

WebFinancial L.P.
590 Madison Avenue, 32nd Floor
New York, New York 10022

January 5, 2009

To the Former Stockholders of WebFinancial Corporation:

We welcome you as limited partners of WebFinancial L.P. (the "Partnership"). We are pleased to inform you that on December 31, 2008, WebFinancial Corporation (the "Corporation") merged with and into the Partnership. As a result of the merger, each share of common stock, \$0.001 par value ("Common Stock"), of the Corporation outstanding immediately prior to the merger was converted into one unit of limited partnership interest in the Partnership.

Please read and follow carefully the enclosed instructions. In order to receive a certificate evidencing your unit(s) of limited partnership interest ("LP Unit Certificate"), you must complete, sign and date the enclosed Letter of Transmittal, and return it together with all stock certificates evidencing your shares of Common Stock ("Share Certificates"), all in accordance with the provisions of the Letter of Transmittal and the enclosed instructions. Each person listed on your Share Certificate as a registered holder must sign the Letter of Transmittal. You should complete and sign a separate Letter of Transmittal for each Share Certificate registered in a different name or form. Photocopies of the Letter of Transmittal may be used. If you have any questions, you should call the exchange agent, American Stock Transfer & Trust Company, LLC (the "Exchange Agent"), toll-free at (877) 248-6417 or at (718) 921-8317.

Please note that the method of delivery of your Share Certificate(s) and Letter(s) of Transmittal is at your option and risk. If you send these documents by mail, we strongly recommend that you use registered mail, properly insured, with return receipt requested.

Following receipt of your Share Certificate(s) and properly completed Letter(s) of Transmittal, the Exchange Agent will mail your LP Unit Certificate(s) to the address shown for you in the "Account Registration" section of the Letter of Transmittal unless you provide a different address in accordance with the special delivery instructions in the Letter of Transmittal.

Again, if you have any questions about the foregoing, please contact the Exchange Agent toll-free at (877) 248-6417 or at (718) 921-8317.

We are pleased to have you as a limited partner of the Partnership and look forward to enjoying your continued support.

Sincerely yours,

WEBFINANCIAL L.P.

By: Steel Partners II GP LLC,
its general partner

By: 

Name: Sanford Antignas

Title: Chief Operating Officer