

**Quarterly Report to the Court  
As of December 31, 2002  
Robb Evans, Receiver of TLC Investments & Trade Co., et al.**

This is the the ninth 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 December 31, 2002 one hundred-and-forty-three properties had been sold and escrows closed. These properties originally cost \$29,125,415, had capital additions totaling \$6,331,157 and were sold for an aggregate gross price of \$39,736,425. After paying direct expenses of sale, extinguishing liens against the properties and other costs, the net selling price of \$37,671,187 resulted in a profit of \$2,214,615.

Additionally, there were twenty-one properties in escrow as of December 31, 2002. These properties originally cost \$3,578,520, had capital additions totaling \$4,065,813, and it is anticipated they will produce net sale proceeds of approximately \$5,765,000 resulting in a loss of approximately \$1,879,000. Poorly planned capital improvements and ill-conceived purchase decisions on two of these properties during the pre-receivership period were the cause of the anticipated loss. But for these two properties, a potential gain of approximately \$351,000 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 the demand letters were sent, extensive settlement discussions took place with many of the agents. As a result of those demand letters, and subsequent negotiations, nineteen agents agreed to repay in full the claims made against them, totaling approximately \$260,000. 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. The Receiver did not pursue legal action against approximately 30 agents, as these potential cases did not appear to be cost effective to the estate.

As a result of the above actions, thirty-eight agents have already completed an agreed repayment schedule. Another thirty-three Settlement Agreements have been entered into providing for periodic payments over time, which have not yet been completed. Approximately \$1,813,000 has been collected and approximately \$1,005,000 is expected in the future, pursuant to all of the settlements, including those settlements entered prior to filing lawsuits. 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 now stands at approximately \$2,821,000. With only a few exceptions, the defendants are meeting their scheduled repayment programs in a timely manner.

The Receiver does not anticipate that any of the pending lawsuits will proceed to trial against any defendant, with the possible exception of three corporate defendants presently in Chapter 7 Bankruptcy proceedings.

To date, the Receiver has obtained 29 judgments against agents for a total aggregate amount of approximately \$9,471,000. Initial post judgment efforts have resulted in the collection of approximately \$120,000.

As previously reported, sixteen agents had filed Chapter 7 or Chapter 13 bankruptcy petitions. The aggregate claim amount the Receiver sought against those agents was \$4,020,142. The Bankruptcy Court rejected one agent's petition and the revised dollar amount is now \$3,497,357. The Receiver brought non-dischargibility lawsuits against two large

balance agents who filed Chapter 7 petitions. One has been settled with this Court's approval, and the other is in the early stages of litigation with settlement discussions in process.

#### **Sienna Financial Ltd.**

Defendants James Garro, Navajo Capital, Inc.; Sienna Financial Ltd.; Corfu International LLC; Camelot International LLC; Merlin Financial, LLC; and The Lancelot Foundation signed a Settlement Agreement with the Receiver in which Defendant Garro agreed to transfer to the Receiver two properties that the Receiver alleged had been purchased with TLC investor funds. All documents to transfer title to the properties, located at 1036 Sierra del Norte, Santa Fe, New Mexico, and 1760 Orchard Wood Road, Encinitas, California have been signed and the properties have been transferred to the Receiver. The two properties have an estimated value of approximately \$3,000,000.00, less sales expenses. The Receiver is now preparing to list those properties for sale.

Defendant Garro failed to make a cash payment and settle a lien on the New Mexico property pursuant to the terms of the Settlement Agreement and on December 19, 2002, the Court granted the Receiver's Motion to Enforce the Settlement Agreement and entered a judgment against Defendant Garro and his related companies in the amount of \$305,923.50, plus reasonable costs.

Defendant Terry Provence also entered into a Settlement Agreement with the Receiver. Trial against the remaining defendants, David Price and the Durham Capital Group Inc. commenced in this Court on November 6, 2002. On December 19, 2002 this Court entered a final judgment against Defendants Price and Durham Capital in the amount of \$3,505,001.59 plus reasonable costs. The Court also imposed a constructive trust over the real property purchased by the Prices located at 7843 Marquette, Dallas, Texas, which the Receiver had alleged was purchased with TLC investor funds.

The Receiver is proceeding to enforce the judgments against any assets held by defendants and their companies.

Defendant Garro is now facing criminal charges filed by the United States Attorney's Office for the Southern District of California.

#### **Marina Coves on the Colorado River**

Repair of the pre-receivership construction defects discovered in the water and sewer systems has been completed. The water and sewer systems have passed all testing requirements. A report has been completed and submitted to the Arizona Department of Environmental Quality which was the last administrative approval required for the wet utilities. The repairs to the paved roadways and landscaping have been completed.

On December 2, 2002, the Receiver filed a complaint in this Court against the former general contractor of the wet utilities.

Marketing activities continue and three of the four model homes have been sold. In an attempt to diversify the products available for sale, the Receiver recently signed an agreement with the home builder to construct two additional spec homes which will be smaller and less expensive than the four model homes. Construction of the spec homes is scheduled to begin in January 2003. Additionally, the Receiver has applied with the California Department of Real Estate for certification of the Marina Coves subdivision in order to actively market the project in California.

The Receiver has retained services of economic and marketing firms to provide a comprehensive product review and cost development analysis in an effort to determine the most effective marketing and ultimate disposition strategy.

#### **Properties in Atlanta, Georgia**

##### **Century Lofts Project, 505 Whitehall Street S.W.**

Prior reports have extensively addressed the renovation and insurance issues concerning the November 2001 fire. The renovation of the building is now complete and the final building inspection has been conducted by the City of Atlanta. The insurance claims continue to be processed in cooperation with the homeowners, the HOA and the insurance company.

Although the fire renovation is complete, there continue to be residual roof repair warranty issues. Minor roof leaks, which are covered by the contractor's warranty, are currently being repaired by the contractor under the supervision of the roofing consultant. One remaining unresolved construction item, unrelated to the fire, concerns the building's windows. The windows continue to leak and, in some cases, are not opening and closing properly. The building architect has hired specialist window contractors to provide alternative options and pricing bids. We are awaiting the reports and bid estimates before determining the most cost effective form of remediation.

As a result of these outstanding repair items, the marketing and sales for the Century Lofts, which was scheduled to begin in mid October, has been delayed. The listing company has strongly recommended that we resolve all of the remaining repair issues before marketing the individual lofts. In their opinion, this strategy will ensure that the building will show in its optimum condition and provide us with the best opportunity to achieve the \$5,000,000 in aggregate sales projected for this property.

**Toby Sexton Tire Building, 470 & 488 Glenn Street**

In the eighth quarterly report, the Receiver stated that the financing needed to complete this sale was not yet approved. The buyer has now informed the Receiver that certain title issues require additional time to resolve in order to satisfy financing contingencies. These issues relate to the removal or relocation of a rail line easement and storm drain easement, which will necessitate additional time to research and negotiate with the City of Atlanta.

The Receiver acknowledged that this appeared to be a legitimate and reasonable request, but determined that it warranted some consideration. After negotiation, the Buyer agreed to release a portion of his earnest money deposit in exchange for an additional three month extension. The Receiver continues to monitor the progress of the Buyer to assure that he is proceeding in good faith towards closing the sale.

**Holly Street Apartments, 370 Holly/1600 Carlisle**

During the reporting period the approved sale of this property was completed.

**Properties in Birmingham, Alabama**

It was noted in the last report that there were 117 homes remaining in Birmingham, consisting of 72 vacant and 45 rented units.

During the quarter ending December 31, 2002, an additional 19 homes were sold, and the portfolio now has 98 units remaining, made up of 59 vacant and 39 rented units. All but two of the 19 units were sold to investors while two were purchased by individual owners-occupants. As the numbers suggest, retail sales to homeowners continue to be a challenging task.

There are currently 14 units under contract with six offers yet to be processed. While we are continuing steady progress, ultimately, we will have to consider a wholesale auction and/or seek out bulk purchasers, who will likely demand a substantial discount off the appraised value of the homes.

**Investor Distributions**

On December 4, 2002 this Court approved a Stipulated Order to make a distribution of \$4 million to the undisputed investor claims. The distribution was completed by December 20, 2002. To date, \$32 million, or about 27.4% of approved claims has been distributed to investors. An additional distribution of \$3 to \$6 million is planned in March 2003.

**Administrative Expenses**

Under Tab 2 are the financial reports for the period of October 1, 2002 through December 31, 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 October 1, 2002 through December 31, 2002, including fees and expenses of the Receiver detailed under Tab 2.

Respectfully submitted,

<signed>

Robb Evans

Receiver

TAB 1

**Robb Evans, Receiver of TLC Investments & Trade Co., et al.**

**Status of Major Properties**

**As of December 31, 2002**

#	Property Address	SFR, Multi, Comm'l, Land, Lots	City	State	Property Status as of 12/31/02
1	The Coves	Land	Mohave	AZ	Construction of the enlarged lake is complete

	Project		Valley		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. Three of the four model homes have been sold. Acquisition & Capital Additions from 10/05/00 to 12/31/02 is \$5,076,653.71.												
2	235 S Flower	Comm'l	Brea	CA	<table> <tr> <td>Status</td> <td><b>Sold</b></td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>546,007.98</td> </tr> <tr> <td>Acquisition &amp; Capital Additions from 10/5/00 to 12/31/02</td> <td>4,900.00</td> </tr> <tr> <td>Sales Price</td> <td>495,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>422,500.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>117.16%</td> </tr> </table>	Status	<b>Sold</b>	Carrying Cost as of 10/4/00	546,007.98	Acquisition & Capital Additions from 10/5/00 to 12/31/02	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> <tr> <td>Status</td> <td><b>Sold</b></td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>1,864,984.00</td> </tr> <tr> <td>Acquisition &amp; Capital Additions from 10/5/00 to 12/31/02</td> <td>8,000.00</td> </tr> <tr> <td>Sales Price</td> <td>1,850,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>1,580,000.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>117.09%</td> </tr> </table>	Status	<b>Sold</b>	Carrying Cost as of 10/4/00	1,864,984.00	Acquisition & Capital Additions from 10/5/00 to 12/31/02	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> <tr> <td>Status</td> <td><b>Sold</b></td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>4,465,278.54</td> </tr> <tr> <td>Acquisition &amp; Capital Additions from 10/5/00 to 12/31/02</td> <td>161,574.06</td> </tr> <tr> <td>Sales Price</td> <td>5,500,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>2,658,500.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>206.88%</td> </tr> </table>	Status	<b>Sold</b>	Carrying Cost as of 10/4/00	4,465,278.54	Acquisition & Capital Additions from 10/5/00 to 12/31/02	161,574.06	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 Hamner Ave.	Land	Corona	CA	Status <b>Sold with #4 above</b>												
6	736 N. State St. Plaza	Comm'l	Hemet	CA	<table> <tr> <td>Status</td> <td><b>Sold</b></td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>470,245.69</td> </tr> <tr> <td>Acquisition &amp; Capital Additions from 10/5/00 to 12/31/02</td> <td>6,000.00</td> </tr> <tr> <td>Sales Price</td> <td>550,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>487,500.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>112.82%</td> </tr> </table>	Status	<b>Sold</b>	Carrying Cost as of 10/4/00	470,245.69	Acquisition & Capital Additions from 10/5/00 to 12/31/02	6,000.00	Sales Price	550,000.00	Average Appraisal Value	487,500.00	Sale as a % of Appraisal	112.82%
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7	302 Vista de la Playa	SFR	La Jolla	CA	<table> <tr> <td>Status</td> <td><b>Sold</b></td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>-</td> </tr> <tr> <td>Acquisition &amp; Capital</td> <td>-</td> </tr> <tr> <td>Sales Price</td> <td>5,550,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>6,100,000.00</td> </tr> </table>	Status	<b>Sold</b>	Carrying Cost as of 10/4/00	-	Acquisition & Capital	-	Sales Price	5,550,000.00	Average Appraisal Value	6,100,000.00		
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					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(below).	
9	4939-49 Holt Blvd	Comm'l	Montclair	CA	A retail strip center with 6 units at 100% occupancy. Received two MAI appraisals. Before selecting a listing broker, we accepted an contract which has received Court approval and is scheduled to close in 1/2003. Acquisition & Capital Additions from 10/05/00 to 12/31/02 is \$4,500.00.	
10	9240-60 Harness (Spring Valley)	SFR/Land	San Diego	CA	Status	<b>Sold</b>
					Carrying Cost as of 10/4/00	380,217.76
					Acquisition & Capital Additions from 10/5/00 to 12/31/02	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	Status	<b>Sold</b>
					Carrying Cost as of 10/4/00	1,300,180.00
					Acquisition & Capital Additions from 10/5/00 to 12/31/02	59,932.71
					Sales Price	792,500.00
					Average Appraisal Value	827,500.00
					Sale as a % of Appraisal	95.77%
12	510 Turfwood Lane	SFR	Solana Beach	CA	Status	<b>Sold</b>
					Carrying Cost as of 10/4/00	261,046.00
					Acquisition & Capital Additions from 10/5/00 to 12/31/02	-
					Sales Price	267,500.00
					Average Appraisal Value	265,000.00
					Sale as a % of Appraisal	100.94%
13	1245 Jasmine Circle	SFR	Weston	FL	Status	<b>Sold</b>
					Carrying Cost as of 10/4/00	316,014.10
					Acquisition & Capital Additions from 10/5/00 to 12/31/02	-
					Sales Price	310,000.00
					Average Appraisal Value	312,500.00
					Sale as a % of Appraisal	99.20%
14	370 Holly & 1600 Carlisle	Multi	Atlanta	GA	Status	<b>Sold</b>
					Carrying Cost as of 10/4/00	2,259,780.99

Acquisition & Capital 66,839.00

					Additions from 10/5/00 to 12/31/02 Sales Price 1,710,000.00 Average Appraisal Value 1,391,666.67 Sale as a % of Appraisal 122.87%												
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 accepted and is currently in escrow. A ninety day extension has been recently granted in exchange for the release of a portion of the earnest money as consideration. 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 12/31/02 is \$200,323.11.												
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. Repairs to insured damage from a roof fire in November 2001 and the fourth floor build-out are completed and the final building inspection has been conducted by the City of Atlanta. Sales and marketing are delayed due to a non fire related construction issue concerning window leakage and improper installation. Acquisition & Capital Additions from 10/05/00 to 12/31/02 is \$2,096,499.22.												
16A	Century Lofts 505 Whitehall St SW (Sold Units)	Loft	Atlanta	GA	<table> <tr> <td>Status</td> <td><b>Sold</b></td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>886,087.85</td> </tr> <tr> <td>Acquisition &amp; Capital Additions from 10/5/00 to 12/31/02</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	<b>Sold</b>	Carrying Cost as of 10/4/00	886,087.85	Acquisition & Capital Additions from 10/5/00 to 12/31/02	-	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	<table> <tr> <td>Status</td> <td><b>Sold</b></td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>2,220,169.82</td> </tr> <tr> <td>Acquisition &amp; Capital Additions from 10/5/00 to 12/31/02</td> <td>989.58</td> </tr> <tr> <td>Sales Price</td> <td>2,300,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>2,450,000.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>93.88%</td> </tr> </table>	Status	<b>Sold</b>	Carrying Cost as of 10/4/00	2,220,169.82	Acquisition & Capital Additions from 10/5/00 to 12/31/02	989.58	Sales Price	2,300,000.00	Average Appraisal Value	2,450,000.00	Sale as a % of Appraisal	93.88%
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18	715 S Kihei Rd #128	SFR	Kihei	HI	<table> <tr> <td>Status</td> <td><b>Sold</b></td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>33,437.50</td> </tr> <tr> <td>Acquisition &amp; Capital</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> </table>	Status	<b>Sold</b>	Carrying Cost as of 10/4/00	33,437.50	Acquisition & Capital	580.78	Sales Price	65,000.00	Average Appraisal Value	58,500.00		
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					Sale as a % of Appraisal	111.11%
19	715 S Kihei Rd	Land Lease	Kihei	HI	Status	<b>Sold</b>
					Carrying Cost as of 10/4/00	402,965.30
					Acquisition & Capital Additions from 10/5/00 to 12/31/02	14,300.00
					Sales Price	1,187,867.00
					Average Appraisal Value	1,263,965.00
					Sale as a % of Appraisal	93.98%
20	4420 Makena Rd.	SFR	Makena	HI	Status	<b>Sold</b>
					Carrying Cost as of 10/4/00	2,809,999.40
					Acquisition & Capital Additions from 10/5/00 to 12/31/02	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. A previous contract was cancelled by the buyer and the property is currently being marketed for sale.	
22	57 Cherrywood Ct	SFR	Houston	TX	Status	<b>Sold</b>
					Carrying Cost as of 10/4/00	429,613.78
					Acquisition & Capital Additions from 10/5/00 to 12/31/02	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	Status	<b>Sold</b>
					Carrying Cost as of 10/4/00	448,718.31
					Acquisition & Capital Additions from 10/5/00 to 12/31/02	12,190.22
					Sales Price	575,000.00
					Average Appraisal Value	450,000.00
					Sale as a % of Appraisal	127.78%
24	3000 Bering Dr.	Comm'l	Houston	TX	Status	<b>Sold</b>
					Carrying Cost as of 10/4/00	1,199,638.45
					Acquisition & Capital Additions from 10/5/00 to 12/31/02	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	Multi & Land	Houston	TX	Status	<b>Sold</b>
					Carrying Cost as of 10/4/00	1,622,312.79

	Dr.				Carrying Cost as of 10/4/00 1,622,312.79 Acquisition & Capital Additions from 10/5/00 to 12/31/02 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	Status <b>Sold</b> Carrying Cost as of 10/4/00 2,511,811.94 Acquisition & Capital Additions from 10/5/00 to 12/31/02 31,367.63 Sales Price 2,150,000.00 Average Appraisal Value 2,150,000.00 Sale as a % of Appraisal 100.00%
27	Whitney Place Lots 37,39,40&41	Multi	Houston	TX	70 individual single family homes that are currently 43% leased. Listed with Marcus & Millichap. Recently began renting to multi-family tenants (previously restricted to Seniors) in an effort to increase occupancy rates and improve sale prospects to investors. The repair work on the third and fourth phases of this project have been completed on schedule. The ongoing stabilization process has resulted in increased occupancy rates. A contract has been accepted and is subject to government financing requirements, which necessitated a protracted escrow period. Acquisition & Capital Additions from 10/05/00 to 12/31/02 is \$795,002.09
28	15 N. Chenevert	Comm'l/Loft	Houston	TX	Vacant 85,000 sq. ft. loft bldg. downtown. Listed with Grubb & Ellis. We have received the fourth appraisal and an update of an original appraisal which confirm the economic damage to the Houston real estate economy because of the September 11 attack and the Enron corporate bankruptcy. We have reduced the listing price accordingly for a more timely disposition of the property. Acquisition & Capital Additions from 10/05/00 to 12/31/02 is \$328,197.94.
29	21 Chenevert	Comm'l/Loft	Houston	TX	Vacant lot adjacent to the warehouse bldg. at 15 N. Chenevert-see # 28 above for description. Acquisition & Capital Additions from 10/05/00 to 12/31/02 is \$70,457.55
30	1331 - 1339 S Flores	Comm'l	San Antonio	TX	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 MAI appraisal has been received. The listing price has been reduced to

					more accurately reflect the current market value of the property. Acquisition & Capital Additions from 10/05/00 to 12/31/02 is \$42,155.00.												
31	Lake Livingston	SFR & Land	San Jacinto	TX	18 acres of lakefront property with 2 vacant homes. The property has been listed with Coldwell Banker. Acquisition & Capital Additions from 10/05/00 to 12/31/02 is \$22,597.00												
32	1809-17 Douglas Ave	Multi	Racine	WI	31 unit apt. bldg. A large local listing broker has been selected. A contract has been accepted and is currently in escrow.												
33	1625 East G St. (55 units)	Multi	Ontario	CA	<table> <tr> <td>Status</td> <td><b>Sold</b></td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>3,944,942.20</td> </tr> <tr> <td>Acquisition &amp; Capital Additions from 10/5/00 to 12/31/02</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	<b>Sold</b>	Carrying Cost as of 10/4/00	3,944,942.20	Acquisition & Capital Additions from 10/5/00 to 12/31/02	14,754.85	Sales Price	4,930,000.00	Average Appraisal Value	4,250,000.00	Sale as a % of Appraisal	116.00%
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34	129-177 Palm Ave.	Multi	Imperial Beach	CA	<table> <tr> <td>Status</td> <td><b>Sold</b></td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>1,823,525.86</td> </tr> <tr> <td>Acquisition &amp; Capital Additions from 10/5/00 to 12/31/02</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	<b>Sold</b>	Carrying Cost as of 10/4/00	1,823,525.86	Acquisition & Capital Additions from 10/5/00 to 12/31/02	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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35	21880 Golden Canyon	SFR	Diamond Bar	CA	<table> <tr> <td>Status</td> <td><b>Sold</b></td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>-</td> </tr> <tr> <td>Acquisition &amp; Capital Additions from 10/5/00 to 12/31/02</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	<b>Sold</b>	Carrying Cost as of 10/4/00	-	Acquisition & Capital Additions from 10/5/00 to 12/31/02	-	Sales Price	1,385,000.00	Average Appraisal Value	1,300,000.00	Sale as a % of Appraisal	106.54%
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Average Appraisal Value	1,300,000.00																
Sale as a % of Appraisal	106.54%																
36	1114,1116 and 1118 Murray Hill	Multi	Houston	TX	<table> <tr> <td>Status</td> <td><b>Sold</b></td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>442,631.77</td> </tr> <tr> <td>Acquisition &amp; Capital Additions from 10/5/00 to 12/31/02</td> <td>5,198.00</td> </tr> <tr> <td>Sales Price</td> <td>525,000.00</td> </tr> <tr> <td>Average Appraisal Value</td> <td>442,000.00</td> </tr> <tr> <td>Sale as a % of Appraisal</td> <td>118.78%</td> </tr> </table>	Status	<b>Sold</b>	Carrying Cost as of 10/4/00	442,631.77	Acquisition & Capital Additions from 10/5/00 to 12/31/02	5,198.00	Sales Price	525,000.00	Average Appraisal Value	442,000.00	Sale as a % of Appraisal	118.78%
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37	Hana Highway	Land	Hana	HI	<table> <tr> <td>Status</td> <td><b>Sold</b></td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>187,806.89</td> </tr> <tr> <td>Acquisition &amp; Capital</td> <td>572.91</td> </tr> <tr> <td>Sales Price</td> <td>265,000.00</td> </tr> </table>	Status	<b>Sold</b>	Carrying Cost as of 10/4/00	187,806.89	Acquisition & Capital	572.91	Sales Price	265,000.00				
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					Sales Price	265,000.00
					Average Appraisal Value	252,500.00
					Sale as a % of Appraisal	104.95%
					<b>Totals for Major Properties</b>	
					Carrying Cost as of 10/4/00	30,827,416.92
					Acquisition & Capital Additions from 10/5/00 to 12/31/02	9,168,905.04
					Sales Price	41,531,867.00
					Average Appraisal Value	36,957,131.67
					Sale as a % of Appraisal	112.38%

TAB 2

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

	October 31, 2000 to September 30, 2002	October 1, 2002 to December 31, 2002	Total
Proceeds from Sales of Properties	33,159,692.36	3,407,519.33	36,567,211.69
Rental Income	4,752,492.77	299,979.60	5,052,472.37
Proceeds from Sales of Horses and Horse Races	2,024,044.88	-	2,024,044.88
Commission Repayments from Agents	1,557,495.02	260,054.08	1,817,549.10
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	55,761.40	-	55,761.40
Interest Income:			
Mortgage Notes	313,115.10	43,445.21	356,560.31
Bank Deposits	142,357.11	21,169.28	163,526.39
Bridge Loan	68,269.71	-	68,269.71
Hardship Loans	37,367.43	742.82	38,110.25
Other	1,601.03	-	1,601.03
Total Interest Income	562,710.38	65,357.31	628,067.69
Receipts of Cash from Tom G. Cloud and Cloud & Associates Under the Court Judgement	374,578.75	-	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	136,688.62	-	136,688.62

Receipts of cash from Jim Schneider Under the Court Judgement	87,959.44	27,420.86	115,380.30
Receipts of cash from Ernest Cossey Under the Court Judgement	21,836.08	-	21,836.08
Proceeds from Disposition of Auto, Furniture & Equipment	15,098.47	-	15,098.47
Proceeds from Granting of Easements	13,200.00	-	13,200.00
Receipts of cash from Gary Williams Under the Court Judgement	9,876.12	1,758.24	11,634.36
Miscellaneous Income	32,690.42	2,681.59	35,372.01
<b>Total Income</b>	<b>44,578,321.98</b>	<b>4,064,771.01</b>	<b>48,643,092.99</b>

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

	October 31, 2000 to June 30, 2002	October 1, 2002 to December 31, 2002	Total
<b>Business Operating Expenses</b>			
<b>Property Expenses</b>			
Repairs & Maintenance	2,145,472.40	323,639.99	2,469,112.39
Property Taxes	1,340,388.06	153,912.35	1,494,300.41
Utilities	801,204.22	86,111.97	887,316.19
Insurance	695,279.55	28,396.39	723,675.94
Engineering & Architecture	625,703.98	-	625,703.98
Management Fees	587,568.88	43,251.70	630,820.58
Security, Alarm & Protection	309,055.74	25,943.94	334,999.68
Appraisal & Survey	302,077.57	1,190.00	303,267.57
Gardening Services	199,318.40	34,687.49	234,005.89
Legal Fees	184,560.73	9,621.55	194,182.28
Cleaning Services	147,063.98	8,799.87	155,863.85
Advertising & Marketing	83,884.40	60,622.18	144,506.48
Development Expenditures	34,579.54	1,266.09	35,845.63
Miscellaneous	691,737.18	28,629.34	720,366.52
<b>Total Property Expenses</b>	<b>8,147,894.63</b>	<b>806,072.86</b>	<b>8,953,967.49</b>

Field Office Operating Expenses	1,904,562.62	131,581.33	2,036,143.95
Racehorse Expenses	261,119.53	-	261,119.53
Dog Expenses	21,084.81	-	21,084.81
Total Business Operating Expenses	10,334,661.59	937,654.19	11,272,315.78
Receivership Administrative Expenses			
Receiver's Fees & Expenses			
Receiver's Fees	167,145.00	11,385.00	178,530.00
Out of Pocket Expenses	4,400.35	-	4,400.35
Total Receiver's Fees & Expenses	171,545.35	11,385.00	182,930.35
Staff Expenses			
Accounting & Support / Financial Reconstruction	798,725.29	104,786.92	903,512.21
Project Coordinators / Portfolio Management	516,820.14	59,833.00	576,653.14
Out of Pocket Expenses	135,832.36	28,056.85	163,889.21
Employer Tax	64,475.87	8,625.89	73,101.76
Total Staff Expenses	1,515,853.66	201,302.66	1,717,156.32
Other Receivership Administrative Expenses			
Legal Fees & Costs	1,197,657.31	205,257.36	1,402,914.67
Copying & Records Reproduction	83,227.56	1,355.29	84,582.85
Tax Return Preparation Fees	-	37,196.00	37,196.00
Interest Expense	19,420.99	-	19,420.99
Miscellaneous Expenses	167,269.06	20,781.67	188,050.73
Total Other Receivership Administrative Expenses	1,467,574.92	264,590.32	1,732,165.24
Total Receivership Administrative Expenses	3,154,973.93	477,277.98	3,632,251.91
<b>Total Expenses Previously Approved</b>	<b>13,489,635.52</b>		
<b>Total Cash Expenses to be Approved</b>		<b>1,414,932.17</b>	
<b>Total Expenses for the Period from October 31, 2000 through December 31, 2002</b>			<b>14,904,567.69</b>

