

ROBB EVANS & ASSOCIATES LLC
Receiver of
AOB Commerce, Inc., et al.

REPORT OF RECEIVER'S ACTIVITIES
FEBRUARY 1, 2008 THROUGH JUNE 30, 2009

This report covers the activities of the Receiver since its last report. This is the third report to the Court on the progress of the receivership. It does not constitute an audit of financial condition and is intended only to provide information for use by the Court in assessing the progress of the receivership.

Overview

During this reporting period the Receiver's primary activities have centered on the following:

- Reconstruction of the bank records
- Collection of assets
- Communications with investors

Reconstruction of Bank Records

As previously reported, the books and records of AOB Commerce, Inc. (AOB) were not maintained in a coherent fashion. There were no reconcilements of bank statements. The bank accounts were managed on a daily basis by calling the banks to determine which checks cleared the previous night and then transferring sufficient funds from a money market account to pay for the cleared checks. Most disbursements were recorded on an accounting system, but no receipts of funds from investors or from any other sources were recorded on the accounting system. However, Mr. Liao issued some checks to investors for payment of interest or return of capital that were not recorded anywhere.

In its effort to determine all potential sources and uses of funds, the Receiver issued 69 subpoenas to financial institutions, credit card companies, escrow companies, title companies, and others.

The Receiver's reconstruction process has been completed and as a result the Receiver sought and obtained this Court's approval for a claims filing and allowance procedure. This Court also authorized the Receiver to commence litigation against "winning" investors and/or sales agents to recover payments made by the Receivership Entities in excess of the amounts invested by such investors and/or payments designated as "commissions" paid by the Receivership Entities in connection with the solicitation and sale of the fraudulent securities, subject to the Receiver's discretion.

Loans

Domestic Loans

The Receiver's first report detailed 11 funded loans made to local companies and individuals. The 11 loans totaled \$1,770,000 and averaged \$161,000. The largest was \$330,000 and the smallest was \$45,000. The report further stated that the loans appeared to be properly documented with notes and recorded deeds of trust or financing statements, and were written for 12 months, with a few term loans written for 24 months.

The Receiver has collected approximately \$1,506,178 and the outstanding balances of the remaining loans total about \$380,000. The Receiver has determined the outstanding balances of the remaining loans are not collectible.

International Loans

As previously reported, there were eight funded loans made to entities or individuals located in Taiwan, the People's Republic of China, Japan, and two borrowers in the United States with international operations. The loans total \$4,907,106 and average \$613,388. The largest is \$1,250,000 and the smallest is \$50,000.

The Receiver made demand on the borrowers located in Japan, Taiwan, and the United States. One of the demand letters was returned as "addressee unknown" and one was returned as "moved, no forwarding address."

The Receiver has received no responses from the international borrowers. The Receiver has determined that, based on a cost benefit analysis of litigating to collect the international loans, collection efforts should not be pursued.

AOB Asia Fund I, LLC/21962 Yellowstone Lane, Lake Forest, CA

One of the remaining assets of the receivership estate to be liquidated is a single family residence located at 21962 Yellowstone Lane, Lake Forest, CA, title to which is held by the receivership entity AOB Asia Fund I, LLC. The Receiver obtained an appraisal of the Yellowstone Lane property in October 2007 that valued the property at \$1,400,000. The property is encumbered by a first deed of trust in favor of East West Bank that had an outstanding balance in October 2007 of approximately \$1,182,000. The Receiver listed the property for sale with Coldwell Banker. However, the severe recession, deteriorating market conditions and the limited availability of credit, particularly for non-conforming "jumbo" residential real estate loans, has made it difficult to locate buyers. There has been limited interest in the property from qualified buyers at a price sufficient to produce any proceeds for the receivership estate.

The Receiver entered into negotiations for the sale of the property to a qualified buyer who made a written offer to purchase the Yellowstone Lane property for \$1,140,000, which the

Receiver accepted subject to conditions, including the Receiver obtaining Court approval of the sale. In June 2009, the Receiver obtained authorization from East West Bank for a short sale of the property based on the \$1,140,000 offer pursuant to which the receivership estate would recover \$25,000 plus the Receiver's costs of necessary repairs. The Receiver is still in the process of concluding final details of the proposed short sale under the pending offer. Once finalized, the Receiver will file a motion for Court approval of the sale.

Respectfully submitted,

/s/

Robb Evans & Associates LLC
Receiver