

**Quarterly Report to the Court
As of June 28, 2002
Robb Evans, Receiver of TLC Investments & Trade Co., et al.**

This is the the seventh quarterly report to the Court. The purpose of this report is to:

- Provide a current summary of major issues confronted by the Receivership Estate.
- Update the Court regarding the status of various issues addressed in previous reports.
- Request confirmation or approval of the Receiver's activities to date.

This report does not constitute an audit of the financial condition of the Receivership, is intended only for the information of the Court and should not be relied upon for other purposes.

Status of Real Property Assets

During the period from October 5, 2000 (commencement of Receivership) through June 28, 2002, eighty-three properties had been sold and escrows closed. These properties originally cost \$22,888,071, had capital additions totaling \$4,041,580 and were sold for an aggregate gross price of \$31,892,642. After paying direct expenses of sale, extinguishing liens against the properties and other costs, the net selling price of \$30,405,216 resulted in a profit of \$3,475,565.

Additionally, there were fourteen properties in escrow as of June 28, 2002. These properties originally cost \$4,703,298, had capital additions totaling \$873,098 and it is anticipated they will produce net sale proceeds of approximately \$5,308,000 with a loss of approximately \$268,000. Poorly planned capital improvements and an ill-conceived purchase decision on one of these properties during the pre-receivership period have resulted in such an expected loss. But for this one property, a potential gain of approximately \$193,000 would have been recognized.

The properties that have been sold or put in escrow so far are primarily those with the least problems and whose fair market value is most easily achieved. The fact that most of their sales price exceeds costs should not be taken as an indication that similar results will be possible with future sales.

A status report of the major properties is under Tab 1.

Update Regarding Issues Previously Addressed

Intangible Assets

Since April 2001, demand has been made on 151 sales agents requesting return of commissions and bonuses paid to them. After an initial period during which demand letters were sent, extensive settlement discussions took place with many agents. On July 25, 2001 seven lawsuits against 76 agents or entities were filed. On November 28, 2001 and December 27, 2001, another three lawsuits against 25 agents or entities were filed.

As a result, thirty agents have paid an agreed upon amount in full. Approximately \$750,000 has been received and approximately \$607,000 is expected pursuant to thirty additional settlement agreements. These figures only include consummated settlements or settlements where an agreement in principle has been reached. These numbers also include actual and estimated recoveries from some agents who were also investors and who have resolved all or a portion of the Receiver's demand by agreeing to have their allowed claims offset to fully or partially return commissions and bonuses previously paid by TLC. The total dollar value of actual and prospective recoveries pursuant to these payments and agreements is approximately \$1,358,000.

To date, sixteen agents have filed Chapter 7 or Chapter 13 bankruptcy petitions. The aggregate claim amount the Receiver sought against these agents was \$4,020,142. The Receiver is evaluating his alternatives in certain of these bankruptcy cases.

Marina Coves on the Colorado River

In the last report, the Receiver notified the Court of construction defects in the sewer system and the resulting adverse impact on the development budget and projected marketing dates and requested that the Court approve a revised development budget. On May 28, 2002, the Court agreed and entered the Order on Supplement to Receiver's Quarterly Report to the Court as of December 31, 2001, which approved the revised development budget.

On April 1, 2002, the Mohave County Board of Supervisors conditionally approved the Final Plat of The Coves on The Colorado River, Tract 4173 (Final Plat). The Final Plat could not be recorded until an assurance bond covering the cost of the sewer repairs had been posted. Recordation of the Final Plat was a condition precedent to the filing of a Public Report with the Arizona Department of Real Estate (DRE). The property could not be sold until the DRE approved the Public Report.

Immediately after receiving the Court's Order of May 28, 2002, the Receiver posted the assurance bond for construction of the sewer system and thereafter recorded the Final Plat. The Receiver's staff drafted the Public Report and submitted it to the DRE. On July 17, 2002, we received approval of the Public Report and have initiated our planned marketing activities.

Reconstruction of the sewer system commenced during the last week of June 2002 and is progressing well. We have obtained approval from our engineering firm and the local utility district for almost 50% of the project. We anticipate completing the sewer reconstruction, repaving roadways and replacement of the landscaping by the end of August 2002. Our marketing activities will not be delayed during the construction process.

Properties in Atlanta, Georgia

Century Lofts Project, 505 Whitehall Street S.W.

Previously the Receiver has reported extensively on a November 2001 fire at the Century Lofts Condominium project in Atlanta, Georgia, and issues created by that fire. Following is an update of the most current developments. The roof has been successfully completed with a guarantee in place and the Certificates of Occupancy have been issued for the fourth floor units. These units are now ready for marketing. However, the elevator repairs that are in progress, leaving only stairs to get to the finished 4th floor units, hamper the current marketing environment. The insurance company and their consultants have completed their second review of the fire suppression damage on the first three floors and are in agreement with a settlement amount that would be required to restore these units as well as the elevator. A local fire restoration company has been contracted to perform these repairs on the common areas as well as the affected units belonging to the Receiver. This restoration work will commence upon completion of the mold review and associated corrections, as necessary, while the elevator repairs are underway.

Toby Sexton Tire Building, 470 & 488 Glenn Street

The protracted negotiations between the Buyer's attorney and the Receiver's staff, which involved environmental and insurance issues, have been successfully concluded. The contract has been signed and is currently in escrow. The 90-day due diligence period is underway, but the contract also calls for a 135-day rezoning period, which runs concurrently with the due diligence period. As a result of these lengthy contingency periods, the earliest I anticipate requesting the Court's approval is November 2002.

Holly Street Apartments, 370 Holly/1600 Carlisle

In previous reports to the Court, I outlined the steps for the stabilization of this project which included the repair of the remaining unoccupied units, the aggressive advertising campaign to increase applications and subsequently occupancy rates and the selection of a listing broker to aggressively market the property. Each of these steps has been completed. The two contractors engaged to fix up unoccupied units have finished their work, and the campaign to improve the occupancy rate up to 75% is in progress. As of June 24, 2002, the vacancy rate has dropped to 29% from 40%. Additionally, six new tenants have been approved for a July 2002 move-in, and seven other applications are being processed. The projected occupancy rate is about 77%, which should further facilitate disposing this property. On June 14, 2002, a listing agreement was signed with Southeast Apartment Partners with a list price of \$1,615,000. Currently, we have three offers on this apartment complex. A fourth offer is expected in July, per conversations with the agent. Varying contingencies associated with each offer will be considered along with the offered price.

Properties in Birmingham, Alabama

As previously reported, the portfolio of single-family residences and duplexes of 140 units consists of three different segments, each requiring different liquidation strategies.

Currently, the portfolio is 131 units, and the following is the status of each segment:

1) *Houses That Can Be Sold to Retail Buyers*

The first segment, including 89 homes of which tenants presently occupy 44, is being disposed through two methods of marketing.

The first approach has been through direct sales to current tenants. At the request of the Receiver, AmSouth Bank in Birmingham has made available a custom made Community Reinvestment Act (CRA) mortgage financing program, which all-potential buyers can take advantage of.

Since launching the program, over 30 applicants have been delivered to the AmSouth Bank, but thus far only one loan has closed with a second one pending. In the last report it was indicated that given the nature of properties and tenants involved the application process to qualify tenants would be necessarily time consuming and slow. In the initial phase of this program, our concern was fully substantiated.

In May, the Receiver's deputies held a meeting with four AmSouth Bank officers, including two from management. The purpose of the meeting was to discuss: a) the problems associated with getting TLC's tenants approved for the CRA financing, and b) to address effective ways in reaching other potential buyers for the retail portfolios through various marketing avenues.

The basic cause for lack of progress in getting loan approvals being the poor credit scores of the applicants, it was agreed to follow the recommendation of the bank and to work with an organization called "Consumer Credit Counseling" (CCC). CCC, the oldest non-profit social service company in Birmingham, is known for its ability to assist individuals wishing to repair and improve their credit factors to qualify for home mortgage financing programs. Furthermore, CCC is familiar with AmSouth's mortgage programs and knows what is required of the applicants to achieve their goals.

In early June, a meeting took place between CCC, AmSouth, and the Receiver's Office. CCC agreed to offer its assistance and immediately following the meeting, letters were mailed to 33 of TLC's tenants who had expressed a desire to purchase their rental home, informing them of CCC and requesting them to contact CCC.

The second method is to offer the vacant homes in this segment at their appraised price to non-tenant new applicants who could qualify under AmSouth mortgage program guidelines. The marketing efforts through newspaper advertisements have generated an excellent response. Approximately 30-40 calls per week were received in the month of June.

As of now, the Receiver's Office has accepted contracts on five of these homes and has referred numerous applicants to AmSouth for pre-qualification screening. Unfortunately, almost all of these potential buyers did not immediately qualify and, when appropriate, were subsequently referred to CCC for its assistance.

The remaining homes in this segment, not sold to current or new non-tenant applicants, will be transferred to the second segment. We are revisiting the initial grouping and may reduce this section to a number between 50-55 homes.

2) Houses That Should Be Sold In Bulk or Wholesale Lots

The second segment includes 41 homes, of which six are rented. The majority of the homes in this group have been cleaned up, appraised, and offered to the market directly on "As Is" basis. Thus far, we have accepted contracts on four of these homes, and additionally we have received offers on two others, which are in the midst of negotiations.

As indicated in the previous report, for the homes still remaining unsold after the direct marketing effort, it is the Receiver's plan to dispose via auction.

3) Houses Condemned or Virtually Destroyed

The last remaining piece in this segment is a vacant lot, which will be sold or given away to a church or a social service organization.

Properties in Houston, Texas

In earlier reports, the Receiver advised the Court that his colleagues are carefully monitoring the Houston economy for signs of an economic recovery. The current economic downturn has been compounded by the apparent domino effect that the Enron bankruptcy is having on other local energy companies such as Dynergy and El Paso. These factors coupled with the recent merger of Compaq with Hewlett Packard resulting in the anticipated loss of an additional 15,000 local jobs have dealt another severe setback to the prospects for a rapid economic recovery. The most recent economic forecasts have predicted a delay in the economic recovery until late 2003 and even into 2004.

This delay in the economic recovery is having a profound impact on the Chenevert property, which is located in downtown Houston. The national listing broker marketing the Chenevert property has prepared a comprehensive report detailing comparable sale and listing properties. The report cites only five comparable sales and states that the most recent of these sales occurred in October 2000. The report cites ten current listings in the downtown area, but the listing broker reports that most of these current comparable listings, much like Chenevert, have remained unsold on the open market for well over one year and, in many cases, in excess of two years.

The combination of the broker's report, the recently published economic forecasts and our own research indicates that we may need to significantly reduce the listing price of this property to dispose of it in a timely manner. To assist in this evaluation, we have ordered an update from one of the two original appraisers. The second appraiser's update quote

was significantly higher than the first appraiser and we felt it to be prohibitive. Therefore, we decided to order a new appraisal. Once the updated appraisal and the new appraisal are received and analyzed, we anticipate lowering the listing price to dispose of the property.

The Whitney Place apartment project has also been discussed in previous reports. An aggressive marketing campaign to offer this property to the multi-family market has been implemented and the initial results are encouraging. The first multi-family phase opened with eighteen units available to rent and currently thirteen of these units are occupied. In anticipation of the full occupancy of this initial phase by the end of July 2002, we are soliciting contractor's bids for the landscaping and paving work needed to complete the repairs to the remaining vacant units. Once these bids are received and analyzed, we anticipate completing the remaining repairs and aggressively market these multi-family units to stabilize this property. Concurrently, the listing broker will continue to market the property, but the stabilization process will greatly enhance their ability to procure prospective buyers.

Investor Distributions

On June 10, 2002 this Court approved a Stipulated Order to make a distribution of between \$4 and \$6 million to the undisputed investor claims. A distribution of \$6 million was completed by June 28, 2002. To date, \$22 million has been distributed to investors. An additional distribution of \$4 to \$7 million is planned in September 2002.

Status of Frank Cossey

On July 15, 2002 the United States Attorney's Office issued a press release announcing that Frank Cossey was sentenced to 57 months in prison. The press release also stated that Frank Cossey was ordered to provide \$60.5 million in restitution to investors in addition to the \$10.9 million Disgorgement Order obtained by the Securities & Exchange Commission. The Receiver has had many inquiries from investors about the Restitution Order. Mr. Cossey previously turned over to the Receiver all of the assets under his control and has no apparent means of complying with either the Restitution or Disgorgement Order.

Administrative Expenses

Under Tab 2 are the financial reports for the period of April 1, 2002 through June 28, 2002. The Court is respectfully requested to approve these reports, including fees and expenses of the Receiver.

Requests of the Court

The Court is respectfully requested to:

1. Approve this Report and confirm the actions of the Receiver described herein.
2. Authorize or confirm all expenses of the Receivership from April 1, 2002 through June 28, 2002, including fees and expenses of the Receiver detailed under Tab 2.

Respectfully submitted,

<signed>

Robb Evans
Receiver

Robb Evans, Receiver of TLC Investments & Trade Co., et al.
Status of Major Properties
As of June 30, 2002

#	Property Address	SFR, Multi, Comm'l, Land, Lots	City	State	Property Status as of 06/30/02												
1	The Coves Project Phase 1	Land	Mohave Valley	AZ	Construction of the enlarged lake is complete and the lakebed is filled. All 99 lots in Phase A will have lake frontage. Construction is completed for the four model houses on arm 5. A listing agreement has been entered into with a local broker to market and sell the lots. The repair of recently discovered pre-receivership construction defects is in process. The Public Report has been issued by the Arizona Department of Real Estate. Marketing and Sales are scheduled to begin immediately. Acquisition & Capital Additions from 10/05/00 to 6/30/02 is \$4,677,261.13.												
2	235 S Flower	Comm'l	Brea	CA	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Status</td> <td style="text-align: right;">Sold</td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td style="text-align: right;">546,007.98</td> </tr> <tr> <td>Acquisition & Capital Additions from 10/5/00 to 6/30/02</td> <td style="text-align: right;">4,900.00</td> </tr> <tr> <td>Sales Price</td> <td style="text-align: right;">495,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td style="text-align: right;">422,500.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td style="text-align: right;">117.16%</td> </tr> </table>	Status	Sold	Carrying Cost as of 10/4/00	546,007.98	Acquisition & Capital Additions from 10/5/00 to 6/30/02	4,900.00	Sales Price	495,000.00	Average Appraisal Value	422,500.00	Sale as a % of Appraisal	117.16%
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3	212 S Orange Ave	Multi	Brea	CA	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Status</td> <td style="text-align: right;">Sold</td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td style="text-align: right;">1,864,984.00</td> </tr> <tr> <td>Acquisition & Capital Additions from 10/5/00 to 6/30/02</td> <td style="text-align: right;">8,000.00</td> </tr> <tr> <td>Sales Price</td> <td style="text-align: right;">1,850,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td style="text-align: right;">1,580,000.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td style="text-align: right;">117.09%</td> </tr> </table>	Status	Sold	Carrying Cost as of 10/4/00	1,864,984.00	Acquisition & Capital Additions from 10/5/00 to 6/30/02	8,000.00	Sales Price	1,850,000.00	Average Appraisal Value	1,580,000.00	Sale as a % of Appraisal	117.09%
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4	7500 Hamner Ave	Land	Norco	CA	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Status</td> <td style="text-align: right;">Sold</td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td style="text-align: right;">4,465,278.54</td> </tr> <tr> <td>Acquisition & Capital Additions from 10/5/00 to 6/30/02</td> <td style="text-align: right;">161574.06</td> </tr> <tr> <td>Sales Price</td> <td style="text-align: right;">5,500,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td style="text-align: right;">2,658,500.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td style="text-align: right;">206.88%</td> </tr> </table>	Status	Sold	Carrying Cost as of 10/4/00	4,465,278.54	Acquisition & Capital Additions from 10/5/00 to 6/30/02	161574.06	Sales Price	5,500,000.00	Average Appraisal Value	2,658,500.00	Sale as a % of Appraisal	206.88%
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5	7556 Hammer Ave.	Land	Corona	CA	Status Sold with #4 above
6	736 N. State St. Plaza	Comm'l	Hemet	CA	Status Sold Carrying Cost as of 10/4/00 470,245.69 Acquisition & Capital Additions from 10/5/00 to 6/30/02 6,000.00 Sales Price 550,000.00 Average Appraisal Value 487,500.00 Sale as a % of Appraisal 112.82%
7	302 Vista de la Playa	SFR	La Jolla	CA	Status Sold Carrying Cost as of 10/4/00 - Acquisition & Capital Additions from 10/5/00 to 6/30/02 - Sales Price 5,550,000.00 Average Appraisal Value 6,100,000.00 Sale as a % of Appraisal 90.98%
8	10541 Monte Vista (Corral) - See #9 Holt Blvd.	Comm'l	Montclair	CA	Used as an outdoor storage facility for recreational vehicles. Adjacent to and marketed with #9.
9	4939-49 Holt Blvd	Comm'l	Montclair	CA	A retail strip center with 6 units at 80% occupancy. Received two MAI appraisals. A fire that occurred to adjacent property had delayed decision to select a listing broker. Before selecting a listing broker, we accepted an unsolicited offer. Buyer now obtaining financing, but due to protracted nature of loan contingency, we have issued a demand letter to determine the status of financing. Acquisition & Capital Additions from 10/05/00 to 6/30/02 is \$4,500.00.
10	9240-60 Harness (Spring Valley)	SFR/Land	San Diego	CA	Status Sold Carrying Cost as of 10/4/00 380,217.76 Acquisition & Capital Additions from 10/5/00 to 6/30/02 8,200.00 Sales Price 400,000.00 Average Appraisal Value 335,500.00 Sale as a % of Appraisal 119.40%

11	3276 El Cajon Blvd.	Comm'l	San Diego	CA	Vacant retail gas station. Phase 1 Environmental Survey appears satisfactory. Now under contract with deposit non refundable. Settlement and sale extension fee paid by buyer to reset closing to August. Acquisition & Capital Additions from 10/05/00 to 6/30/02 is \$45,319.68.												
12	510 Turfwood Lane	SFR	Solana Beach	CA	<table> <tr> <td>Status</td> <td>Sold</td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>261,046.00</td> </tr> <tr> <td>Acquisition & Capital Additions from 10/5/00 to 6/30/02</td> <td>-</td> </tr> <tr> <td>Sales Price</td> <td>267,500.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>265,000.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>100.94%</td> </tr> </table>	Status	Sold	Carrying Cost as of 10/4/00	261,046.00	Acquisition & Capital Additions from 10/5/00 to 6/30/02	-	Sales Price	267,500.00	Average Appraisal Value	265,000.00	Sale as a % of Appraisal	100.94%
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13	1245 Jasmine Circle	SFR	Weston	FL	<table> <tr> <td>Status</td> <td>Sold</td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>316,014.10</td> </tr> <tr> <td>Acquisition & Capital Additions from 10/5/00 to 6/30/02</td> <td>-</td> </tr> <tr> <td>Sales Price</td> <td>310,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>312,500.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>99.20%</td> </tr> </table>	Status	Sold	Carrying Cost as of 10/4/00	316,014.10	Acquisition & Capital Additions from 10/5/00 to 6/30/02	-	Sales Price	310,000.00	Average Appraisal Value	312,500.00	Sale as a % of Appraisal	99.20%
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14	370 Holly & 1600 Carlisle	Multi	Atlanta	GA	95 unit apartment in difficult area. We are completing repair of vacant units and improving marketing, which has resulted in increased occupancy. A listing local broker has been selected and has secured a contract offer which is currently being negotiated. Acquisition & Capital Additions from 10/05/00 to 6/30/02 is \$66,839.00.												
15	470 & 488 Glen St	Comm'l/Loft	Atlanta	GA	Currently vacant 100,000 SF warehouse bldg. on 3.6 acres. Three MAI appraisals and Phase 1 Environmental Survey, with a No Action letter, are completed. A Sale Contract has been signed and is currently in escrow. If the pending sale fails to close the Receiver will list the property as a retail or commercial loft development project. Acquisition & Capital Additions from 10/05/00 to 6/30/02 is \$178,892.36.												

16	Century Lofts 505 Whitehall St SW (Remaining Units)	Loft	Atlanta	GA	31 units of which 8 units are sold. The remaining 23 units are listed with Coldwell Banker. Insured damage from a roof fire in November 2001 is now being completed, although sales will be delayed until October. Fourth floor build-out is proceeding and is nearing completion. Acquisition & Capital Additions from 10/05/00 to 6/30/02 is \$1,749,619.75.												
16A	Century Lofts 505 Whitehall St SW (Sold Units)	Loft	Atlanta	GA	<table> <tr> <td>Status</td> <td>Sold</td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>886,087.85</td> </tr> <tr> <td>Acquisition & Capital Additions from 10/5/00 to 6/30/02</td> <td>-</td> </tr> <tr> <td>Sales Price</td> <td>849,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>900,000.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>94.33%</td> </tr> </table>	Status	Sold	Carrying Cost as of 10/4/00	886,087.85	Acquisition & Capital Additions from 10/5/00 to 6/30/02	-	Sales Price	849,000.00	Average Appraisal Value	900,000.00	Sale as a % of Appraisal	94.33%
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17	1908 Judd Hillside	SFR	Honolulu	HI	5,500 SF residence. Rent option contract failed to close and tenant forfeited earnest money deposit. Property relisted for sale. A Sale Contract has been signed and is currently in escrow. Acquisition & Capital Additions from 10/05/00 to 6/30/02 is \$989.58.												
18	715 S Kihei Rd #128	SFR	Kihei	HI	<table> <tr> <td>Status</td> <td>Sold</td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>33,437.50</td> </tr> <tr> <td>Acquisition & Capital Additions from 10/5/00 to 6/30/02</td> <td>580.78</td> </tr> <tr> <td>Sales Price</td> <td>65,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>58,500.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>111.11%</td> </tr> </table>	Status	Sold	Carrying Cost as of 10/4/00	33,437.50	Acquisition & Capital Additions from 10/5/00 to 6/30/02	580.78	Sales Price	65,000.00	Average Appraisal Value	58,500.00	Sale as a % of Appraisal	111.11%
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19	715 S Kihei Rd	Land Lease	Kihei	HI	<table> <tr> <td>Status</td> <td>Sold</td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>402,965.30</td> </tr> <tr> <td>Acquisition & Capital Additions from 10/5/00 to 6/30/02</td> <td>14,300.00</td> </tr> <tr> <td>Sales Price</td> <td>1,187,867.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>1,263,965.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>93.98%</td> </tr> </table>	Status	Sold	Carrying Cost as of 10/4/00	402,965.30	Acquisition & Capital Additions from 10/5/00 to 6/30/02	14,300.00	Sales Price	1,187,867.00	Average Appraisal Value	1,263,965.00	Sale as a % of Appraisal	93.98%
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20	4420 Makena Rd.	SFR	Makena	HI	<table> <tr> <td>Status</td> <td>Sold</td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>2,809,999.40</td> </tr> <tr> <td>Acquisition & Capital Additions from 10/5/00 to 6/30/02</td> <td>500.00</td> </tr> <tr> <td>Sales Price</td> <td>4,000,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>4,025,000.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>99.38%</td> </tr> </table>	Status	Sold	Carrying Cost as of 10/4/00	2,809,999.40	Acquisition & Capital Additions from 10/5/00 to 6/30/02	500.00	Sales Price	4,000,000.00	Average Appraisal Value	4,025,000.00	Sale as a % of Appraisal	99.38%
Status	Sold																
Carrying Cost as of 10/4/00	2,809,999.40																
Acquisition & Capital Additions from 10/5/00 to 6/30/02	500.00																
Sales Price	4,000,000.00																
Average Appraisal Value	4,025,000.00																
Sale as a % of Appraisal	99.38%																

21	4323 Bowser	Multi	Dallas	TX	5 unit apt. bldg. Currently rented @ 100% occupancy. Listed for sale with Century 21. Substantial interest, but no contracts to report.												
22	57 Cherrywood Ct	SFR	Houston	TX	<table> <tr> <td>Status</td> <td>Sold</td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>429,613.78</td> </tr> <tr> <td>Acquisition & Capital Additions from 10/5/00 to 6/30/02</td> <td>52,009.36</td> </tr> <tr> <td>Sales Price</td> <td>450,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>510,000.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>88.24%</td> </tr> </table>	Status	Sold	Carrying Cost as of 10/4/00	429,613.78	Acquisition & Capital Additions from 10/5/00 to 6/30/02	52,009.36	Sales Price	450,000.00	Average Appraisal Value	510,000.00	Sale as a % of Appraisal	88.24%
Status	Sold																
Carrying Cost as of 10/4/00	429,613.78																
Acquisition & Capital Additions from 10/5/00 to 6/30/02	52,009.36																
Sales Price	450,000.00																
Average Appraisal Value	510,000.00																
Sale as a % of Appraisal	88.24%																
23	10100 E. Freeway	Comm'l	Houston	TX	<p>A 17,000 sq. ft. office bldg. that is currently 70% occupied. Anticipated increase of occupancy to 100% has been setback by unexpected termination of leases. To improve occupancy prospects, rehab has been completed on anchor tenant/owner-user suite of approximately 3,200 SF. Previously, listed only for lease with Office Buildings of Houston. We have reached agreement with Office Buildings of Houston to immediately assume management, list, and market the property for sale when pending appraisals are complete.</p> <p>Acquisition & Capital Additions from 10/05/00 to 6/30/02 is \$5,000.00.</p>												
24	3000 Bering Dr.	Comm'l	Houston	TX	<table> <tr> <td>Status</td> <td>Sold</td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>1,199,638.45</td> </tr> <tr> <td>Acquisition & Capital Additions from 10/5/00 to 6/30/02</td> <td>50,860.32</td> </tr> <tr> <td>Sales Price</td> <td>1,475,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>960,000.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>153.65%</td> </tr> </table>	Status	Sold	Carrying Cost as of 10/4/00	1,199,638.45	Acquisition & Capital Additions from 10/5/00 to 6/30/02	50,860.32	Sales Price	1,475,000.00	Average Appraisal Value	960,000.00	Sale as a % of Appraisal	153.65%
Status	Sold																
Carrying Cost as of 10/4/00	1,199,638.45																
Acquisition & Capital Additions from 10/5/00 to 6/30/02	50,860.32																
Sales Price	1,475,000.00																
Average Appraisal Value	960,000.00																
Sale as a % of Appraisal	153.65%																
25	2002 Gentryside Dr.	Multi & Land	Houston	TX	<table> <tr> <td>Status</td> <td>Sold</td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>1,622,312.79</td> </tr> <tr> <td>Acquisition & Capital Additions from 10/5/00 to 6/30/02</td> <td>13,750.00</td> </tr> <tr> <td>Sales Price</td> <td>1,550,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>1,340,000.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>115.67%</td> </tr> </table>	Status	Sold	Carrying Cost as of 10/4/00	1,622,312.79	Acquisition & Capital Additions from 10/5/00 to 6/30/02	13,750.00	Sales Price	1,550,000.00	Average Appraisal Value	1,340,000.00	Sale as a % of Appraisal	115.67%
Status	Sold																
Carrying Cost as of 10/4/00	1,622,312.79																
Acquisition & Capital Additions from 10/5/00 to 6/30/02	13,750.00																
Sales Price	1,550,000.00																
Average Appraisal Value	1,340,000.00																
Sale as a % of Appraisal	115.67%																

26	5414 Elm St	Multi	Houston	TX	<p>Status Sold</p> <p>Carrying Cost as of 10/4/00 2,511,811.94</p> <p>Acquisition & Capital Additions from 10/5/00 to 6/30/02 31,367.63</p> <p>Sales Price 2,150,000.00</p> <p>Average Appraisal Value 2,150,000.00</p> <p>Sale as a % of Appraisal 100.00%</p>
27	Whitney Place Lots 37,39,40&41	Multi	Houston	TX	<p>70 individual single family homes that are currently 34% leased. Listed with Marcus & Millichap. Continuing with efforts to develop interest among government agencies and non-profit entities. Recently began renting to multi-family tenants (previously restricted to Seniors) in an effort to increase occupancy rates and improve sale prospects to investors. Acquisition & Capital Additions from 10/05/00 to 6/30/02 is \$586,690.57.</p>
28	15 N. Chenevert	Comm'l/Loft	Houston	TX	<p>Vacant 85,000 sq. ft. loft bldg. downtown. Listed with Grubb & Ellis. We have received a third appraisal to confirm the economic damage to the Houston real estate economy because of the September 11 attack and the Enron corporate bankruptcy. We have requested an update of an original appraisal and hired a fourth appraiser in an effort to determine the best strategy for a timely disposition of the property. Acquisition & Capital Additions from 10/05/00 to 6/30/02 is \$231,857.74.</p>
29	21 Chenevert	Comm'l/Loft	Houston	TX	<p>Vacant lot adjacent to the warehouse bldg. at 15 N. Chenevert-see # 28 above for description. Acquisition & Capital Additions from 10/05/00 to 6/30/02 is \$69,957.55</p>
30	1331 - 1339 S Flores	Comm'l	San Antonio	TX	<p>2 adjacent bldgs., totaling 85,000 sq. ft. near downtown, with 80,000 sq. ft. vacant. Buildings are in a very raw state. A listing agreement has been entered into with a local firm. A second appraisal has been ordered to determine a more current value of the property. Acquisition & Capital Additions from 10/05/00 to 6/30/02 is \$39,155.00.</p>

31	Lake Livingston	SFR & Land	San Jacinto	TX	18 acres of lakefront property with 2 homes that are currently rented. Without a solution to the water supply issue, we may not be able to complete a 16 lot subdivision. Progress is slow. Current As Is value is about 35% to 40% lower than potential subdivision value. Listing deferred until the second appraisal has been received. Acquisition & Capital Additions from 10/05/00 to 6/30/02 is \$16,847.00												
32	1809-17 Douglas Ave	Multi	Racine	WI	31 unit apt. bldg. that has recently been stabilized at 75% occupancy. We are in the process of selecting a listing broker.												
33	1625 East G St. (55 units)	Multi	Ontario	CA	<table> <tr> <td>Status</td> <td>Sold</td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>3,944,942.20</td> </tr> <tr> <td>Acquisition & Capital Additions from 10/5/00 to 6/30/02</td> <td>14,754.85</td> </tr> <tr> <td>Sales Price</td> <td>4,930,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>4,250,000.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>116.00%</td> </tr> </table>	Status	Sold	Carrying Cost as of 10/4/00	3,944,942.20	Acquisition & Capital Additions from 10/5/00 to 6/30/02	14,754.85	Sales Price	4,930,000.00	Average Appraisal Value	4,250,000.00	Sale as a % of Appraisal	116.00%
Status	Sold																
Carrying Cost as of 10/4/00	3,944,942.20																
Acquisition & Capital Additions from 10/5/00 to 6/30/02	14,754.85																
Sales Price	4,930,000.00																
Average Appraisal Value	4,250,000.00																
Sale as a % of Appraisal	116.00%																
34	129-177 Palm Ave.	Multi	Imperial Beach	CA	<table> <tr> <td>Status</td> <td>Sold</td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>1,823,525.86</td> </tr> <tr> <td>Acquisition & Capital Additions from 10/5/00 to 6/30/02</td> <td>20,000.00</td> </tr> <tr> <td>Sales Price</td> <td>2,400,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>2,225,000.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>107.87%</td> </tr> </table>	Status	Sold	Carrying Cost as of 10/4/00	1,823,525.86	Acquisition & Capital Additions from 10/5/00 to 6/30/02	20,000.00	Sales Price	2,400,000.00	Average Appraisal Value	2,225,000.00	Sale as a % of Appraisal	107.87%
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Sales Price	2,400,000.00																
Average Appraisal Value	2,225,000.00																
Sale as a % of Appraisal	107.87%																
35	21880 Golden Canyon	SFR	Diamond Bar	CA	<table> <tr> <td>Status</td> <td>Sold</td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>-</td> </tr> <tr> <td>Acquisition & Capital Additions from 10/5/00 to 6/30/02</td> <td>-</td> </tr> <tr> <td>Sales Price</td> <td>1,385,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>1,300,000.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>106.54%</td> </tr> </table>	Status	Sold	Carrying Cost as of 10/4/00	-	Acquisition & Capital Additions from 10/5/00 to 6/30/02	-	Sales Price	1,385,000.00	Average Appraisal Value	1,300,000.00	Sale as a % of Appraisal	106.54%
Status	Sold																
Carrying Cost as of 10/4/00	-																
Acquisition & Capital Additions from 10/5/00 to 6/30/02	-																
Sales Price	1,385,000.00																
Average Appraisal Value	1,300,000.00																
Sale as a % of Appraisal	106.54%																
36	1114,1116 and 1118 Murray Hill	Multi	Houston	TX	3 quadraplexes totaling 12 units. Maintains high occupancy levels. A listing broker has been selected. Currently negotiating a LOI.												

					Totals for Major Properties	
					Carrying Cost as of 10/4/00	23,968,129.14
					Acquisition & Capital Additions from 10/5/00 to 6/30/02	8,059,726.36
					Sales Price	35,364,367.00
					Average Appraisal Value	31,143,465.00
					Sale as a % of Appraisal	113.55%

TAB 2

Robb Evans, Receiver of TLC Investments & Trade Co., et al.
Summary of Income
October 31, 2000 (Inception of Permanent Receivership) through June 30, 2002

	October 31, 2000 to March 31, 2002	April 1, 2002 to June 30, 2002	Total
Proceeds from Sales of Properties	16,860,493.87	12,372,848.52	29,233,342.39
Rental Income	4,020,568.65	383,382.76	4,403,951.41
Proceeds from Sales of Horses and Horse Races	2,024,044.88	-	2,024,044.88
Receipts of Assets Surrendered by Ernest Cossey Under the Court Judgement	1,475,000.00	-	1,475,000.00
Additional Income from Sales of Ernest Cossey Assets	57,761.40	(2,000.00)	55,761.40
Commission Repayments from Agents	435,914.84	314,516.55	750,431.39
Interest Income:			
Mortgage Notes	234,861.95	42,188.71	277,050.66
Bank Deposits	93,616.64	20,553.41	114,170.05
Bridge Loan	68,269.71	-	68,269.71
Hardship Loans	37,367.43	-	37,367.43
Other	1,601.03	-	1,601.03
Total Interest Income	435,716.76	62,742.12	498,458.88
Receipts of Cash from Tom G. Cloud and Cloud & Associates Under the Court Judgement	371,675.30	2,903.45	374,578.75
Revenues Resulting from Activities that Occurred in Pre-Receivership Period	299,197.27	-	299,197.27
Proceeds from Sale of Dogs and Dog Races	131,688.62	5,000.00	136,688.62
Receipts of cash from Ernest Cossey Under the Court Judgement	21,836.08	-	21,836.08
Proceeds from Disposition of Auto, Furniture &	13,288.47	1,810.00	15,098.47

Equipment			
Proceeds from Granting of Easements	13,200.00	-	13,200.00
Receipts of cash from Gary Williams Under the Court Judgement	6,359.64	1,758.24	8,117.88
Miscellaneous Income	28,712.10	288.75	31,329.74

Total Income 26,195,457.88 13,740,732.25 39,341,037.16

Robb Evans, Receiver of TLC Investments & Trade Co., et al.
Summary of Expenses
October 31, 2000 (Inception of Permanent Receivership) through June 30, 2002

	October 31, 2000 to March 31, 2002	April 1, 2002 to June 30, 2002	Total
Business Operating Expenses			
Property Expenses			
Repairs & Maintenance	1,761,483.78	252,963.40	2,014,447.18
Property Taxes	1,221,997.27	69,841.28	1,291,838.55
Utilities	704,703.35	48,310.81	753,014.16
Engineering & Architecture	624,994.74	709.24	625,703.98
Insurance	572,275.09	48,158.87	620,433.96
Management Fees	506,931.15	62,124.27	569,055.42
Appraisal & Survey	272,381.16	22,076.53	294,457.69
Security, Alarm & Protection	274,805.81	11,312.74	286,118.55
Legal Fees	156,764.52	17,729.42	174,493.94
Development Expenditures	34,579.54	-	34,579.54
Miscellaneous	971,129.66	87,077.84	1,058,207.50
	<hr/>	<hr/>	<hr/>
Total Property Expenses	7,102,046.07	620,304.40	7,722,350.47
Field Office Operating Expenses	1,445,392.23	286,008.13	1,731,400.36
Racehorse Expenses	261,119.53	-	261,119.53
Dog Expenses	21,084.81	-	21,084.81
	<hr/>	<hr/>	<hr/>
Total Business Operating Expenses	8,829,642.64	906,312.53	9,735,955.17

Receivership Administrative Expenses

Receiver's Fees & Expenses			
Receiver's Fees	146,355.00	11,990.00	158,345.00
Out of Pocket Expenses	4,400.35	-	4,400.35
	<hr/>	<hr/>	<hr/>
Total Receiver's Fees & Expenses	150,755.35	11,990.00	162,745.35
Staff Expenses			
Accounting & Support / Financial Reconstruction	639,345.74	87,734.12	727,079.86
Project Coordinators / Portfolio Management	439,407.14	50,015.00	489,422.14
Out of Pocket Expenses	100,011.20	19,862.38	119,873.58
Employer Tax	56,488.88	5,110.36	61,599.24
	<hr/>	<hr/>	<hr/>
Total Staff Expenses	1,235,252.96	162,721.86	1,397,974.82
Other Receivership Administrative Expenses			
Legal Fees & Costs	812,281.27	230,435.92	1,042,717.19
Copying & Records Reproduction	80,255.05	1,496.83	81,751.88
Interest Expense	19,420.99	-	19,420.99
Miscellaneous Expenses	130,050.57	23,144.97	153,195.54
	<hr/>	<hr/>	<hr/>
Total Other Receivership Administrative Expenses	1,042,007.88	255,077.72	1,297,085.60
Total Receivership Administrative Expenses	2,428,016.19	429,789.58	2,857,805.77
	<hr/>	<hr/>	<hr/>
Total Expenses Previously Approved	11,257,658.83		
Total Cash Expenses to be Approved		1,336,102.11	
Total Expenses for the Period from October 31, 2000 through June 30, 2002			12,593,760.94
