

**Quarterly Report to the Court**  
**As of March 31, 2003**  
**Robb Evans, Receiver of TLC Investments & Trade Co., et al.**

This is the tenth 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; it 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 March 31, 2003, one hundred-and-seventy-three properties had been sold and escrows closed. These properties originally cost \$30,392,550, had capital additions totaling \$6,550,018 and were sold for an aggregate gross price of \$41,623,345. After paying direct expenses of sale, extinguishing liens against the properties and other costs, the net selling price of \$39,442,969 resulted in a profit of \$2,500,401.

Additionally, there were twenty-seven properties in escrow as of March 31, 2003. These properties originally cost \$6,251,396, had capital additions totaling \$4,527,635, and it is anticipated they will produce net sale proceeds of approximately \$7,426,648 resulting in a loss of approximately \$3,352,000. Poorly planned capital improvements and ill-conceived purchase decisions on six of these properties during the pre-receivership period were the cause of the anticipated loss. But for these six properties, a potential gain of approximately \$72,000 would have been recognized.

Four of the non-residential properties now under contract will generate estimated net proceeds that are \$3.4 million less than the total of purchase price and improvements. The properties suffer from inadequate due diligence and poor valuation analysis at purchase, and one was burdened with improvements far in excess of market value. Three properties were bought to carry out poorly conceived, unrealistic, and impractical development plans.

The Receiver has marketed each property aggressively, and each sale is above its current appraised value. However, buyers have been difficult to locate. If the pending sales close, the Estate will be relieved of difficult properties with limited appeal and with monthly operating costs of approximately \$44,400. The estate continues to market three other difficult properties that have the same deficiencies and problems as the four currently under contract.

Two houses in Birmingham were acquired through foreclosure of pre-Receivership seller-provided mortgages. The houses were resold for \$50,000 less than the combined note balances. Prior to Receivership, Birmingham houses were often sold, with 95% to 100% seller financing, at above market prices to unqualified buyers who could not maintain and pay for the properties.

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.

As a result of the above actions, forty-two agents have already completed an agreed repayment schedule. Another thirty settlement agreements have been entered into providing for periodic payments over time, which have not yet been completed. Approximately \$1,993,000 has been collected and approximately \$889,000 is expected in the future, pursuant to all of the settlements, including those settlements entered prior to filing lawsuits. 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 \$2,885,000. 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 an aggregate amount of approximately \$9,471,000. Initial post judgment efforts have resulted in the collection of approximately \$174,000.

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 filed non-dischargeability lawsuits against two large balance agents who filed Chapter 7 petitions. One suit 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.**

As previously reported, 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 were transferred to the Receiver.

The Encinitas property was listed for sale in January 2003 at \$590,000. An offer was immediately received at the listing price and the five-day overbid period was invoked. During the overbid period, additional offers were received and ultimately the property sold for \$607,000. The sales price exceeded the average appraisal, the average Broker's Opinion of Value, and the average of other comparables.

The Santa Fe property is now in process of being listed for sale. The Receiver has ordered appraisals on the personal items in the home and on the Geronimo statue. Upon receipt of the appraisals, the items will be marketed 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. 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. As a result of that judgment, Merrill Lynch turned over the \$34,046 balance of Garro's account to the Receiver on February 5, 2003.

As previously reported, on December 19, 2002, this Court entered a final judgment against Defendants Price and Durham Capital in the amount of \$3,505,002 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 has taken control of the Dallas residence and is in the process of obtaining appraisals and Brokers Opinions of Value. When the data is received from the appraisers and brokers, the property will be listed for sale. There is a disputed lien on the property that the Receiver's counsel is in the process of addressing with a lender. It appears the lender advanced funds to Mr. Price after the date the Receiver recorded a *les pendens* on the property.

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

During the last quarter of 2002, the pre-receivership construction defects in the water and sewer system were completed and a report was submitted to the Arizona Department of Environmental Quality (ADEQ), which was the last administrative approval required for the wet utilities. An "approved as constructed" and a license of the system were obtained from ADEQ. The ADEQ approval was a condition precedent to release of the funds posted by the Receiver in the form of an assurance bond. ADEQ approval also permits the homebuilder to obtain a certificate of occupancy for completed homes.

The Receiver recently submitted a request with Mohave County Planning and Zoning (P&Z) Department for a partial release of the assurance bond. Prior to release of the bond, the P&Z department must inspect the completed construction and if approved, will thereafter place the request on the agenda of the next Mohave County Board of Supervisors hearing, a process that may take several months. A portion of the assurance bond covers construction of a boat ramp into the Colorado River and some future grading requirements and is not subject to release until completion of those construction projects.

The Receiver also filed an application for a 401 permit with the Army Corps of Engineers (ACOE) for construction of a boat ramp into the Colorado River. The boat ramp will be dedicated for exclusive use of the homeowners in the Marina Coves Home Owners Association. Receipt of the 401 permit is expected soon and the construction of the boat ramp will be completed during the next several months.

Three of the four model homes have been sold and the fourth model home is currently in escrow. Construction of two spec homes scheduled to begin in January 2003 is proceeding in an orderly manner. Both homes are framed and should be completed within the next sixty days.

The economic and marketing firms retained to provide a comprehensive product review and cost development analysis have completed their reports and submitted them to the Receiver. Analysis of these reports is in process. The initial review of the reports confirmed the Receiver's decision to diversify the products available for sale. In addition to the two spec homes under construction on Arm 4, the Receiver negotiated with the homebuilder to construct two additional spec homes on Arm 7 of the lake. The two homes on Arm 7 will contain less square footage and be less expensive than the current models, resulting in a wider diversification of inventory. Additionally, the location of the two newest homes provides a positive impression as homes are spread throughout a larger section of the project.

The Receiver applied with the California Department of Real Estate for certification of the Marina Coves subdivision in order to actively market the project in California. An approval is expected in the near future and the Southern California area will be targeted with marketing activities. The Receiver continues to review alternative disposition strategies for this property, including an active marketing effort targeting large national developers.

## **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. The contractor under the supervision of the roofing consultant is currently repairing minor roof leaks, which are covered by the contractor's warranty. One remaining unresolved construction item, unrelated to the fire, concerns the building's windows. The windows continue to leak and, in some cases, do not open and close properly.

The building architect previously hired specialist window contractors to provide alternative options and pricing bids. The Receiver, acting on the advice of the building architect, has determined that the installation of new windows is the most cost effective method of remediation. Accordingly, a contract for the purchase and installation of new windows has been executed with the contractor, which includes a performance bond. The installation of the new windows is scheduled to be completed in May 2003.

As a result of these unfinished repair items, the marketing and sales for the Century Lofts, which was scheduled to begin in mid October, has been delayed. The listing company had strongly recommended that all of the remaining repair issues be resolved before marketing the individual lofts. In its opinion, this strategy will ensure that the building will show in its optimum condition and provide the best opportunity to achieve the maximum value in aggregate sales. The sales and marketing campaign is scheduled to restart in May 2003, coinciding with the installation of the new windows.

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

In the ninth quarterly report, the Receiver stated that the municipal bond financing needed to complete this sale was not yet approved. The buyer had informed the Receiver that previously unknown title issues required additional time to resolve in order to satisfy financing contingencies. These issues related to the removal or relocation of rail line and storm drain and the associated easements. The buyer recently informed the Receiver of the expense required to resolve these title problems, which would be required for any sale. The Receiver negotiated a reasonable financial settlement as part of the contract.

The buyer recently disclosed that the appropriate authorities have approved the municipal bond financing for this project, but the funding may not be completed until July 31, 2003. The buyer released the remaining earnest money deposit in exchange for an additional extension until June 30, 2003. If the sale does not close by June 30, 2003, another 30-day extension may be granted with an additional \$25,000 non-refundable deposit. The Receiver continues to monitor the progress of the buyer and believes that he is proceeding in good faith towards closing the sale.

### **Properties in Birmingham, Alabama**

It was noted in the last report that there were 98 homes remaining in Birmingham, consisting of 59 vacant and 39 rented units.

During the quarter ending March 31, 2003, an additional 22 homes were sold, and the portfolio now has 76 units remaining, made up of 46 vacant and 30 rented units. There are currently 17 units under contract.

The Receiver is reviewing possible options to liquidate the Birmingham properties, including a live wholesale auction, an Internet auction, and/or a bulk sale to investors. Accordingly, the Receiver has requested auction proposals from both local and national companies. These disposition strategies will likely result in a discount from the realizable value if the houses were sold individually. However, early liquidation will eliminate substantial operating expense, the possibility of additional vandalism, potential health and safety issues, and other unknown risks and liabilities.

### **Investor Distributions**

On March 6, 2003, this Court approved a Stipulated Order to distribute between \$3 million and \$5 million to the undisputed investor claims. A distribution of \$3.5 million was completed by March 25, 2003. To date, \$35.5 million, or approximately 30.4% of approved claims has been distributed to investors. An additional distribution of \$3 to \$6 million is planned in June 2003.

### **Other Issues**

## **Title Clearance Litigation**

There are pending and potential title clearance issues that affect the marketability of certain properties, primarily located in Texas. The Receiver has hired local title attorneys to research, negotiate, and resolve these title problems. It is becoming increasingly apparent that some issues may require litigation to quiet title, resolve claims, or order certain actions.

These title clearance problems are the result of inadequate due diligence prior to the time of purchase or the improper pre-receivership administration of these assets subsequent to the purchase. The Receiver anticipates that he may need to file actions in this Court to adjudicate the resolution of these title issues.

## **Stephanie M. Litigation**

In July 2001, an attorney for Stephanie M., a minor, put the Receiver's office on notice of allegations of negligence at a receivership property that led to a sexual assault. Based on facts developed from conversations and documents, the Receiver believed, and continues to believe, that the merits of the claim have not been established. In February 2002, Stephanie M. filed a complaint for negligence in the California Superior Court seeking unspecified damages.

The Receiver's attorney successfully argued that the claim of Stephanie M. should be pursued pursuant to receivership claim procedures before this Court, and that the State Court action should be stayed. The claim is now set for a settlement conference before Magistrate Judge Marc L. Goldman on June 11, 2003.

## **Mortgage Receivables**

The estate has a total of 38 active mortgage receivable assets with a current gross balance of \$1,416,562. All receivables originated in the pre-receivership period as seller-provided financing. The remaining average life of these receivables is 20.89 years. The interest rates on these receivables range from 7.5%-13%. The breakdown of the mortgage receivable assets by state is as follows:

<b>State</b>	<b>Number of Mortgages</b>	<b>Description</b>	<b>Remaining Balance</b>
Alabama	9	Single Family Residences	316,145.38
California	1	Single Family Residences	29,060.57
Georgia	1	Warehouse	59,080.90
Maine	1	Single Family Residences	20,037.27
Texas	25	Single Family Residences	799,078.63
Wisconsin	1	Office Building	193,159.63

The Receiver has determined that selling these mortgage receivables in bulk will maximize the benefit to the Estate. Many of these mortgages are delinquent for one or more payments. Some of the loan balances are in excess of the property's current market value. The Receiver anticipates that the condition of these assets will result in a substantial sale discount from the current mortgage balance. However, the portfolio will produce substantial losses for the Estate if held for resolution and liquidation. The Receiver intends to conduct a national search for candidates to bid on these mortgage receivables.

## **Administrative Expenses**

Under Tab 2 are the financial reports for the period of January 1, 2003 through March 31, 2003. 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 January 1, 2003 through March 31, 2003, 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 March 31, 2003**

#	Property Address	SFR, Multi, Comm'l, Land, Lots	City	State	Property Status as of 3/31/03												
1	The Coves Project	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. Three of the model homes have been sold and the fourth model is under contract. Construction is underway for two models on arm 4 and permits are being processed for two models on arm 7. Acquisition & Capital Additions from 10/05/00 to 3/31/03 is \$5,222,428.99.												
2	235 S Flower	Comm'l	Brea	CA	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Status</td> <td style="text-align: right;"><b>Sold</b></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 &amp; Capital Additions from 10/5/00 to 3/31/03</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	<b>Sold</b>	Carrying Cost as of 10/4/00	546,007.98	Acquisition & Capital Additions from 10/5/00 to 3/31/03	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: 80%;">Status</td> <td style="text-align: right;"><b>Sold</b></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 &amp; Capital Additions from 10/5/00 to 3/31/03</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> </table>	Status	<b>Sold</b>	Carrying Cost as of 10/4/00	1,864,984.00	Acquisition & Capital Additions from 10/5/00 to 3/31/03	8,000.00	Sales Price	1,850,000.00				
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					Average Appraisal Value	1,580,000.00
					Sale as a % of Appraisal	117.09%
4	7500 Hamner Ave	Land	Norco	CA	Status	<b>Sold</b>
					Carrying Cost as of 10/4/00	4,465,278.54
					Acquisition & Capital Additions from 10/5/00 to 3/31/03	161,574.06
					Sales Price	5,500,000.00
					Average Appraisal Value	2,658,500.00
					Sale as a % of Appraisal	206.88%
5	7556 Hamner Ave.	Land	Corona	CA	Status	<b>Sold with #4 above</b>
6	736 N. State St. Plaza	Comm'l	Hemet	CA	Status	<b>Sold</b>
					Carrying Cost as of 10/4/00	470,245.69
					Acquisition & Capital Additions from 10/5/00 to 3/31/03	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	<b>Sold</b>
					Carrying Cost as of 10/4/00	-
					Acquisition & Capital Additions from 10/5/00 to 3/31/03	-
					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	Status	<b>Sold with #9 below</b>
9	4939-49 Holt Blvd	Comm'l	Montclair	CA	Status	<b>Sold</b>
					Carrying Cost as of 10/4/00	393,012.81
					Acquisition & Capital Additions from 10/5/00 to 3/31/03	6,625.56
					Sales Price	805,000.00
					Average Appraisal Value	633,500.00
					Sale as a % of Appraisal	127.07%
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	8,200.00
					Sales Price	400,000.00

					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 3/31/03	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 3/31/03	-
					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 3/31/03	-
					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 Additions from 10/5/00 to 3/31/03	66,839.00
					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. An additional extension until 7/31/03 has been recently granted in exchange for the release of the remaining 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 3/31/03 is \$279,692.56.	

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. Installation of new windows has been determined to be the most cost effective method of remediation. New windows are scheduled to be installed in May, 2003. Sales and marketing will resume at that time. Acquisition & Capital Additions from 10/05/00 to 3/31/03 is \$2,103,088.38.												
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 3/31/03</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 3/31/03	-	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 3/31/03</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 3/31/03	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 Additions from 10/5/00 to 3/31/03</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	<b>Sold</b>	Carrying Cost as of 10/4/00	33,437.50	Acquisition & Capital Additions from 10/5/00 to 3/31/03	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><b>Sold</b></td> </tr> <tr> <td>Carrying Cost as of 10/4/00</td> <td>402,965.30</td> </tr> <tr> <td>Acquisition &amp; Capital Additions from 10/5/00 to 3/31/03</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	<b>Sold</b>	Carrying Cost as of 10/4/00	402,965.30	Acquisition & Capital Additions from 10/5/00 to 3/31/03	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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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 Carrying Cost as of 10/4/00 Acquisition & Capital Additions from 10/5/00 to 3/31/03 Sales Price Average Appraisal Value Sale as a % of Appraisal	<b>Sold</b> 2,809,999.40 500.00 4,000,000.00 4,025,000.00 99.38%
21	4323 Bowser	Multi	Dallas	TX	5 unit apt. bldg. Listed for sale with Century 21. A contract has been accepted and is currently in escrow.	
22	57 Cherrywood Ct	SFR	Houston	TX	Status Carrying Cost as of 10/4/00 Acquisition & Capital Additions from 10/5/00 to 3/31/03 Sales Price Average Appraisal Value Sale as a % of Appraisal	<b>Sold</b> 429,613.78 52,009.36 450,000.00 510,000.00 88.24%
23	10100 E. Freeway	Comm'l	Houston	TX	Status Carrying Cost as of 10/4/00 Acquisition & Capital Additions from 10/5/00 to 3/31/03 Sales Price Average Appraisal Value Sale as a % of Appraisal	<b>Sold</b> 448,718.31 12,190.22 575,000.00 450,000.00 127.78%
24	3000 Bering Dr.	Comm'l	Houston	TX	Status Carrying Cost as of 10/4/00 Acquisition & Capital Additions from 10/5/00 to 3/31/03 Sales Price Average Appraisal Value Sale as a % of Appraisal	<b>Sold</b> 1,199,638.45 50,860.32 1,475,000.00 960,000.00 153.65%
25	2002 Gentryside Dr.	Multi & Land	Houston	TX	Status Carrying Cost as of 10/4/00 Acquisition & Capital Additions from 10/5/00 to 3/31/03 Sales Price Average Appraisal Value Sale as a % of Appraisal	<b>Sold</b> 1,622,312.79 13,750.00 1,550,000.00 1,340,000.00 115.67%
26	5414 Elm St	Multi	Houston	TX	Status Carrying Cost as of 10/4/00 Acquisition & Capital Additions from 10/5/00 to	<b>Sold</b> 2,511,811.94 31,367.63

					3/31/03 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 50% 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. Recently, a title issue surfaced which has further delayed the completion of the due diligence phase and extended the escrow period. If this title issue cannot be expeditiously resolved, the number of parcels to be sold may be reduced from 72 to 54, with an option to purchase the remaining 18 parcels when the title issue is resolved. Acquisition & Capital Additions from 10/05/00 to 3/31/03 is \$850,891.19
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 3/31/03 is \$329,824.46.
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 3/31/03 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. A contract has been

					accepted and is currently in the due diligence phase of escrow. Interest has improved and an offer is currently being considered Acquisition & Capital Additions from 10/05/00 to 3/31/03 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 3/31/03 is \$22,597.00
32	1809-17 Douglas Ave	Multi	Racine	WI	Status <b>Sold</b> Carrying Cost as of 10/4/00 425,593.57 Acquisition & Capital Additions from 10/5/00 to 3/31/03 3,800.00 Sales Price 440,000.00 Average Appraisal Value 460,000.00 Sale as a % of Appraisal 95.65%
33	1625 East G St. (55 units)	Multi	Ontario	CA	Status <b>Sold</b> Carrying Cost as of 10/4/00 3,944,942.20 Acquisition & Capital Additions from 10/5/00 to 3/31/03 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	Status <b>Sold</b> Carrying Cost as of 10/4/00 1,823,525.86 Acquisition & Capital Additions from 10/5/00 to 3/31/03 20,000.00 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	Status <b>Sold</b> Carrying Cost as of 10/4/00 - Acquisition & Capital Additions from 10/5/00 to 3/31/03 - 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	Status <b>Sold</b> Carrying Cost as of 10/4/00 442,631.77 Acquisition & Capital 5,198.00 Sales Price 525,000.00 Average Appraisal Value 442,000.00

					Average Appraisal Value	442,000.00
					Sale as a % of Appraisal	118.78%
37	Hana Highway	Land	Hana	HI	Status	<b>Sold</b>
					Carrying Cost as of 10/4/00	187,806.89
					Acquisition & Capital Additions from 10/5/00 to 3/31/03	572.91
					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	31,646,023.30
					Acquisition & Capital Additions from 10/5/00 to 3/31/03	9,464,080.11
					Sales Price	42,776,867.00
					Average Appraisal Value	38,050,631.67
					Sale as a % of Appraisal	112.42%

TAB 2

**Robb Evans, Receiver of TLC Investments & Trade Co., et al.  
Summary of Income  
October 31, 2000 (Inception of Permanent Receivership) through March 31, 2003**

	<b>October 31, 2000 to December 31, 2002</b>	<b>January 1, 2003 to March 31, 2003</b>	<b>Total</b>
Proceeds from Sales of Properties	36,567,211.69	1,771,781.88	38,338,993.57
Rental Income	5,052,472.37	208,527.63	5,261,000.00
Commission Repayments from Agents	1,932,929.40	233,473.20	2,166,402.60
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	55,761.40	-	55,761.40
Restitutions Received from Cossey	-	75.00	75.00
<b>Interest Income:</b>			
Mortgage Notes	356,560.31	39,498.85	396,059.16
Bank Deposits	163,526.39	16,051.76	179,578.15
Bridge Loan	68,269.71	-	68,269.71
Hardship Loans	38,110.25	-	38,110.25
Other	1,601.03	-	1,601.03



Advertising & Marketing	144,506.48	47,467.32	191,973.90
Cleaning Services	155,863.85	7,973.80	163,837.65
Development Expenditures	35,845.63	-	35,845.63
Miscellaneous	720,366.52	15,950.58	736,317.10
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Total Property Expenses	8,953,967.49	348,727.98	9,302,695.47
Field Office Operating Expenses	2,036,143.95	50,493.35	2,086,637.30
Racehorse Expenses	261,119.53	-	261,119.53
Dog Expenses	21,084.81	-	21,084.81
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Total Business Operating Expenses	11,272,315.78	399,221.33	11,671,537.11
<b>Receivership Administrative Expenses</b>			
Receiver's Fees & Expenses			
Receiver's Fees	178,530.00	8,965.00	187,495.00
Out of Pocket Expenses	4,400.35	340.41	4,740.76
	<hr/>	<hr/>	<hr/>
Total Receiver's Fees & Expenses	182,930.35	9,305.41	192,235.76
Staff Expenses			
Accounting & Support / Financial Reconstruction	903,512.21	48,879.71	952,391.92
Project Coordinators / Portfolio Management	576,653.14	26,988.00	603,641.14
Out of Pocket Expenses	163,889.21	13,960.24	177,849.45
Employer Tax	73,101.76	2,791.86	75,893.62
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Total Staff Expenses	1,717,156.32	92,619.81	1,809,776.13
Other Receivership Administrative Expenses			
Legal Fees & Costs	1,402,914.67	109,329.94	1,512,244.61
Copying & Records Reproduction	84,582.85	1,032.71	85,615.56
Tax Return Preparation Fees	37,196.00	37,167.00	74,363.00
Interest Expense	19,420.99	-	19,420.99
Miscellaneous Expenses	188,050.73	22,374.75	210,425.48
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Total Other Receivership Administrative Expenses	1,732,165.24	169,904.40	1,902,069.64

Total Receivership Administrative Expenses	3,632,251.91	271,829.62	3,904,081.53
<b>Total Expenses Previously Approved</b>	<b>14,904,567.69</b>		
<b>Total Cash Expenses to be Approved</b>		<b>671,050.95</b>	
<b>Total Expenses for the Period from October 31, 2000 through March 31, 2003</b>			<b>15,575,618.64</b>

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