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Attorneys for ROBB EVANS, PERMANENT  
RECEIVER

**UNITED STATES DISTRICT COURT**  
FOR THE CENTRAL DISTRICT OF CALIFORNIA / SANTA ANA DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

TLC INVESTMENTS & TRADE CO., TLC  
AMERICA, INC. dba BREA DEVELOPMENT  
COMPANY, TLC BROKERAGE, INC., dba  
TLC MARKETING, TLC DEVELOPMENT,  
INC., TLC REAL PROPERTIES, RLLP-1,  
CLOUD & ASSOCIATES CONSULTING  
INC., ERNEST F. COSSEY, GARY W.  
WILLIAMS AND THOMAS G. CLOUD,

Defendants,

CIVIL ACTION NO. SACV 00-960-DOC (EE<sub>x</sub>)

**ORDER AUTHORIZING RECEIVER'S  
PLAN TO FUND INVESTOR HARDSHIP  
REQUESTS**

Date: March 6, 2001  
Time: 8:30 a.m.  
Place: Courtroom 9-D  
411 West Fourth Street  
Santa Ana, CA 92701

The Receiver's Application for an Order Authorizing a Plan to Fund Hardship Requests ("Application"), having been filed with the Court, notice of hearing having been provided to all interested parties, and the Court having reviewed the Application and having been fully advised in the premises, rules as follows:

**IT IS HEREBY ORDERED:**

1. The Receiver is authorized to obtain a \$3,000,000.00 (Three Million Dollars) Secured Non-Revolver Line of Credit from City National Bank ("CNB") as such is described in the section entitled "Facility A" of CNB's December 15, 2000 Commitment Letter (attached as Exhibit "A" to the Application), in order to establish a Plan to Fund Investor Hardship Requests ("Plan"). Such funds advanced by CNB shall have a first priority lien upon the assets of the Receivership Estate to the extent of such advances, secured by the assets of the Receivership Estate. The CNB Credit Facility will bear interest at a variable rate of two percent (2%) above the prevailing CNB Prime Rate of Interest (presently 9%) per annum from the date of issuance, maturing twelve (12) months therefrom.

2. The Receiver will provide notice to all investors of their right to submit requests for investor hardship funds.

3. Gibson, Dunn & Crutcher, LLP, counsel for certain creditor-investors seeking to intervene in this action ("Applicants") will be involved in the administration of the Plan and will be entitled to review requests submitted by investors.

4. All persons or entities submitting requests for investor hardship funds shall be required to produce a copy of their most recently filed Federal tax return. If a copy of the Federal tax return is not included with the request, it will automatically be rejected.

5. The Receiver is to prepare and file with the Court a summary of hardship requests received by him, such summary to include the investors' names, amounts claimed, and a very brief summary description of the hardship claimed.

6. The Receiver is further authorized to take any and all appropriate action, execute any and all documents do all things required to effectuate a Plan to Fund Investor Hardship Requests as such Plan is described in the Application.

DATED: March 8, 2001

**DAVID O. CARTER**

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UNITED STATES DISTRICT JUDGE

Presented By:

DRESSLER REIN EVANS &  
SESTANOVICH LLP

<signed>

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Byron Z. Moldo  
Attorneys for Robb Evans, Receiver

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