

Quarterly Report to the Court

As of June 30, 2003

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

This is the eleventh 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 June 30, 2003, two hundred-and-fifteen properties had been sold and escrows closed. These properties originally cost \$31,485,069, had capital additions totaling \$6,847,181 and were sold for an aggregate gross price of \$43,041,230. After paying direct expenses of sale, extinguishing liens against the properties and other costs, the net selling price of \$40,718,678 resulted in a profit of \$2,386,428.

Additionally, there were ten properties in escrow as of June 30, 2003. These properties originally cost \$5,140,144, had capital additions totaling \$1,239,374, and it is anticipated they will produce net sale proceeds of approximately \$4,930,000 resulting in a loss of approximately \$1,449,000. Poorly planned capital improvements and ill-conceived purchase decisions on three of these properties during the pre-receivership period were the cause of the anticipated loss. But for these three properties, a potential gain of approximately \$40,000 would have been recognized.

As stated in the previous report, four of the non-residential properties under contract at March 31, 2003 would generate estimated net proceeds that were \$3.4 million less than the total of purchase price and improvements. During June 2003, the offer on one of these four properties was withdrawn and the remaining three properties now under contract will generate an anticipated loss of approximately \$1.5 million. These three properties suffer from inadequate due diligence and poor valuation analysis at purchase, and were bought to carry out poorly conceived, unrealistic, and impractical development plans.

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-five agents have already completed an agreed repayment schedule. Another twenty-seven settlement agreements have been entered into providing for periodic payments over time, which have not yet been completed. Approximately \$2,305,000 has been collected and approximately \$540,000 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 \$2,845,000 (This amount has been reduced by \$40,000 from the previous report due to a discount offered for early pay off from one agent. Approval of this action is currently pending with the Court). 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 \$222,000.

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 \$4,019,409 (a slight revision in this number is due to rounding of some balances previously reported). The Bankruptcy Court rejected one agent's petition and one additional agent has filed for Chapter 7 relief. The revised dollar amount is now \$3,572,940. 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 agreed amount has been paid. The other continues to be in 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 Santa Fe property has been listed for sale. The appraised value for this property has decreased since the purchase date, based on a decline in the real estate market for high-end properties. This Court also approved the sale of the furnishings in the Santa Fe property, based on defendant Garro's failure to pay the cash portion of the Settlement Agreement. The Receiver has ordered appraisals on the personal items in the home, which include furnishings and artwork, and on the specially-commissioned Geronimo statue, then the items will be sold.

Garro's failure to make a cash payment and settle a lien on the New Mexico property pursuant to the terms of the Settlement Agreement, resulted in an Order dated December 19, 2002 to Enforce the Settlement Agreement. The Receiver has taken several steps to enforce that Agreement and collect the final judgment 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.

The Receiver has sent demand letters with respect to collection of a \$260,000 promissory note assigned to the Receiver as part of the Settlement Agreement. The borrowers have refused to pay, and further collection action is anticipated.

The Receiver has also taken steps to enforce the Judgment against David Price and the Durham Capital Group. 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 has obtained appraisals and listed the property for sale. (One sales offer was withdrawn because the title issues had not been fully resolved.) The Receiver is working with the Title Company and the Prices to arrange for transfer of legal title to the Receiver, so that the Receiver can transfer title to potential purchasers. There is at least one disputed lien on the property that the Receiver's counsel is in the process of addressing with a lender. It appears that the lender advanced funds to defendant Price after the date the Receiver recorded a lis pendens on the property. There may be other liens against defendant Price and these are being researched prior to the transfer of title. The Receiver has attempted to contact David Price and Carol Price to obtain documents relating to the transfer of title. These efforts are continuing.

Marina Coves on the Colorado River

During the first quarter of 2003, the Receiver filed an application for a 401 permit with the Army Corps of Engineers (ACOE) for construction of a boat ramp into the Colorado River. Prior to receipt of a 401 permit from the ACOE, an applicant must obtain approval from the Department of the Interior, Bureau of Reclamation (BoR) to remove riprap from the riverbank. The Receiver filed an application with BoR concurrently with the filing of the application for the 401 permit. The Receiver recently obtained approval from the BoR and the ACOE. The Receiver is in the process of obtaining and evaluating three bids for construction of the boat ramp.

The Receiver also filed a zoning application with Mohave County Planning and Zoning Department (P&Z) for construction of the boat ramp. The zoning application has been placed on the August agenda for the next meeting of the P&Z Committee. Construction of the boat ramp cannot start until our zoning application is approved and a building permit is obtained.

The application filed with the California Department of Real Estate to certify the Marina Coves subdivision was also approved during this reporting period. The Receiver is consulting with real estate professionals to determine the best way to target the Southern California market.

The Receiver has arranged with the homebuilder to provide lower priced homes in order to diversify the product offered for sale at Marina Coves. The broker has advised the Receiver that construction of the boat ramp and marketing activities targeting California are the two most important remaining components needed to increase sales at Marina Coves. Despite of the progress in these two areas, the Receiver has been concerned with the slow pace of sales and 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 fire restoration of the building has been completed 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 restoration is complete, there continue to be residual roof repair warranty issues and water leak problems. The contractor, under the supervision of the roofing consultant, is currently repairing minor roof leaks, which are covered by the contractor's warranty. The water leak problems have been identified and addressed by a team of contractors, consultants and architects and a plan has been developed to mitigate these water problems. This scope of work is scheduled to be completed in the month of August 2003.

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 has been delayed by rainy weather and is currently scheduled to be completed in July 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, had been delayed. The listing company had previously 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 listing company recently agreed that repair progress has reached a level that it would be advantageous to restart the marketing and sales efforts. All nine of the "show" units (including the model) have been completed including the

installation of the new windows. The listing company recommended a revised pricing strategy that would lower the prices to 85%-96.5% of their prior market prices. This recommendation was necessitated due to the oversupply of residential loft units on the market. The Receiver approved this recommendation with the hope that these price reductions would result in a significant number of individual sales in the near future.

Due to the substantial number of units to be sold, the Receiver is aware that time is an important consideration in the ultimate disposition strategy for this property. If the number of individual unit sales does not rise dramatically over the next several months, the Receiver recognizes that it would be prudent to research alternative methods of sale. As a proactive measure, the Receiver has entered exploratory discussions with several local and national auction companies.

Toby Sexton Tire Building, 470 & 488 Glenn Street

In previous reports, the Receiver has discussed the pending status of the municipal bond financing needed to complete this sale. In a recent letter to the Receiver, The Atlanta Development Authority has indicated that the municipal bond financing has been tentatively approved and the sale is scheduled to close before the end of August 2003.

Pursuant to the terms of the contract extension, an additional \$15,000 earnest money was due to be deposited in the event the sale did not close by June 30, 2003. The \$15,000 deposit was subsequently tendered to the title company and released to the Receiver. (Note: The previous Court report indicated that this amount was scheduled to be \$25,000, but upon review, it was determined to be \$15,000.)

Properties in Birmingham, Alabama

It was noted in the last report that there were 76 homes remaining in Birmingham, consisting of 46 vacant and 30 rented units.

During the quarter ending June 30, 2003, an additional 33 homes were sold, and the portfolio now has 43 units remaining, made up of 20 vacant and 23 rented units. There are currently no units under contract, due to the pending sale of the remaining portfolio properties on a national Internet auction site as discussed below.

In the previous Court report, the Receiver advised the Court that alternative disposition strategies were being reviewed. After careful deliberation, the Receiver decided to enter into an agreement with a national auction firm to offer the majority of the properties on an Internet auction site on a "reserve bid" basis. A minimal number of properties valued at \$10,000 or less were offered on an "absolute bid" basis. The Receiver feels that this strategy will provide an opportunity to sell the majority of the individual properties quickly in a controlled bidding environment. Additionally, this type of liquidation will eliminate substantial operating expense, the possibility of additional vandalism, potential health and safety issues, and other unknown risks and liabilities. The auction is scheduled to begin in mid July 2003 and to be completed by the end of July 2003. The Receiver will closely monitor the progress of the Internet auction sale.

Properties in San Antonio, Texas

The San Antonio portfolio consists of fifteen properties: two parcels of residential land, two residential lots, six rented residential houses and five vacant repaired properties. These properties have been offered on the market for an extended period of time with a large local reputable firm. Each of the properties has been listed in the local Board of Realtors MLS. During the entire period of the listing, no properties have sold.

As a result of the lack of sales on the traditional open market, the Receiver has decided to enter into an agreement with a national auction firm to offer the majority of the properties on an internet auction site on a "reserve bid" basis. A minimal number of properties valued at \$10,000 or less were offered on an "absolute bid" basis. The Receiver feels that this strategy will provide an opportunity to sell the majority of the individual properties quickly in a controlled bidding environment. Additionally, this type of liquidation will eliminate substantial operating expense, the possibility of additional vandalism, potential health and safety issues, and other unknown risks and liabilities. The auction is scheduled to begin in mid July 2003 and to be completed by the end of July 2003. The Receiver will closely monitor the progress of the Internet auction sale.

Investor Distributions

On June 9, 2003, this Court approved a Stipulated Order to distribute between \$1 million and \$3 million to the undisputed investor claims. A distribution of \$2.0 million was completed by June 30, 2003. To date, \$37.5 million, or approximately 32.1% of approved claims has been distributed to investors. An additional distribution of \$3 to \$6 million is planned in September 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 September 17, 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:

State	Number of Mortgages	Description	Remaining Balance
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 April 1, 2003 through June 30, 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 April 1, 2003 through June 30, 2003, including fees and expenses of the Receiver detailed under Tab 2.

Respectfully submitted,

<signature>

Robb Evans
Receiver

Robb Evans, Receiver of TLC Investments & Trade Co., et al.
Status of Major Properties
As of June 30, 2003

	Property Address	SFR, Multi, Comm'l, Land, Lots	City	State	Property Status as of 6/30/03	Carrying Cost as of 10/4/00	Acquisition & Capital Additions from 10/5/00 to 6/30/03	Sales Price	Average Appraisal Values	Sales Price as a % of Average Appraisal Value
1	The Coves Project 'Phase 1' & 'Phase 2'	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. Four of the model homes have been sold. Construction is underway for two models on arm 4 and for two models on arm 7. A new local listing firm has been hired to market the individual lots and home packages. Interviews are being conducted to hire a land sale firm to market the property on a national basis.		\$ 5,305,263.43			
2	235 S Flower	Comm'l	Brea	CA	SOLD	\$ 546,007.98	4,900.00	\$ 495,000.00	\$ 422,500.00	117.16%
3	212 S Orange Ave	Multi	Brea	CA	SOLD	1,864,984.00	8,000.00	1,850,000.00	1,580,000.00	117.09%
4	7500 Hamner Ave	Land	Norco	CA	SOLD	4,465,278.54	161,574.06	5,500,000.00	2,658,500.00	206.88%
5	7556 Hamner Ave. (See # 4, 7500 Hamner)	Land	Corona	CA	SOLD					
6	736 N. State St. Plaza	Comm'l	Hemet	CA	SOLD	470,245.69	6,000.00	550,000.00	487,500.00	112.82%
7	302 Vista de la Playa	SFR	La Jolla	CA	SOLD	-	-	5,550,000.00	6,100,000.00	90.98%
8	10541 Monte Vista (Corral) - See #9 Holt Blvd	Comm'l	Montclair	CA	SOLD					
9	4939-49 Holt Blvd	Comm'l	Montclair	CA	SOLD	393,012.81	6,625.56	805,000.00	633,500.00	127.07%
10	9240-60 Harness (Spring Valley)	SFR/Land	San Diego	CA	SOLD	380,217.76	8,200.00	400,000.00	335,000.00	119.40%
11	3276 El Cajon Blvd.	Comm'l	San Diego	CA	SOLD	1,300,180.00	59,932.71	792,500.00	827,500.00	95.77%
12	510 Turfwood Lane	SFR	Solana Beach	CA	SOLD	261,046.00	-	267,500.00	265,000.00	100.94%
13	1245 Jasmine Circle	SFR	Weston	FL	SOLD	316,014.10	-	310,000.00	312,500.00	99.20%
14	370 Holly & 1600 Carlisle	Multi	Atlanta	GA	SOLD	2,259,780.99	66,839.00	1,710,000.00	1,391,666.67	122.87%

Robb Evans, Receiver of TLC Investments & Trade Co., et al.
Status of Major Properties
As of June 30, 2003

	Property Address	SFR, Multi, Comm'l, Land, Lots	City	State	Property Status as of 6/30/03	Carrying Cost as of 10/4/00	Acquisition & Capital Additions from 10/5/00 to 6/30/03	Sales Price	Average Appraisal Values	Sales Price as a % of Average Appraisal Value
15	470 & 488 Glen St	Comm'l/Loft	Atlanta	GA	Currently vacant 122,000 SF warehouse bldgs. 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 8/31/03 has recently been granted in exchange for the deposit and simultaneous release of an additional earnest money deposit as consideration. Correspondence has been received from the Atlanta Development Authority confirming a closing date. If the pending sale fails to close, the Receiver will list the property as a retail or commercial loft development project.		304,447.01			
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 were 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. The installation of the new windows is in progress, but has been delayed due to rainy weather. The window installation is scheduled to be completed in July 2003. Sales and marketing have resumed and one contract has been accepted.		2,239,254.42			
16A	Century Lofts, 505 Whitehall St SW (sold units)	Loft	Atlanta	GA	SOLD	886,087.85	-	849,000.00	900,000.00	94.33%
17	1908 Judd Hillside	SFR	Honolulu	HI	SOLD	2,220,169.82	989.58	2,300,000.00	2,450,000.00	93.88%
18	715 S Kihei Rd #128	SFR	Kihei	HI	SOLD	33,437.50	580.78	65,000.00	58,500.00	111.11%
19	715 S Kihei Rd	Land Lease	Kihei	HI	SOLD	402,965.30	14,300.00	1,187,867.00	1,263,965.00	93.98%
20	4420 Makena Rd.	SFR	Makena	HI	SOLD	2,809,999.40	500.00	4,000,000.00	4,025,000.00	99.38%
21	4323 Bowser	Multi	Dallas	TX	SOLD	275,479.63	5,082.50	330,000.00	280,000.00	117.86%
22	57 Cherrywood Ct	SFR	Houston	TX	SOLD	429,613.78	52,009.36	450,000.00	510,000.00	88.24%
23	10100 E. Freeway	Comm'l	Houston	TX	SOLD	448,718.31	12,190.22	575,000.00	450,000.00	127.78%
24	3000 Bering Dr.	Comm'l	Houston	TX	SOLD	1,199,638.45	50,860.32	1,475,000.00	960,000.00	153.65%

Robb Evans, Receiver of TLC Investments & Trade Co., et al.
Status of Major Properties
As of June 30, 2003

	Property Address	SFR, Multi, Comm'l, Land, Lots	City	State	Property Status as of 6/30/03	Carrying Cost as of 10/4/00	Acquisition & Capital Additions from 10/5/00 to 6/30/03	Sales Price	Average Appraisal Values	Sales Price as a % of Average Appraisal Value
25	2002 Gentryside Dr.	Multi & Land	Houston	TX	SOLD	1,622,312.79	13,750.00	1,550,000.00	1,340,000.00	115.67%
26	5414 Elm St	Multi	Houston	TX	SOLD	2,511,811.94	31,367.63	2,150,000.00	2,150,000.00	100.00%
27	Whitney Place 'Lots 37,39,40&41	Multi	Houston	TX	70 individual single family homes that are currently 53% leased. Listed with Marcus & Millichap. The ongoing stabilization process has resulted in increased occupancy rates. The contract in escrow has been terminated and the property is currently back on the market. The title issue mentioned in the previous report has been resolved and the ownership and title insurability for all 72 parcels (70 houses+2 lots) has been reestablished and confirmed. A recent offer is currently in negotiation.		963,233.97			
28	15 N. Chenevert	Comm'l/Loft	Houston	TX	Vacant 85,000 sq. ft. loft bldg. downtown. It was determined that a change in listing companies was warranted to reenergize the marketing and sale of this property. Consequently, a new listing agreement has been entered into with a national firm. New marketing materials are being created to reposition the property for sale on a national basis.		330,184.82			
29	21 Chenevert	Comm'l/Loft	Houston	TX	Vacant lot adjacent to the warehouse bldg. at 15 N. Chenevert-see # 28 above for description.		70,657.55			
30	1331 - 1339 S Flores	Comm'l	San Antonio	TX	2 adjacent buildings., totaling 85,000 sq. ft. near downtown, with 80,000 sq. ft. vacant. Buildings are in a very raw state. A contract has been accepted and is currently in the due diligence phase of escrow. An extension to the due diligence period has been granted until July 25, 2003 in exchange for the release of a portion of the earnest money deposit as consideration.		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. A contract has been accepted and is currently in escrow. The contract has recently been amended and the sale will close after Court approval.		22,597.00			
32	1809-17 Douglas Ave	Multi	Racine	WI	SOLD	425,593.57	3,800.00	440,000.00	460,000.00	95.65%
33	1625 East G St. (55 units)	Multi	Ontario	CA	SOLD	3,944,942.20	14,754.85	4,930,000.00	4,250,000.00	116.00%
34	129-177 Palm Ave.	Multi	Imperial Beach	CA	SOLD	1,823,525.86	20,000.00	2,400,000.00	2,225,000.00	107.87%

Robb Evans, Receiver of TLC Investments & Trade Co., et al.
Status of Major Properties
As of June 30, 2003

	Property Address	SFR, Multi, Comm'l, Land, Lots	City	State	Property Status as of 6/30/03	Carrying Cost as of 10/4/00	Acquisition & Capital Additions from 10/5/00 to 6/30/03	Sales Price	Average Appraisal Values	Sales Price as a % of Average Appraisal Value
35	21880 Golden Canyon Court	SFR	Diamond Bar	CA	SOLD	-	-	1,385,000.00	1,300,000.00	106.54%
36	1114, 1116, and 1118 Murray Hill	Multi	Houston	TX	SOLD	442,631.77	5,198.00	525,000.00	442,000.00	118.78%
37	Hana Highway	Land	Hana	HI	SOLD	187,806.89	572.91	265,000.00	252,500.00	104.95%
	For Major Properties -					\$ 31,921,502.93	\$ 9,825,820.68	\$ 43,106,867.00	\$ 38,330,631.67	112.46%

Robb Evans, Receiver of TLC Investments & Trade Co., et al.
Summary of Income
October 31, 2000 (Inception of Permanent Receivership) through June 30, 2003

	<u>October 31, 2000 to March 31, 2003</u>	<u>April 1, 2003 to June 30, 2003</u>	<u>Total</u>
Proceeds from Sales of Properties	\$ 38,338,993.57	\$ 1,275,709.34	\$ 39,614,702.91
Rental Income	5,261,000.00	173,804.38	5,434,804.38
Commission Repayments from Agents	2,166,402.60	345,870.35	2,512,272.95
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 Judgment	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
Interest Income:			
Mortgage Notes	396,059.16	32,701.64	428,760.80
Bank Deposits	179,578.15	4,549.45	184,127.60
Bridge Loan	68,269.71	-	68,269.71
Hardship Loans	38,110.25	-	38,110.25
Other	1,601.03	184.62	1,785.65
Total Interest Income	683,618.30	37,435.71	721,054.01
Receipts of Cash from Tom G. Cloud and Cloud & Associates			
Under the Court Judgment	374,578.75	-	374,578.75
Revenues Resulting from Activities that Occurred in Pre- Receivership Period	299,197.27	-	299,197.27
Proceeds from Sales of Dogs and Dog Races	136,688.62	-	136,688.62
Receipts of Cash from Ernest Cossey Under the Court Judgment	21,836.08	-	21,836.08
Proceeds from Dispositions of Auto, Furniture & Equipment	15,098.47	-	15,098.47
Receipts of Cash from Gary Williams Under the Court Judgment	13,392.60	1,172.16	14,564.76
Proceeds from Granting of Easements	13,200.00	-	13,200.00
Miscellaneous Income	54,482.80	25,629.82	80,112.62
Total Income	\$ 50,933,370.34	\$ 1,859,621.76	\$ 52,792,992.10

Robb Evans, Receiver of TLC Investments & Trade Co., et al.
Summary of Expenses
October 31, 2000 (Inception of Permanent Receivership) through June 30, 2003

	<u>October 31, 2000 to March 31, 2003</u>	<u>April 1, 2003 to June 30, 2003</u>	<u>Total</u>
Business Operating Expenses:			
Property Expenses:			
Repairs & Maintenance	\$ 2,557,392.80	\$ 80,667.72	\$ 2,638,060.52
Property Taxes	1,545,214.19	66,403.44	1,611,617.63
Utilities	913,837.95	16,910.02	930,747.97
Insurance	823,209.64	75,028.76	898,238.40
Management Fees	631,653.91	9,096.02	640,749.93
Engineering & Architecture	625,703.98	-	625,703.98
Security, Alarm & Protection	330,745.66	1,872.69	332,618.35
Appraisal & Survey	299,792.40	1,445.80	301,238.20
Gardening Services	246,117.69	18,164.03	264,281.72
Advertising & Marketing	191,973.90	55,192.01	247,165.91
Legal Fees	201,052.97	41,427.62	242,480.59
Cleaning Services	163,837.65	198.75	164,036.40
Development Expenditures	35,845.63	-	35,845.63
Miscellaneous	736,317.10	12,627.42	748,944.52
Total Property Expenses	<u>9,302,695.47</u>	<u>379,034.28</u>	<u>9,681,729.75</u>
Field Office Operating Expenses	2,041,180.47	139,695.50	2,180,875.97
Racehorse Expenses	261,119.53	-	261,119.53
Federal & State Income Taxes (Net of Refunds)	45,456.83	(45,961.69)	(504.86)
Dog Expenses	21,084.81	-	21,084.81
Total Business Operating Expenses	<u>11,671,537.11</u>	<u>472,768.09</u>	<u>12,144,305.20</u>
Receivership Administrative Expenses:			
Receiver's Fees & Expenses:			
Receiver's Fees	187,495.00	6,820.00	194,315.00
Receiver's Out of Pocket Expenses	4,740.76	273.39	5,014.15
Total Receiver's Fees & Expenses	<u>192,235.76</u>	<u>7,093.39</u>	<u>199,329.15</u>
Staff Expenses:			
Accounting & Support / Financial Reconstruction	952,391.92	65,658.23	1,018,050.15
Project Coordinators / Portfolio Management	603,641.14	28,752.00	632,393.14
Out of Pocket Expenses	177,849.45	15,534.73	193,384.18
Employer Taxes	75,893.62	2,368.91	78,262.53
Total Staff Expenses	<u>1,809,776.13</u>	<u>112,313.87</u>	<u>1,922,090.00</u>
Other Receivership Administrative Expenses:			
Legal Fees & Costs	1,512,244.61	81,110.02	1,593,354.63
Tax Return Preparation Fees	74,363.00	20,176.00	94,539.00
Copying & Records Reproduction	85,615.56	1,400.02	87,015.58
Interest Expense	19,420.99	-	19,420.99
Miscellaneous Expenses	210,425.48	17,866.50	228,291.98
Total Other Receivership Administrative Expenses	<u>1,902,069.64</u>	<u>120,552.54</u>	<u>2,022,622.18</u>
Total Receivership Administrative Expenses	<u>3,904,081.53</u>	<u>239,959.80</u>	<u>4,144,041.33</u>
Total Expenses Previously Reported	\$ 15,575,618.64		
Total Current Period Expenses		\$ 712,727.89	
Total Expenses for the Period from October 31, 2000 through June 30, 2003			\$ 16,288,346.53