

ROBB EVANS
Temporary Receiver of
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Federal Trade Commission v. Asset Protection Group, Inc., et al.
CASE No. 4:96 CV02225 SNL

**Status Report of Temporary Receiver Dated January 9, 2007 Regarding
Suspension of Corporate Services Business and Related Matters**

Filed January 10, 2007

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,)	
)	
v.)	Case No. 4:96CV02225 SNL
)	
RICHARD C. NEISWONGER, et al.,)	
)	
Defendants,)	

**STATUS REPORT OF TEMPORARY RECEIVER DATED JANUARY 9, 2007
REGARDING SUSPENSION OF CORPORATE SERVICES BUSINESS AND RELATED
MATTERS**

TO THE HONORABLE STEPHEN N. LIMBAUGH, UNITED STATES DISTRICT
JUDGE:

Robb Evans as Temporary Receiver (“Temporary Receiver”) of Asset Protection Group, Inc. (“APG”) and its subsidiaries, affiliates, divisions, successors and assigns (“Receivership Defendants”) hereby provides the Court with the following Status Report regarding the suspension of operations of the corporate services business of the Receivership Defendants and advises the Court of the following.

Since entry of the Court’s Order on July 28, 2006 granting the Receiver’s motion for instructions regarding the conduct of restricted business operations allowing the continuation of the corporate services operations of APG, the Receiver has continued those restricted corporate services functions of the business. These restricted corporate services functions include the formation of corporations, renewal of existing corporations, establishment of bank accounts for new corporations and issuance of additional checks to existing corporations. These functions, in accordance with prior practice and authorization from Contempt Defendant William S. Reed (“Reed”) and as part of the continuation of the corporate services business, were performed with the use of a facsimile stamp bearing Reed’s signature.

Within approximately the last three weeks, the Receiver has been advised that one of the bank accounts opened by APG prior to the receivership for an APG customer as part of the corporate services business, may have been compromised. On January 3, 2007, Reed, through his counsel, withdrew authorization for the use of his facsimile stamp signature in connection with the corporate services business.

The Receiver has determined that the corporate services business can no longer be operated profitably and effective January 4, 2007, with written notice to Reed through his counsel, the Receiver has suspended all operations of the corporate services business. The Receiver has also determined that suspension of operation of the corporate services business is also appropriate in that the Receiver does not believe there are adequate mechanisms available to ensure that the corporate services business can continue to be operated lawfully, and the Receiver has found that Reed has been actively concealing activities from the Receiver in contravention of the Temporary Restraining Order.

In connection with the suspension of operation of the corporate services business and the withdrawal of authorization by Reed for the use of his facsimile signature stamp which all checks issued on the APG corporate customer accounts bear, all bank accounts for corporate customers of APG are subject to an administrative bank hold preventing the withdrawal of funds from such accounts to preserve such accounts pending further order of the Court. The Receiver will shortly be filing a motion for further instructions from the Court to address the orderly disposition of the corporate bank accounts for the corporate customers of APG in light of the suspension of operations, and the Receiver has been in communication with Bank of Nevada where the customer accounts are located regarding resolution of issues pertaining to the orderly closure of such accounts and return of the funds on deposit.

On January 8, 2007, the Receiver conducted a full-day deposition of Reed. The Receiver has determined that Reed has violated the Court's Temporary Restraining Order and will be filing an application for issuance of an order to show cause as to why Reed should not be held in contempt of Court for such violations and seeking appropriate redress for such violations on

behalf of the receivership estate. The application will be based on activities addressed in the Receiver's Special Report dated November 2, 2006, further evidence uncovered by the Receiver after the date of the Receiver's Special Report and the testimony of Reed at his January 8, 2007 deposition, among other things.

DATED: January 9, 2007

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 10th day of January 2007, the foregoing document was filed electronically with the Clerk of the Court, to be served by operation of the Court's electronic filing system upon the following:

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