The event was sponsored by Pharma and hosted on the rooftop of their offices in Washington D.C. The highlight of the event was the appearance of three members of Congress (Mike Castle – DE, Jo Ann Emerson- MO, and Mike Rodgers – MI) as well as Pharma CEO and former Congressman and Chairman of the House Committee on Energy and Commerce, Billy Touzin.

The 1st annual Ryan Scott Kappes Foundation golf tournament was held at Mount Vernon Country Club just outside of Washington, DC on September 25, 2006. Thanks to our generous sponsors and the hard work of the above mentioned members of Congress, their staffs and many volunteers, we were able to raise approximately \$70,000. The highlight of this event was the appearance of Dr. Gina Baffa,, Ryan's Cardiologist, who did a wonderful job speaking of Ryan and explaining why it is so important, both medically for the child and emotionally for the family and child, for a hospitalized child to be surrounded by family and friends, which really reinforced the mission of the foundation.

Speaking of the mission of the Foundation, we initially thought that we would help only the families of children with cardiac conditions that were facing extended hospitalizations, but we soon came to realize that there are many medical conditions that necessitate long hospital stays and these families need just as much help. Accordingly,

the Ryan Scott Kappes Foundation is making funds available to the families of any sick child facing an extended hospitalization regardless of the medical condition.

We have just recently started helping families and the applications for assistance have started rolling in. Just last week we received two heartbreaking requests for assistance. We have included one of these letters to illustrate why we think what we are doing is so important. We personally can't imagine going through what we went through with Ryan and having to wonder where we would be living, or how we would feed or cloth our family, after we finally got out of the hospital. Unfortunately, the child from the letter, Ruby, died the day after we received their application.

In additon to helping families, some of the money raised will go to help with Pediatric Cardiac Research. We are happy to report that we have made a donation to the Nemours Partnership for Children in honor of Dr. Gina Baffa. A dedication ceremony was held on December 18, 2006 at A.I. duPont Children's Hosptial honoring our Foundation and presenting Ryan with a beautiful placque that now hangs in the Cardiac Outpatient waiting room. We also have just recently made a donation to the Wilmington, Delaware Ronald McDonald House and now the Ryan Scott Kappes Foundation is the proud sponsor of room number 208.

On a personal level, we are happy to announce the arrival of Ryan's sister, Marcelle (Marcy) Ashby Kappes who was born on October 8, 2006. While this last year has been very difficult, we are so happy to have Marcy as part of the family and know that this would not have happened without Ryan's assistance.

Lastly we ask that you visit our new and improved website, www.ryanscottkappesfoundation.org, courtesy of Democracy Data & Communications. Our new site will allow us to communicate with you more effectively, keep you apprised of upcoming events and fundraisers, and allows for tax deductible donations to be made via credit card. Together we are making a difference to many families and children in need and we hope that we can count on your continued support.

Sincerely,

Scott & Karie Kappes