

ROBB EVANS
Receiver of
D.W. Heath & Associates, Inc.;
PCM Fixed Income Fund I, LLC;
Private Capital Management, Inc.;
Private Collateral Management, Inc., et al.

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

This is the tenth and final report to the Court. The purpose of this report is to update the Court on the activities of the Receiver¹ since the last report. This report does not constitute an audit of the financial condition of the receivership; it is intended only for the information of the Court and should not be relied upon for other purposes.

Overview

During the period covered by this report, the Receiver has continued the following activities that were initiated in a prior reporting period:

Final Disposition of all Identified Assets

During this reporting period, all the remaining assets of the Receivership Estate were liquidated.

As previously reported, On November 5, 2004, Coast Energy Management filed for Chapter 11 bankruptcy protection. The case was converted to Chapter 7. The Receiver and the bankruptcy trustee had a dispute as to whether all or any portion of the debt was subject to a perfected security interest in Coast's assets. In June 2005, the bankruptcy trustee liquidated inventory which, after expenses, generated \$134,146.54 in net proceeds. After a lengthy period of negotiations, the Receiver and the bankruptcy trustee agreed, subject to approval by both this Court and Bankruptcy Court, that the Receiver be paid 50% of the net sale proceeds, \$67,073.27. These funds were paid over to the Receiver in September 2008 after this Court and the Bankruptcy Court each entered orders approving the compromise.

On January 23, 2009 the Riverside District Attorney obtained an order from the Riverside Superior Court in the criminal action authorizing the Receiver to take control of funds in an IRA account held by Daniel Heath. In February 2009 the IRA custodian turned over \$48,792.20 to the Receiver.

¹ Reference to the Receiver in this report means the Receiver, the Receiver's deputies, his staff, and his counsel.

Completed and Projected Distributions

The Receiver's Final Accounting of the income, assets, disbursements and expenses of the receivership estate, including projected expenses to wind up the estate, is attached hereto as Tab 1. Total distributions to date have been \$27.5 million, or approximately 23.1% of Approved Claims. The Receiver proposes a final distribution estimated to be approximately \$231,600 which will bring the total percentage distributed to 23.3%.

Final Matters to Close the Receivership Estate

Final Federal and State Tax returns are near completion and will be filed in the near future.

The Riverside District Attorney's Office has made arrangements to take custody from the Receiver of all of the records seized by the District Attorney in 2004. With this Court's approval, the Receiver will destroy all of the remaining documents in his possession.

There are 32 investor claimants with uncashed distribution checks totaling approximately \$51,000. The claimants have either passed away or have addresses that are no longer valid and the Receiver has not been able to locate a new address. With this Court's approval, the Receiver intends to escheat these funds to the State of California. If the representative of an investor's estate or an investor later establishes contact with the Receiver, they will be referred to the State of California to reclaim the funds.

Respectfully submitted,

/s/

Robb Evans
Receiver