

Quarterly Report to the Court

As of June 30, 2004

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

This is the fifteenth 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, 2004, 365 properties have been sold and escrows closed. These properties originally cost \$40,390,902, had capital additions totaling \$19,490,268, and were sold for an aggregate gross price of \$58,326,457. After paying direct expenses of sale, extinguishing liens against the properties and other costs, the net selling price of \$55,006,731 resulted in a loss of \$4,874,439, of which \$231,430 was realized in this quarter. During this quarter, 18 lots of the Marina Coves project were sold with selling prices ranging from \$49,000 to \$95,000 per lot, which resulted in a net loss of \$152,408 due to the application of a uniform allocated cost per lot. In addition, the remaining 11 properties in Birmingham, Alabama, were also sold during this quarter with a net loss of \$104,166. As stated previously, these Birmingham properties were suffering from inadequate due diligence and poor valuation analysis at purchase. But for these Marina Coves and Birmingham properties, a net gain of \$25,144 would have been realized for this quarter.

Additionally, there were 59 properties in escrow as of June 30, 2004, including 56 lots of the Marina Coves property and 15 & 21 Chenevert in Houston, Texas. These properties originally cost \$5,996,805, had capital additions totaling \$4,138,490, and it is anticipated they will produce net sale proceeds of approximately \$8,255,000 resulting in a loss of approximately \$1,880,000. Poorly planned capital improvements and ill-conceived purchase decisions during the pre-receivership period in connection with 15 & 21 Chenevert in Houston, Texas were the primary cause of the anticipated loss. A status report of the major properties is under Tab 1.

The Receiver previously foreshadowed the losses that were likely to surface as the remaining difficult properties were sold. The last seven reports described losses from the sale of properties carried at costs on TLC's books well above documented market value. These carrying costs had ballooned beyond market value because of inadequate due diligence and poor valuation analysis at purchase, or from completing improvements far in excess of the value gained. Most of these properties also required multi-year marketing efforts because of specialized use, limited appeal, physical defects, or a combination of these issues. Several properties were bought to carry out poorly conceived, unrealistic, and impractical development plans.

As of the date of this Report, the Receivership Estate had two major properties in its remaining assets: Marina Coves on the Colorado River and 15 & 21 Chenevert in Houston, Texas. Subsequent to the date of this Report, escrow closed on the Chenevert property.

Marina Coves is now paying back the required additional investment made by the Receivership Estate, which was previously recommended and approved. The project is also poised to not only recover the amount originally spent by the TLC principals, but also to recover an additional profit. The current status of Marina Coves is described in detail in a following section.

The Chenevert Property, a former Nabisco factory bought to convert to a residential loft complex, will generate a loss upon sale in excess of \$2.5 million.

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, 19 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, 60 agents have completed an agreed repayment schedule. Another 15 settlement agreements have been entered into providing for periodic payments over time, which have not yet been completed. Approximately \$2,808,000 has been collected and approximately \$362,000 is expected 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 \$3,170,000. 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 two 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. Of these 29 judgments, funds have been received from 19 of the agents (either voluntarily or through garnishments, levies, etc.), with six accounts being settled in full. Post judgment efforts have resulted, so far, in the collection of approximately \$306,000.

As previously reported, 16 agents have filed Chapter 7 or Chapter 13 bankruptcy petitions. The aggregate claim amount the Receiver seeks against these agents is \$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.

Prior reports have extensively addressed the litigation and title issues involved in the sale of the real property assets transferred by Defendants James Garro (Garro), Navajo Capital, Inc., Sienna Financial Ltd., Corfu International LLC, Camelot International LLC, Merlin Financial, LLC, and The Lancelot Foundation. The defendants transferred two properties that the Receiver alleged had been purchased with TLC investor funds.

The sale of homes in Encinitas, California and Santa Fe, New Mexico were detailed in a previous report.

As previously reported, the Receiver is continuing his efforts to enforce the Settlement Agreement against certain assets of Garro, in particular, a \$260,000 promissory note signed by La Piazza, LLC and its officers and directors that was assigned to the Receiver for collection. To date, the principal and interest remain unpaid.

David Price and Durham Capital Group

The Receiver is continuing his efforts to enforce the judgment against David Price and Durham Capital Group. In reference to the Price's former property at 7843 Marquette, Dallas, Texas, the Receiver continues to pursue attempts to resolve the title issues in an effort to close this sale. David Price and Carol Price have refused to comply with this Court's Order of June 24, 2003, approving the sale of the property with liens and claims attaching to the proceeds. David Price has not been located. Carol Price has been located and served, but continues in her refusal to execute documents to effect the transfer of title. The Receiver has hired counsel in Dallas to file a Motion against the Prices pursuant to the constructive trust order to compel adherence to this Court's Order for the purpose of resolving any

competing claims to title. In the interim, the property remains rented by the purchaser and the contract has been extended to allow the necessary time for the legal and related title issues to be resolved.

Property in Atlanta, Georgia

Century Lofts Project, 505 Whitehall Street S.W.

The Receiver previously reported that a final settlement was reached with the insurance company resolving all remaining claims associated with the Century fire, and recovering all building-related construction expenses and a significant portion of the relatively minor non-construction expenses. The final settlement was completed during this reporting period.

Marina Coves on the Colorado River

One of the most challenging priorities of the Receivership has been crafting a satisfactory resolution of TLC's investment in the Marina Coves home site development project. The TLC principals originally spent \$3,986,282 on the Marina Coves project prior to the appointment of the Receiver. Shortly after the Receivership Estate was created, the Receiver learned that he had two options for the future of the project. The first option was to abandon it and recover about \$300,000 of the TLC investment. The second option was to immediately purchase needed adjoining land for \$1,400,000.

With the purchase, the Receiver was also committed to inject an additional \$4,000,000 just to meet government subdivision requirements to sell home sites to the public and for other expenses. However, this second option, which the Receiver recommended, and this Court approved, was the only path to recover any of the substantial TLC investment for its victims. When selecting and recommending the option to invest additional money in the Coves project, the Receiver's objective was to rehabilitate and advance the Coves project to a level that would allow the Receivership Estate to recover all its approved investment and as much as possible of the original TLC investment.

The Receiver has never intended to divert distribution funds for claimants into the risk of complete lot construction and a long-term retail home site sales program. The Receiver's goal has been to complete enough repairs and improvements to make the Coves project viable and legally entitled to sell home sites to the public. The sales program was put into place to recover the Receiver's additional investment and to create consumer demand for the project, thereby demonstrating the potential value of the project for an investor or developer, the ultimate purchaser from the Receivership estate.

The Receiver completed sufficient improvements to construct a lake reduced in size from the original TLC plan, replaced defective utilities, and completed other required home site improvements, including authorization for boat access to the Colorado River. In July 2002, the Receivership estate began to sell home sites to the retail public.

Beginning in September 2003, retail sales of home sites have increased well beyond any previous levels. The sale of the first 99 entitled lots, now nearly complete, will recover all the additional \$5,400,000 investment made by the Receivership Estate. Equally important, the pace of retail sales and the level of demand add strong support to the appeal and potential value of the project to a potential buyer, creating the potential to recover the original TLC investment and an additional profit.

Momentum in the Coves project was threatened by a cloud on title arising from the change in the course of the Colorado River and changes in boundary lines between California and Arizona. During this reporting period, the Receiver was advised that in September 2003, Mohave County sold a Treasurer's Deed to an individual from Chicago, Illinois (Chicago Claimant) that overlapped approximately 30 acres of our project. The title company refused to issue title insurance policies and 28 lots scheduled to close were at risk of being cancelled. The Receiver immediately filed a notice of claim with Chicago Title and contacted counsel for the Chicago Claimant. The Chicago Claimant was of the opinion that they "hit the lottery" and proposed a settlement amount of \$1,000,000.

Given the Receiver's successful resolution of a similar cloud on title in 2001, Chicago Title again authorized the Receiver to attempt to negotiate a settlement. The Receiver was able to negotiate a settlement in the amount of \$50,000

and obtained a Quit Claim Deed from the Chicago Claimant. Chicago Title reimbursed the Receiver for the settlement payment. In an attempt to prevent Mohave County from selling overlapping Treasurer's Deeds in the future, the Receiver met with county officials and representatives from the City of Needles and was able to obtain a resolution from the city council members for Needles and a Quit Claim Deed covering all conflicting property previously held by the City of Needles. In September 2003, the Receiver engaged an experienced land sales consultant to develop a plan to sell the project in bulk. Since then, land planning and development consultants working with the Receiver's staff and the land sales consultant, have prepared a higher density development plan. The land consultant has launched an aggressive marketing campaign to locate bulk buyers for the project. The consultant and other professionals providing guidance and direction for the project believe the Receivership Estate will recover the original TLC investment, and possibly a meaningful profit, when a bulk sale is concluded.

Recent water-authority decisions are impacting a previously executed contract to purchase water to replace lake evaporation. Without a current supply of replacement water, the existing entitlements, including the authority to sell lots, could be subject to change or suspension by the Arizona Department of Real Estate. Retail demand for the lots, and the ability to attract a bulk purchaser, could then be substantially reduced. To resolve these immediate issues, the Receiver has engaged a local contractor to drill a well on the property that is expected to meet current re-supply needs and cost under \$100,000.

The Receiver is also investigating other long-term options to craft a permanent solution to the replacement water requirement that does not depend on contracts with local water authorities that govern drawing water from a well owned by the development. A possible long-term solution may rest with the local Indian Tribe that can supply reclaimed waste water to replace evaporation. This option, and others, is in the early stages of investigation and analysis.

The Receiver believes this current situation will be resolved and the ultimate value of the project for the estate will be preserved.

Remaining Properties (Not Including The Coves)

The Receiver is actively pursuing the disposition of the remaining 23 individual properties located in Texas. There are three commercial properties, ten residential properties, nine lots and one piece of acreage remaining from the original inventory of properties.

The real estate brokers engaged to sell the remaining properties believe that all will sell before the end of 2004. The 23 properties have been valued and are being aggressively marketed. The Receiver continues to monitor the efforts and results of current marketing and sales activities and will implement alternative marketing and disposition plans if needed.

Properties in San Antonio, Texas

The Receiver previously reported that the four remaining properties (three lots and one residential property) were receiving minimal activity from the brokerage community. The Receiver contacted the San Antonio Development Agency (SADA) to inquire about their interest in purchasing the remaining properties. The SADA expressed an interest and requested certain documentation. The information has been provided and the properties are currently under review by the SADA to determine if eligibility requirements are in compliance. The Receiver will monitor this process and advise the Court on the results.

Properties in Houston, Texas

At the end of June 2004, the remaining Houston portfolio of 19 properties was comprised of three commercial properties, nine residential single-family homes, six lots, and one piece of acreage.

All of the remaining commercial, residential and acreage properties are listed for sale. Three of the properties are under contract and in escrow and scheduled to close in the third quarter of 2004. Subsequent to the date of this report, a Court

Order was issued approving the sale of the largest remaining commercial property located at 15 and 21 Chenevert. The escrow on the Chenevert property closed on July 23rd.

All of the remaining six lots are either listed for sale or in the process of completing title clearance work prior to listing these properties for sale. Title company attorneys are currently working in cooperation with the Receiver to resolve the remaining title issues.

The Receiver anticipates that all remaining properties will be sold by the end of 2004. The only delay may be caused by unresolved title issues.

Investor Distributions

On June 21, 2004, this Court approved a Stipulated Order to distribute \$3 million to the undisputed investor claims. A distribution of \$3 million was completed by June 30, 2004. To date, \$49.5 million, or approximately 42.4% of approved claims has been distributed to investors. An additional distribution of \$3 to \$5 million is planned in September 2004.

Administrative Expenses

Under Tab 2 are the financial reports for the period of April 1, 2004 through June 30, 2004. 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, 2004 through June 30, 2004, 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, 2004

	Property Address	SFR, Multi, Comm'l, Land, Lots	City	State	Purchase Date	Property Status as of 6/30/04	Carrying Cost as of 10/4/00	Acquisition & Capital Additions from 10/5/00 to 6/30/04	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	\$ 36,342.00	Since sales commenced in July 2002, a total of 38 lots have been sold for \$2,477,765 and an additional 56 lots are under contract for \$4,984,850. Five lots remain on the market for sale. Nine homes have been completed with eight additional homes under construction. According to the builder, 17 building permits have been issued and seven permits are currently being processed. Phase A (99 lots) is listed for sale as individual lots with a local Realtor. Concurrently, the Receiver has listed the remaining acreage, exclusive of Phase A, with an experienced land sale specialist to market as a bulk sale. Marketing for the remaining individual lot sales in Phase A and for the bulk sale acreage is ongoing.		\$ 5,885,022.45			
2	235 S Flower	Comm'l	Brea	CA	12/15/98	SOLD	\$ 546,007.98	4,900.00	\$ 495,000.00	\$ 422,500.00	117.16%
3	212 S Orange Ave	Multi	Brea	CA	01/01/99	SOLD	1,864,984.00	8,000.00	1,850,000.00	1,580,000.00	117.09%
4	7500 Hammer Ave	Land	Norco	CA	11/05/99	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 Hammer)	Land	Corona	CA	11/05/99	SOLD					
6	736 N. State St. Plaza	Comm'l	Hemet	CA	09/30/99	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	10/06/00	SOLD	-	-	5,550,000.00	6,100,000.00	90.98%
8	10541 Monte Vista (Corral) - See #9 Holt Blvd	Comm'l	Montclair	CA	06/22/99	SOLD					
9	4939-49 Holt Blvd	Comm'l	Montclair	CA	06/22/99	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	11/01/98	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	05/01/00	SOLD	1,300,180.00	59,932.71	792,500.00	827,500.00	95.77%
12	510 Turfwood Lane	SFR	Solana Beach	CA	05/15/00	SOLD	261,046.00	-	267,500.00	265,000.00	100.94%
13	1245 Jasmine Circle	SFR	Weston	FL	12/01/98	SOLD	316,014.10	-	310,000.00	312,500.00	99.20%
14	370 Holly & 1600 Carlisle	Multi	Atlanta	GA	12/01/98	SOLD	2,259,780.99	66,839.00	1,710,000.00	1,391,666.67	122.87%
15	470 & 488 Glen St	Comm'l/Loft	Atlanta	GA	04/08/99	SOLD	2,082,669.86	502,328.04	2,000,000.00	1,460,000.00	136.99%
16	Century Lofts, 505 Whitehall St SW (remaining units)	Loft	Atlanta	GA	11/01/98	SOLD	3,541,149.72	2,422,991.06	3,430,500.00	3,600,000.00	95.29%
16A	Century Lofts, 505 Whitehall St SW (sold units)	Loft	Atlanta	GA	11/01/98	SOLD	886,087.85	-	849,000.00	900,000.00	94.33%
17	1908 Judd Hillside	SFR	Honolulu	HI	10/06/99	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	08/01/98	SOLD	33,437.50	580.78	65,000.00	58,500.00	111.11%
19	715 S Kihei Rd	Land Lease	Kihei	HI	01/01/99	SOLD	402,965.30	14,300.00	1,187,867.00	1,263,965.00	93.98%
20	4420 Makena Rd.	SFR	Makena	HI	10/13/99	SOLD	2,809,999.40	500.00	4,000,000.00	4,025,000.00	99.38%
21	4323 Bowser	Multi	Dallas	TX	03/17/00	SOLD	275,479.63	5,082.50	330,000.00	280,000.00	117.86%

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Status of Major Properties
As of June 30, 2004

	Property Address	SFR, Multi, Comm'l, Land, Lots	City	State	Purchase Date	Property Status as of 6/30/04	Carrying Cost as of 10/4/00	Acquisition & Capital Additions from 10/5/00 to 6/30/04	Sales Price	Average Appraisal Values	Sales Price as a % of Average Appraisal Value
22	57 Cherrywood Ct	SFR	Houston	TX	12/01/98	SOLD	429,613.78	52,009.36	450,000.00	510,000.00	88.24%
23	10100 E. Freeway	Comm'l	Houston	TX	04/22/99	SOLD	448,718.31	12,190.22	575,000.00	450,000.00	127.78%
24	3000 Bering Dr.	Comm'l	Houston	TX	08/31/99	SOLD	1,199,638.45	50,860.32	1,475,000.00	960,000.00	153.65%
25	2002 Gentryside Dr.	Multi & Land	Houston	TX	03/31/00	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	11/01/98	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	04/22/99	SOLD	3,130,109.55	1,293,369.37	2,246,000.00	2,122,500.00	105.82%
28	15 N. Chenevert	Comm'l/Loft	Houston	TX	07/14/99	Vacant 85,000 sq. ft. loft bldg. downtown. This property is currently under contract and in escrow with the title company. The Buyer has completed the due diligence phase of the contract. Subsequent to the date of this report, the Court approved the sale of the property, which is scheduled to close in July 2004.		385,782.36			
29	21 Chenevert	Comm'l/Loft	Houston	TX	07/13/99	Vacant lot adjacent to the warehouse bldg. at 15 N. Chenevert-see # 28 above for description.		133,228.00			
30	1331 - 1339 S Flores	Comm'l	San Antonio	TX	01/01/99	SOLD	2,714,374.15	42,655.00	1,995,000.00	1,675,000.00	119.10%
31	Lake Livingston	SFR & Land	San Jacinto	TX	02/01/99	SOLD	652,014.58	193,947.00	684,500.00	477,500.00	143.35%
32	1809-17 Douglas Ave	Multi	Racine	WI	12/01/98	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%
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%
38	48 lots in Quail Bridge Gardens	Land	Houston	TX		SOLD	222,839.54	43,881.92	263,000.00	267,500.00	98.32%
	For Major Properties -						\$ 44,264,660.33	\$ 11,451,232.68	\$ 53,725,867.00	\$ 47,933,131.67	112.09%

Robb Evans, Receiver of TLC Investments & Trade Co., et al.
Summary of Income
October 31, 2000 (Inception of Permanent Receivership) through June 30, 2004

	<u>October 31, 2000 to March 31, 2004</u>	<u>April 1, 2004 to June 30, 2004</u>	<u>Total</u>
Proceeds from Sales of Properties	\$ 52,146,052.11	\$ 1,756,703.94	\$ 53,902,756.05
Rental Income	5,766,793.74	103,936.75	5,870,730.49
Commission Repayments from Agents	2,770,839.37	275,982.44	3,046,821.81
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	250.00	120.00	370.00
Interest Income:			
Mortgage Notes	521,237.31	33,374.42	554,611.73
Bank Deposits	200,276.53	4,855.93	205,132.46
Bridge Loan	68,269.71	-	68,269.71
Hardship Loans	38,110.25	-	38,110.25
Other	1,785.65	-	1,785.65
Total Interest Income	<u>829,679.45</u>	<u>38,230.35</u>	<u>867,909.80</u>
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 Gary Williams Under the Court Judgment	20,425.56	1,758.24	22,183.80
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
Proceeds from Granting of Easements	13,200.00	-	13,200.00
Miscellaneous Income	90,844.12	1,054.91	91,899.03
Total Income	\$ 66,040,289.82	\$ 2,177,786.63	\$ 68,218,076.45

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Summary of Expenses
October 31, 2000 (Inception of Permanent Receivership) through June 30, 2004

	<u>October 31, 2000 to March 31, 2004</u>	<u>April 1, 2004 to June 30, 2004</u>	<u>Total</u>
Business Operating Expenses:			
Property Expenses:			
Repairs & Maintenance	\$ 2,929,122.81	\$ 52,154.35	\$ 2,981,277.16
Property Taxes	1,829,480.46	121,919.72	1,951,400.18
Insurance	991,711.30	10,000.00	1,001,711.30
Utilities	968,352.03	17,997.75	986,349.78
Management Fees	668,917.01	11,416.98	680,333.99
Engineering & Architecture	625,703.98	-	625,703.98
Security, Alarm & Protection	337,229.76	-	337,229.76
Advertising & Marketing	298,932.59	15,513.36	314,445.95
Legal Fees	284,167.61	19,379.30	303,546.91
Gardening Services	288,841.21	4,085.00	292,926.21
Appraisal & Survey (Footnote 1)	281,116.20	(7,448.88)	273,667.32
Cleaning Services	174,387.91	-	174,387.91
Development Expenditures	35,845.63	-	35,845.63
Miscellaneous (Footnote 1)	787,886.99	(61,708.79)	726,178.20
Total Property Expenses	10,501,695.49	183,308.79	10,685,004.28
Field Office Operating Expenses	2,387,632.71	56,046.50	2,443,679.21
Racehorse Expenses	261,344.53	-	261,344.53
Dog Expenses	21,084.81	-	21,084.81
Federal & State Income Taxes (Net of Refunds)	1,150.26	-	1,150.26
Total Business Operating Expenses	13,172,907.80	239,355.29	13,412,263.09
Receivership Administrative Expenses:			
Receiver's Fees & Expenses:			
Receiver's Fees	212,520.00	3,982.00	216,502.00
Receiver's Out of Pocket Expenses	5,278.09	-	5,278.09
Total Receiver's Fees & Expenses	217,798.09	3,982.00	221,780.09
Staff Expenses:			
Accounting & Support / Financial Reconstruction	1,157,111.50	30,726.35	1,187,837.85
Project Coordinators / Portfolio Management	679,384.64	9,328.00	688,712.64
Out of Pocket Expenses	194,086.21	-	194,086.21
Employer Taxes	83,538.98	2,020.90	85,559.88
Total Staff Expenses	2,114,121.33	42,075.25	2,156,196.58
Other Receivership Administrative Expenses:			
Legal Fees & Costs	1,805,262.42	44,659.80	1,849,922.22
Tax Return Preparation Fees	94,862.00	400.00	95,262.00
Copying & Records Reproduction	88,200.36	-	88,200.36
Interest Expense	19,420.99	-	19,420.99
Miscellaneous Expenses	290,562.70	14,114.97	304,677.67
Total Other Receivership Administrative Expenses	2,298,308.47	59,174.77	2,357,483.24
Total Receivership Administrative Expenses	4,630,227.89	105,232.02	4,735,459.91
Total Expenses Previously Reported	\$ 17,803,135.69		
Total Current Period Expenses		\$ 344,587.31	
Total Expenses for the Period from October 31, 2000 through June 30, 2004			\$ 18,147,723.00

Footnote 1: The figure for the reporting quarter reflects the inception-to-date adjustments.