

Under proposed order, counsel for the parties are required to report to the court concerning the progress of the disclosure by January 14, 2009.

2. The proposed order also extended the date by which the parties are to file and exchange signed statements of fact witnesses until February 13, 2009, and set the time for a pre-trial review to a date to be agreed upon by the parties between March 16, 2009 and March 27, 2009. The trial is still scheduled to begin on April 27, 2009.

3. Finally, the proposed order set a schedule for a hearing on an application filed by the Receiver on December 15, 2008, seeking to impose the costs incurred by the Receiver in prosecuting the Interpleader Proceedings on Philip Baker, personally. Under the schedule proposed in the order, the Interpleader Defendants are to serve evidence in response to the application by January 20, 2009, the Receiver is to serve any evidence in reply by February 3, 2009, and a hearing on the application will be held on February 20, 2009. A copy of draft order to be submitted to the Court is attached as Exhibit 1.

4. On December 18, 2009, the Receiver filed his Amended Points of Reply to the Points of Response filed by the Interpleader Defendants. A copy of the Amended Points of Reply is attached as Exhibit 2.

5. On December 8, 2008, Bankruptcy Judge John H. Squires issued an Opinion overruling the various objections to and confirming the Third Amended Plan of Liquidation filed by the Sentinel Trustee and the Official Committee of Unsecured Creditor (the "Plan Proponents"). The Opinion directed the Plan Proponents to file a Fourth Amended Plan of Liquidation to amend a provision charging all SEG-1 Customers with interest under the "catch up" provision of the Plan, and to file a proposed Confirmation Order. A copy of the Opinion is attached as Exhibit 3.

6. On December 15, 2008, the Bankruptcy Court entered an Order confirming the Fourth Amended Plan of Reorganization filed by the Plan Proponents. Under the confirmed plan, Frederick Grede, the Chapter 11 Trustee of Sentinel became the Liquidation Trustee as of the effective date of the confirmed plan which was December 17, 2008. A copy of the Confirmation Order is attached as Exhibit 4.

7. On December 19, 2008, Frederick Grede, as Liquidation Trustee, made an interim distribution to the holders of allowed claims pursuant to the provisions of the confirmed Fourth Amended Plan of Liquidation. The Receiver received a total of \$34,787,915.87 under the initial distribution on December 19, 2008.

8. Now that the funds have been received, the Receiver intends to file a motion with the court seeking authority to institute a claims verification procedure.

DATED: December 23, 2008

Respectfully submitted,

**ROBB EVANS & ASSOCIATES LLC, THE
TEMPORARY EQUITY RECEIVER FOR
THE LAKE SHORE COMMON
ENTERPRISE**

By: Ira Bodenstein
One of Its Attorneys

Ira Bodenstein (#3126857)
Robert M. Fishman (#3124316)
SHAW GUSSIS FISHMAN GLANTZ
WOLFSON & TOWBIN, LLC
321 N. Clark Street, Suite 800
Chicago, IL 60654
PH: (312) 541-0151
FX: (312) 980-3888