

Gary Owen Caris (CA Bar No. 089918)
FRANDZEL ROBINS BLOOM & CSATO, L.C.
6500 Wilshire Boulevard, 17th Floor
Los Angeles, California 90048-4920
Telephone: (323) 852-1000
Facsimile: (323) 651-2577

Attorneys for Permanent Receiver
ROBB EVANS & ASSOCIATES

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

WESTERN UNITED SERVICE
CORPORATION d/b/a
TITAN BUSINESS SOLUTIONS,

and

SCOTT FORD,

Defendants,

CASE NO. 00- 11324 GAF (CWx)

NOTICE OF MOTION AND MOTION
FOR ORDER:

(1) APPROVING FINAL REPORT OF
RECEIVER'S ACTIVITIES AND REQUEST
FOR DISCHARGE (JANUARY 20, 2001
THROUGH SEPTEMBER 16, 2002),
INCLUDING THE RECEIVER'S
PROPOSED SALE, ASSIGNMENT AND
WAIVER OF CLAIMS AGREEMENT
ASSET FORTH THEREIN;
(2) DISCHARGING THE RECEIVER; AND
(3) EXONERATING THE RECEIVER'S
BOND; MEMORANDUM OF POINTS AND
AUTHORITIES AND DECLARATION OF
GARY OWEN CARIS IN SUPPORT
THEREOF

Date: October 21, 2002

Time: 9:30 a.m.

Place: Courtroom 740

TO: DEFENDANTS AND THEIR ATTORNEYS OF RECORD, TO PLAINTIFF
FEDERAL TRADE COMMISSION AND ITS ATTORNEYS OF RECORD, AND
TO CREDITORS:

PLEASE TAKE NOTICE that on October 21, 2002, at 9:30 a.m., or as soon thereafter as counsel may be heard in Courtroom 740 at the above-entitled Court located at 255 E. Temple Street, Los Angeles, California, permanent receiver Robb Evans & Associates ("Receiver") will move this Court for an order (1) approving the Final Report of Receiver's Activities and Request for Discharge (January 20, 2001 through September 16, 2002) ("Final Report") attached hereto as Exhibit 1, including the Receiver's proposed sale and assignment of claims as set forth therein; (2) discharging the Receiver, and (3) exonerating the Receiver's bond. The Receiver specifically requests that the Court (a) approve the actions of the Receiver, as described in the Final Report; (b) authorize the Receiver to enter into, and approve, the proposed Sale, Assignment and Waiver of Claims Agreement between the Receiver and Christensen, Miller, Fink, Jacobs, Glaser, Weil and Shapiro ("Assignment Agreement"), Titan's previous counsel, a copy of which is attached to the Final Report; (c) authorize the Receiver to pay the indicated accrued fees and expenses of the Receiver set forth in the Final Report, including expenses owed the Receiver, staff members of the Receiver, his outside counsel,

and other professionals retained by the Receiver and estimated closing expenses of the receivership estate as described in the Final Report and attachments thereto (collectively referred to herein as the "Final Receivership Expenses"); (d) discharge and relieve the Receiver, his agents, employees and representatives of all duties, liabilities and responsibilities; and (e) exonerate the Receiver's bond.

This Application is made pursuant to Local Civil Rules 66-1 et seq. of the United States District Court for the Central District of California, and is based upon this Notice of Motion and Motion, the Memorandum of Points and Authorities, the Declaration of Gary Owen Caris ("Caris Declaration") and the Final Report, all filed concurrently herewith, and upon all documents, records and files in this action, and such oral and documentary evidence as may be presented at the time of the hearing. A proposed order is lodged concurrently herewith.

Dated: September 19, 2002 FRANDZEL ROBINS, BLOOM & CSATO, L.C.

_____ <signed> _____
By: GARY OWEN CARIS
Attorneys for Permanent
Receiver, ROBB EVANS & ASSOCIATES

MEMORANDUM OF POINTS AND AUTHORITIES

I.

**THE RECEIVER SEEKS APPROVAL OF HIS FINAL REPORT OF RECEIVER'S ACTIVITIES FROM
JANUARY 20, 2001 THROUGH SEPTEMBER 16, 2002**

Robb Evans & Associates ("Receiver") was originally appointed temporary receiver, with the full powers of an equity receiver for Western United Service Corporation dba Titan Business Solutions, pursuant to the Ex Parte Temporary Restraining Order Freezing Assets, Prohibiting Destruction or Alteration of Books and Records, Granting Access and Inspection, and Orders Appointing a Temporary Receiver, Permitting Expedited Discovery and To Show Cause Why a Preliminary Injunction Should Not Issue and Why a Permanent Receiver Should Not Be Appointed filed October 25, 2000 ("TRO"). The Receiver filed the Report of Receiver's Activities October 26, 2000 Through October 31, 2000 on November 1, 2000 while temporary receiver.

The Receiver was subsequently confirmed as permanent receiver, with the full powers of an equity receiver, pursuant to the Court's minute order entered November 9, 2000. The Receiver filed his Second Report of Receiver's Activities from October 31, 2000 through January 19, 2001 on February 20, 2001, and both reports were approved by the Court's Order entered March 16, 2001.

Pursuant to the November 9, 2000, minute order, the Receiver's duties as permanent receiver remained identical to the duties set forth in the TRO. The Receiver has remained the Permanent Receiver throughout this proceeding since entry of the Court's November 9, 2000 minute order.

The order approving the Receiver's prior reports approved and ratified the Receiver's activities and the payment of receivership expenses for the period from the inception of the Receiver's appointment through January 19, 2001. The Final Report describes the Receiver's activities since January 19, 2001 with respect to the negotiation and resolution of the receivership's claims to assets, including the negotiation of an agreement with Titan's previous counsel, Christenson, Miller, et al. (the "Buyer"), assigning the receivership estate's interest in the Matt Rubin litigation in exchange for a release of any claim by the Buyer to further funds. A copy of the assignment agreement is attached under Tab 1 of the Final Report. The Final Report also provides a summary of receivership expenses and a schedule of cash receipts and disbursements.

The Receiver respectfully requests the following:

1. That this motion be granted and the Final Report be approved in its entirety;

2. That the actions of the Receiver, as described in the Final Report, be approved and ratified, including but not limited to approval of the Sale, Assignment and Waiver of Claims Agreement between the Receiver and Christensen, Miller, Fink, Jacobs, Glaser, Weil & Shapiro (the "Assignment Agreement"), a copy of which is attached to the Final Report;
3. That the Court approve payment of the Final Receivership Expenses as described in the Final Report and the attachments thereto;
4. That the Court discharge and relieve the Receiver, his agents, employees, and representatives of all duties, liabilities and responsibilities in this proceeding; and
5. That the Court exonerate the Receiver's bond.

II.

NOTICE IS APPROPRIATE PURSUANT TO THE LOCAL RULES

Rule 66-7 of the Local Rules of the United States District Court for the Central District of California ("Local Rules"), provides that motions to approve a receiver's reports, applications for fees and expenses of a receiver, receiver's counsel and other personnel retained to aid a receiver, and motions to discharge the receiver are to be noticed to all parties to the action and to all known creditors of the defendants in conformity with the notice provision of Local Rule 6-1. Because the pool of potential consumers asserting a claim in the receivership action totals almost 14,000 individuals, comprised of consumers who were not creditors in Western United's Chapter 11 case¹, it would not be cost effective to serve each consumer with this motion, given the small amount of assets in the estate.

This entire motion is being posted on the Receiver's web site at robbevens.com concurrently with its filing, in order to allow it to be read and reviewed by the consumers. This Notice of Motion and Motion has been timely mailed to all the parties in this action and to all known creditors, excluding the consumers who may have a claim in the receivership estate, and the unpaid creditors from defendant's Chapter 11 case who elected to be paid from 20% of the recovery in the Rubin litigation, as described in the accompanying proof of service. This Court previously approved the Receiver's use of the same notice, website posting and service procedures in connection with the Receiver's motion for approval of the Receiver's prior interim reports of activities in this case which were approved after hearing by order entered March 16, 2001.

Dated: September 19, 2002 FRANDZEL ROBINS, BLOOM & CSATO, L.C.

<signed>_____
By: GARY OWEN CARIS
Attorneys for Permanent
Receiver, ROBB EVANS & ASSOCIATES

¹There are also approximately 1,900 unsecured creditors from the Chapter 11 case who elected to be paid from 20% of the recovery in the litigation against Matt Rubin. Such election is unaffected by the Assignment Agreement.

DECLARATION OF GARY OWEN CARIS

I, Gary Owen Caris, declare:

1. I am an attorney at law duly licensed to practice before all courts of the State of California and the United States District Court for the Central District of California, and am a member of Frandzel Robins Bloom & Csato, L.C., attorneys of record for Robb Evans & Associates ("Receiver") in the above-referenced action. I have been the attorney primarily responsible for representing the Receiver since the Receiver's appointment on October 25, 2000, pursuant to the Court's Temporary Restraining Order. I have personal knowledge of the matters set forth in this declaration, and if I were called upon to testify as to these matters, I could and would competently testify based upon my own personal knowledge.

2. Attached hereto as Exhibit "1" is the original of the Permanent Receiver's Report of Receiver's Activities and Request for Discharge (January 20, 2001 through September 16, 2002).

3. Lodged concurrently herewith is the proposed Order (1) Approving Final Report of Receiver's Activities and Request for Discharge (January 20, 2001 through September 16, 2002), Including Receiver's Proposed Sale, Assignment and Waiver of Claims Agreement As Set Forth Therein; (2) Discharging the Receiver, and (3) Exonerating the Receiver's Bond.

4. Because the pool of potential consumers asserting a claim in the receivership action totals almost 14,000 individuals, it would not be cost effective to serve each consumer with this motion, given the small amount of assets in the estate. There are also approximately 1,900 unsecured creditors from the Chapter 11 case who elected to be paid from 20% of the recovery in the litigation against Matt Rubin. While the Receiver has entered into the proposed Sale, Assignment and Waiver of Claims Agreement ("Assignment Agreement") with Titan's former counsel by which the receivership estate's interest in such litigation claims will be assigned to Titan's former counsel, the Assignment Agreement merely conveys the estate's interest without otherwise purporting to affect the claims or interests of creditors in any recovery in such litigation.

5. This entire motion is being posted on the Receiver's web site at robbevans.com concurrently with its filing, in order to allow it to be read and reviewed by the consumers and other interested parties. This Notice of Motion and Motion has been timely mailed to all the parties in this action and to all known creditors, excluding the consumers who may have a claim in the receivership estate, and the unpaid creditors from defendant's Chapter 11 case who elected to be paid from 20% of the recovery in the Rubin litigation, as described in the accompanying proof of service. This Court previously approved the Receiver's use of the same notice, website posting and service procedures in connection with the Receiver's motion for approval of the Receiver's prior interim reports of activities in this case which were approved after hearing by order entered March 16, 2001.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on September 19, 2002, at Los Angeles, California.

<signed>
GARY OWEN CARIS

EXHIBIT 1

Robb Evans & Associates
Receiver of
Western United Service Corporation d/b/a
Titan Business Solutions
**FINAL REPORT OF RECEIVER'S ACTIVITIES
AND REQUEST FOR DISCHARGE
January 20, 2001 through September 16, 2002**

In my last report I described information provided to consumers, activities with credit card chargebacks and reserve accounts, and the completed and potential liquidation of assets and claims. I also detailed the remaining cash assets and other claimed but contingent assets. I reported a pending settlement of \$60,000, but with a probable claim by Titan's former counsel for the entire proceeds, and the possible sale of certain litigation. My report stated that these claims and possible transactions would be the only source of funds for a meager consumer redress fund.

Following is the source of fund detail from the last report and comments about the resolution of the claims and transactions.

PRESENTED IN THE LAST REPORT

Net Estate Cash Assets as of 1/19/2001	<u>3,620.00</u>
<i>Other Assets Claimed but not Turned Over:</i>	
Balance of Merrill Lynch Account	27,463.89
Credit Card Reserve Accounts:	
Electronic Clearing House Inc.	194,043.82
Humboldt Bank	15,430.75
Total Assets Claimed but not Turned Over:	<u>236,938.46</u>
Total Estate Cash and Claimed Assets	<u>240,558.46</u>

Balance of Merrill Lynch Account **\$27,463.89**

Merrill Lynch refused, despite repeated requests from the Receiver and the Federal Trade Commission, to turn over the \$27,463.89 remaining in Titan's account and did not respond to additional attempts to negotiate a resolution. After conferring with counsel I determined that it was not cost effective to pursue this claim through trial.

Electronic Clearing House Inc. **\$194,043.82**

The largest asset in this group, the Electronic Clearing House, Inc. (ECHO) reserve account, was subject to continued chargeback claims. When the requests for chargebacks stopped, the remaining amount in the reserve account was \$154,387.03 but subject to a claim by ECHO for \$101,342.53 for previous chargeback payments. I disputed the amount of ECHO's claim to the remaining reserve funds. After negotiations, I approved an agreement that provided \$70,228.70 to the Estate and the balance of \$84,158.96 for reimbursement to ECHO.

Humboldt Bank **\$15,430.75**

Humboldt Bank remitted \$15,410.75

Summary of Resolution of Claimed Assets:

Total Assets Claimed but not Turned Over	<u>\$236,938.46</u>
Total Resolution from the Assets Claimed	<u>\$85,639.45</u>

My last report discussed a pending settlement with CrossCheck for \$60,000. The settlement was concluded but with a verbal claim from Titan's previous counsel for potentially all the proceeds. I also attempted to pursue unsolicited offers to purchase rights to or settle the pending litigation against former shareholder and officer, Matt Rubin, and others. I obtained this Court's approval to complete a sale of the litigation, although the buyer failed to perform.

I was successful in merging these two potential assets and the related claims. I negotiated an agreement with Titan's previous counsel to assign to them the pending Matt Rubin litigation in exchange for a full release from any claim to the CrossCheck settlement proceeds. A true and correct copy of this agreement is attached under Tab 1.

Redress Completed for Consumers

On January 10, 2002, this Court ordered the Receiver to distribute the remaining net assets on a prorated basis to the 140 purchasers of Titan Business Solutions software, whose purchases totaled \$62,470 but did not receive any software from Titan. The Court further ordered that because of the limited remaining assets and the expense associated with a distribution to a large number of claims, the Receiver could not attempt any distribution to the remaining 13,739 purchasers of the Titan Business Solutions software who actually received copies of the software.

After settling the attorney's claim for the CrossCheck settlement I was able to distribute \$55,000, an 88% pro rata payment, to the 140 purchasers of Titan Business Solutions software, whose purchases totaled \$62,470 but did not receive any software from Titan.

Receivership Fees and Expenses

This Receivership has incurred legal expenses to alternatively pursue sale and settlement of litigation, to arrive at a successful negotiated settlement with ECHO, the credit card processing company, and to eliminate the former counsel's claim to the CrossCheck settlement proceeds. The Receivership was also burdened with resolving a pending Chapter 11 Bankruptcy proceeding that existed when the Receivership was created. I was required, through my attorney, to make several appearances and file Motions and other papers in the Bankruptcy Court. Eventually, the remaining litigation was remanded to the State Court and my request to have the Bankruptcy dismissed was granted in April 2002.

Under Tab 2 are the full details of the Receivership's paid and unpaid expenses since appointment and a schedule of funds needed to close the Estate. Most of the closing expenses are for final tax returns and legal expenses for filing this Motion and an appearance on the Motion.

Following is a brief recap since my last report of the receipts, disbursements, and the remaining funds held for unpaid expenses and projected closing costs.

Net cash assets from last report	\$3,620.00
Resolution from Claimed Assets	\$85,639.45
CrossCheck settlement	\$60,000.00
Subtotal	\$149,259.45
Consumer Redress to 140 purchasers	\$55,000.00
Staff and reoccurring expenses paid since last report	\$19,532.74
Amounts owing and unpaid to Receiver and Senior Staff	\$19,551.93
Receiver's unpaid legal expenses	\$45,298.41
Amount remaining for estimated closing expenses	\$9,876.37

As previously ordered by the Court I will forward any amounts remaining after the payment of closing expenses to the Federal Trade Commission.

Conclusion

I request that:

- This Report be approved.
- I be authorized to pay the indicated accrued fees and expenses, including those owed to me.
- My actions in making other payments and taking such other actions described in this Report be confirmed, including the liquidation and sale of all personal property, and approval of the agreement to assign the Matt Rubin litigation to Titan's previous counsel.

- I, along with my agents, employees, and representatives, be discharged and relieved of all duties, liabilities, and responsibilities in this proceeding.
- My Receiver's bond be exonerated.

_____ <signed> _____

Robb Evans
for Robb Evans and Associates
Receiver

TAB 1 to EXHIBIT 1

SALE, ASSIGNMENT AND WAIVER OF CLAIMS AGREEMENT

This Sale, Assignment and Waiver of Claims Agreement ("Agreement") is made as of this ___ day of June, 2002, by and among Robb Evans & Associates, as Receiver of Western United Service Corporation dba Titan Business Solutions (hereinafter "Seller"), and Christensen, Miller, Fink, Jacobs, Glaser, Weil and Shapiro (the "Firm/Buyer"), in reference to and in consideration of the following:

RECITALS

A. Seller is the duly appointed permanent receiver over Western United Service Corporation dba Titan Business Solutions ("Western United"), with the full powers of an equity receiver, pursuant to the Ex Parte Temporary Restraining Order Freezing Assets, Prohibiting Destruction or Alteration of Books and Records, Granting Access and Inspection, and Orders Appointing a Temporary Receiver, Permitting Expedited Discovery and To Show Cause Why a Preliminary Injunction Should Not Issue and Why a Permanent Receiver Should Not Be Appointed filed October 25, 2000 and the Court's minute order entered November 9, 2000.

B. On June 22, 1999, Western United filed its bankruptcy petition entitled In re Western United Service Corporation under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court, Central District of California, Los Angeles Division, Case No. LA 99-33646-VZ (the "Western United Bankruptcy").

C. On March 6, 2000, Western United's Second Amended Plan of Reorganization (the "Plan") was confirmed by the court. The Plan includes provisions addressing the Debtor's interest in the action entitled Western United Service Corp., a California corporation, v. Matt Rubin, an individual, Stewart Mazure , an individual, Dental Technology, Inc. a California corporation, Does 1 through 100, inclusive, United States Bankruptcy Court, Central District of California, Los Angeles Division, Adv. No. LA 99-02411-VZ, and the consolidated action entitled Western United Service Corp., a California corporation, v. Matt Rubin, an individual, Stewart Mazure , an individual, Dental Technology, Inc. a California corporation, Does 1 through 100, inclusive, United States Bankruptcy Court, Central District of California, Los Angeles Division, Adv. No. LA 99-02413-VZ. (Said litigation, including all claims which could have been made or brought by or on behalf of Western United prior to the Western United Bankruptcy, is hereinafter collectively referred to as the "Rubin Litigation" and said Refund Creditors are hereinafter referred to as the "Rubin Litigation Claimants.") There are approximately 1,900 Rubin Litigation Claimants. The Rubin Litigation and all other assets of Western United as reorganized debtor post-confirmation have been transferred to the Receiver upon commencement of the receivership proceeding as set forth in Recital A above and are property of the Western United receivership estate. By order dated March 7, 2002, the Bankruptcy Court remanded the Rubin Litigation to state court, bearing Los Angeles Superior Court case number BC 207526. The Western United Bankruptcy case was dismissed on April 9, 2002. The Receiver contends that the Firm/Buyer of the Debtor's interest in the Rubin Litigation is bound to perform all terms,

provisions and conditions of the Plan governing Western United's prosecution and disposition of the Rubin Litigation, including but not limited to with respect to the distribution of any net proceeds thereof to the Rubin Litigation Claimants, in accordance with the terms, provisions and conditions of the Plan.

D. The Rubin Litigation stems from the consolidation of two adversary actions filed by Anthony Smith and Scott Ford, respectively, against Rubin, among others. The Rubin Litigation alleges causes of action for breach of fiduciary duty, misappropriation of trade secrets, conversion, fraud, constructive trust and breach of contract, as more fully set forth therein.

E. The Firm/Buyer represents the plaintiffs in the Rubin Litigation, including Western United, and the Firm/Buyer has represented Western United prior to and during the Western United Bankruptcy and post-confirmation. The Firm/Buyer contends it has rendered legal services to Western United in connection with the settlement of other litigation which resulted in settlement proceeds being paid to the Western United Bankruptcy estate as to which the Firm/Buyer claims an attorneys' lien in the approximate sum of \$60,000.00, and the Firm/Buyer contends Western United and the other plaintiffs in the Rubin Litigation have incurred attorneys' fees and costs in excess of \$200,000.00 for which the Firm/Buyer has not been compensated. The Firm/Buyer asserts attorneys' lien and other claims against the Western United receivership estate arising out of its representation of Western United.

F. The Firm/Buyer desires to buy all of Seller's rights, title and interest in and to the Rubin Litigation. Seller is willing to sell and transfer all of Seller's right, title and interest in and to the Rubin Litigation only under the terms and conditions of this Agreement, including but not limited to on the condition that the Firm/Buyer waive and release all claims, liens and demands it has, or it contends it has, against Seller and against the Western United Bankruptcy estate and the Western United receivership estate.

AGREEMENT

NOW, THEREFORE, the parties hereto do stipulate and agree as follows:

1. Sale and Assignment. For and in consideration of the waiver and release of claims by the Firm/Buyer in favor of Seller and the Western United receivership estate as hereinafter set forth and for other good and valuable consideration granted by or on behalf of the Firm/Buyer, the receipt and sufficiency of which is hereby acknowledged, Seller does hereby assign, grant, convey, bargain, sell, transfer and deliver unto the Firm/Buyer, and its successors and assigns, all of Seller's right, title and interest in and to the Rubin Litigation.

2. **AS-IS SALE AND ASSIGNMENT. THE FIRM/BUYER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, OR STATUS OF THE RUBIN LITIGATION, (B) THE LIKELIHOOD OF RECOVERY FROM THE RUBIN LITIGATION OR ANY PROCEEDS TO BE DERIVED FROM THE RESOLUTION OF THE RUBIN LITIGATION, (C) THE LIKELIHOOD OF COLLECTIBILITY ON THE RUBIN LITIGATION, OR (D) ANY OTHER MATTER WITH RESPECT TO THE RUBIN LITIGATION. ADDITIONALLY, NO PERSON ACTING ON BEHALF OF SELLER IS AUTHORIZED TO MAKE, AND BY EXECUTION HEREOF THE FIRM/BUYER ACKNOWLEDGES THAT NO PERSON HAS MADE, ANY REPRESENTATION, AGREEMENT, STATEMENT, WARRANTY, GUARANTY OR PROMISE REGARDING THE RUBIN LITIGATION OR THE TRANSACTION CONTEMPLATED HEREIN; AND NO SUCH REPRESENTATION, WARRANTY, AGREEMENT, GUARANTY, STATEMENT OR PROMISE IF ANY, MADE BY ANY PERSON ACTING ON BEHALF OF SELLER SHALL BE VALID OR BINDING UPON SELLER UNLESS EXPRESSLY SET FORTH HEREIN. THE FIRM/BUYER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO RESEARCH ALL ASPECTS OF THE RUBIN LITIGATION, INCLUDING WITHOUT LIMITATION, ALL LEGAL, FACTUAL AND FINANCIAL ASPECTS OF THE RUBIN LITIGATION, THE FIRM/BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE RUBIN LITIGATION AND NOT ON ANY**

INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER AND AGREES TO ACCEPT THE RUBIN LITIGATION AT THE CLOSING AND WAIVE ALL OBJECTIONS OR CLAIMS AGAINST SELLER (INCLUDING, BUT NOT LIMITED TO, ANY RIGHT OR CLAIM OF CONTRIBUTION) ARISING FROM OR RELATED TO THE RUBIN LITIGATION. THE FIRM/BUYER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE RUBIN LITIGATION WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY, TRUTHFULNESS OR COMPLETENESS OF SUCH INFORMATION. SELLER SHALL NOT BE LIABLE FOR ANY NEGLIGENT MISREPRESENTATION OR ANY FAILURE TO INVESTIGATE THE RUBIN LITIGATION NOR SHALL SELLER BE LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENT, REPRESENTATION OR INFORMATION PERTAINING TO THE RUBIN LITIGATION FURNISHED BY SELLER OR ANY BROKER, CONTRACTOR, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON. THE FIRM/BUYER FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE RUBIN LITIGATION AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS, WHERE IS" CONDITION AND BASIS AND "WITH ALL FAULTS."

3. Waiver of Claims Against Bankruptcy and Receivership Estate. So long as no breach of any representation, warranty or other term, covenant or condition of this Agreement by Seller shall have occurred, and excepting only the obligations imposed or created by this Agreement, the Firm/Buyer does hereby forever waive and release any and all claims, demands, liens, obligations, liabilities, attorneys' fees, costs or expenses, rights, or interests the Firm may have or may hereafter acquire against Seller, as Receiver of Western United, against the Western United Bankruptcy estate and against the Western United receivership estate, and each of them, including but not limited to any and all claims, liens, liabilities, demands, obligations, attorneys' fees, costs or expenses, rights or interests the Firm/Buyer may have to assert or recover monies or distributions from the Western United Bankruptcy estate or the Western United receivership estate for legal fees and costs owed by Western United on account of the Firm/Buyer's representation of Western United in the Rubin Litigation and any and all other litigation and non-litigation matters in which the Firm/Buyer has represented Western United (collectively "The Firm Claims").

4. Effect of General Release/Waiver of Claims. The Firm/Buyer expressly waives any and all rights under §1542 of the Civil Code of the State of California, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

The Firm/Buyer expressly waives and releases any rights or benefits which it has or may have under §1542 of the Civil Code of the State of California, and any similar statute, code, law or regulation of any state, territory, commonwealth or possession of the United States, or the United States, to the full extent that he may waive all such rights and benefits pertaining to The Firm/Buyer Claims. The Firm acknowledges that it is aware that it may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those which it now knows or believes to be true pertaining to The Firm Claims. Nevertheless, it is the intention of The Firm/Buyer through this Agreement to fully, finally and forever waive and release Seller, the Western United Bankruptcy estate and the Western United receivership estate from all of The Firm Claims as set forth in paragraphs 4 and 5 of this Agreement.

5. Waiver/Limited Release of Claims by Seller. So long as no breach of any representation, warranty or other term, covenant or condition of this Agreement by the Firm/Buyer shall have occurred, and excepting only the obligations imposed or created by this Agreement, then Seller, as Receiver of Western United and on behalf of the Western United receivership estate, shall forever relieve, release and discharge the Firm/Buyer from any and all lawsuits, debts, losses, claims, liens, liabilities, demands, obligations, promises, acts, agreements, costs, expenses, damages, actions and causes of action, of whatever kind or nature, whether known or unknown, suspected or unsuspected, contingent or fixed, that Seller may have against The Firm/Buyer arising out of or pertaining to the Firm/Buyer's representation of Western United prior to and during the Western United Bankruptcy and in connection with the Rubin Litigation (hereinafter the "Seller Claims").

6. Effect of General Release/Waiver of Claims. Seller expressly waives any and all rights under §1542 of the Civil Code of the State of California, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Seller expressly waives and releases any rights or benefits which he has or may have under §1542 of the Civil Code of the State of California, and any similar statute, code, law or regulation of any state, territory, commonwealth or possession of the United States, or the United States, to the full extent that he may waive all such rights and benefits pertaining to the Seller Claims. Seller acknowledges that he is aware that he may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those which he now knows or believes to be true pertaining to the Seller Claims. Nevertheless, it is the intention of Seller through this Agreement to fully, finally and forever waive and release all the Seller Claims under the terms and conditions set forth in paragraphs 6 and 7 of this Agreement.

7. No Assignment of Released Claims. The Firm/Buyer and Seller each represents and warrants that each is the sole and lawful owner of all right, title and interest in and to each of the claims released herein and has not heretofore assigned or transferred, or purported to assign or transfer to any individual, partnership, corporation, firm, estate or entity any of the claims released herein. The Firm/Buyer hereby indemnifies, defends and holds harmless the Seller and the Western United receivership estate from and against all claims based upon or arising out of or in connection with any assignment or transfer, or purported assignment or transfer, of any of The Firm Claims. Seller hereby indemnifies, defends and holds harmless the Firm/Buyer from and against all claims based upon or arising out of or in connection with any assignment or transfer, or purported assignment or transfer, of any of the Seller Claims.

8. Opportunity for Consultation with Counsel. All parties to this Agreement have had an opportunity to consult with legal counsel of each party's own choice with respect to the advisability of making the agreement and waiving and releasing claims as provided herein, and with respect to the advisability of executing this Agreement, and, prior to the execution of this Agreement, each party reviewed this Agreement, had the opportunity to make any desired changes, and signed this Agreement to indicate that each such party, with the advice of counsel, approved this Agreement as to its form and content. Each party to this Agreement its legal and other advisors have made such investigation of the facts pertaining to the Agreement, and all of the matters pertaining thereto, as they deem necessary. This Agreement has been carefully read by, the contents hereof are known by, and it has been signed freely by each person executing this Agreement.

9. Representations and Warranties. Each of the parties hereto hereby represents and warrants to one another and covenants and agrees with one another as follows:

- (a) Each party executing this Agreement has the full legal right, power and authority to enter into and perform this Agreement. This Agreement is a valid and binding obligation of each of the parties hereto, enforceable against each of them in accordance with its terms. Each person executing this Agreement in a representative capacity has been duly authorized to do so by all appropriate actions, except that Seller's authorization to effectuate this Agreement is subject to entry of an order of the United States District Court as provided hereafter.
- (b) Except as expressly stated in this Agreement, no party hereto nor any other person has made any statement or representation to any party to this Agreement regarding the facts relied upon by them in entering into this Agreement, and no party hereto has relied upon any statement, representation, or promise of any other person or entity in executing this Agreement except as expressly stated in this Agreement.
- (c) The terms of this Agreement are contractual and not a mere recital.

10. Attorneys' Fees. In the event of any default in payment or performance hereunder or a breach of any covenant, condition, representation or warranty hereunder, and if a party employs an attorney to bring suit on account of such default or to otherwise enforce such payment or performance, the party not in breach shall be entitled to be

reimbursed for all attorneys' fees and costs incurred, including without limitation those incurred in each and every action, suit or proceeding, including any and all appeals and petitions therefrom.

11. Survival of Agreement. All covenants, representations, warranties and agreements contained in this Agreement shall survive the execution of this Agreement by the parties hereto, the delivery of documents and any performance on account of the obligations set forth herein.

12. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of each of the parties hereto, and their respective successors in interest and assigns.

13. Headings. The headings of paragraphs of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

14. Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which, when executed and delivered, shall be original, and all of which together shall constitute the same agreement.

15. Effective Date of Agreement. This Agreement shall become effective upon its execution by all parties hereto and the entry of a United States District Court order approving the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

"Seller"

WESTERN UNITED SERVICE CORPORATION, a
California corporation dba Titan Business Solutions
By: ROBB EVANS, Receiver

By: _____<signed>_____
KENTON JOHNSON, Deputy to the Receiver
"The Firm/Buyer"

CHRISTENSEN, MILLER, FINK, JACOBS, GLASER, WEIL
& SHAPIRO

By: _____<signed>_____
PETER M. WEIL
Its Partner

Western United Service Corp. d/b/a Titan Business Solutions

Receiver's Administrative Expenses

October 25, 2000 through August 31, 2002

	October 25, 2000 to August 31, 2002	Estimate to Close
Receiver's expenses		
Receiver's fees	6,900	880
Staff Expenses		
Project coordinators	21,978	1,050
Accounting and staff	40,327	2,643
On-site coordinators	8,725	0
Employer taxes	9,138	443
Out-of-pocket exp.	1,539	0
Total Staff Expenses	81,707	4,136
Sun Valley Rent	3,886	100
Equipment maintenance	260	70
Equipment rental	75	50
Legal Fees & Costs		
Legal fees - Fees	58,383	3,500
Other legal costs	5,800	0
Total Legal Fees & Costs	64,183	3,500
Telephone and Office Supplies		
Office supplies	118	0
Telephone and Office Supplies - Other	3,650	50
Total Telephone and Office Supplies	3,768	50
Postage and delivery	185	80
Miscellaneous Expenses		
Miscellaneous exp.	775	210
Bank charges	1,574	0
Payroll processing charges	0	0
Moving expense	200	0
Miscellaneous Expenses - Other	11	800
Total Miscellaneous Expenses	2,560	1,010
Total Receiver's expenses	163,524	9,876

Western United Service Corp. d/b/a Titan Business Solutions

Receiver's Administrative Expenses

October 25, 2000 through August 31, 2002

	Previously Approved	January 20, 2001 to August 31, 2002	Total
Receiver's expenses			
Receiver's fees	4,450	2,450	6,900
Staff Expenses			
Project coordinators	13,098	8,880	21,978
Accounting and staff	21,984	18,343	40,327
On-site coordinators	8,950	(225)	8,725
Employer taxes	5,840	3,298	9,138
Out-of-pocket exp.	1,206	333	1,539
Total Staff Expenses	51,077	30,629	81,707
Sun Valley rent	474	3,411	3,886
Equipment maintenance	123	138	260
Equipment rental	18	57	75
Legal Fees & Costs			
Legal fees - Fees	19,998	38,385	58,383
Other legal costs	0	5,800	5,800
Total Legal Fees & Costs	19,998	44,185	64,183
Telephone and Office Supplies			
Office supplies	118	0	118
Telephone and Office Supplies - Other	3,525	125	3,650
Total Telephone and Office Supplies	3,643	125	3,768
Postage and delivery	34	150	185
Miscellaneous Expenses			
Miscellaneous exp.	525	250	775
Bank charges	37	1,537	1,574
Payroll processing charges	0	0	0
Moving expense	200	0	200
Miscellaneous Expenses - Other	0	11	11
Total Miscellaneous Expenses	762	1,798	2,560
Total Receiver's expenses	80,580	82,944	163,524

Western United Service Corp. d/b/a Titan Business Solutions

Receiver's Administrative Expenses

October 25, 2000 through August 31, 2002

	Paid	Accrued but Unpaid	Total
Receiver's expenses			

Receiver's fees	4,450	2,450	6,900
Staff Expenses			
Project coordinators	13,626	8,352	21,978
Accounting and staff	36,521	3,807	40,327
On-site coordinators	6,488	2,238	8,725
Employer taxes	6,528	2,610	9,138
Out-of-pocket exp.	1,443	96	1,539
	<hr/>	<hr/>	<hr/>
Total Staff Expenses	64,605	17,102	81,707
Sun Valley rent	3,886	0	3,886
Equipment maintenance	260	0	260
Equipment rental	75	0	75
Legal Fees & Costs			
Legal fees - Fees	18,168	40,215	58,383
Other legal costs	717	5,084	5,800
	<hr/>	<hr/>	<hr/>
Total Legal Fees & Costs	18,885	45,298	64,183
Telephone and Office Supplies			
Office supplies	118	0	118
Telephone and Office Supplies - Other	3,650	0	3,650
	<hr/>	<hr/>	<hr/>
Total Telephone and Office Supplies	3,768	0	3,768
Postage and delivery	185	0	185
Miscellaneous Expenses			
Miscellaneous exp.	775	0	775
Bank charges	1,574	0	1,574
Payroll processing charges	0	0	0
Moving expense	200	0	200
Miscellaneous Expenses - Other	11	0	11
	<hr/>	<hr/>	<hr/>
Total Miscellaneous Expenses	2,560	0	2,560
	<hr/>	<hr/>	<hr/>
Total Receiver's expenses	98,674	64,850	163,524
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Cash Balance 8/31/02	74,727	64,850	9,876
Estimate to Close			9,876
