

**Robb Evans, Receiver of TLC Investments & Trade Co., et al.**  
**Quarterly Report to the Court**  
**As of March 31, 2007**

This is the twenty-sixth quarterly report to the Court. The purpose of this report is to:

- 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**

With the exception of the Dallas property discussed below, all of the real property in the Receivership Estate has been sold.

**Sienna Financial Ltd.**

*David Price and Durham Capital Group*

The last real estate asset is the property located at 7843 Marquette Street, Dallas, Texas, purchased by David Price and Carol Miller Price with funds diverted from TLC. The sale has been delayed for several years because Long Beach Mortgage Company refused to release its security interest, which was filed after the date the Receiver filed a lis pendens against the property in connection with a lawsuit against David Price and the Durham Capital Group. Long Beach Mortgage still refuses to release its lien, despite orders of this Court transferring title to the Receiver, and despite the Order of the Dallas County District Court issued by the Honorable Carlos Cortez on January 22, 2007 granting the Receiver's Motion for Summary Judgment Motion. The Dallas County District Court ruled that the Receiver's Notice of Lis Pendens, filed on July 23, 2002 and recorded on July 24, 2002 is superior to Defendant Long Beach Mortgage Company's Texas Home Equity Security Instrument, dated July 24, 2002 and filed and recorded on August 2, 2002. As reported previously, the Dallas County District Court's Order rejected Long Beach Mortgage's argument that the Receiver's Lis Pendens is ineffective. Long Beach filed a Motion for New Trial, which was summarily denied on April 4, 2007. Attorney's Fees were awarded in favor of the Receiver in the approximate amount of \$56,000. The Receiver contacted the Title Company following the April 4, 2007 Order in an attempt to close on the property. On April 13, 2007, Long Beach Mortgage Company filed a Notice of Appeal.

They did not post a bond, and the Receiver is attempting to proceed to close the sale. However, the Title Company refuses to proceed during the pendency of an appeal. The Receiver is seeking a further order from the Dallas County District Court to allow the sale to proceed pending the appeal with the proceeds being placed in escrow. The Receiver is also taking steps to collect the attorney's fee award from Long Beach Mortgage, which holds assets in Texas sufficient to satisfy the amount awarded. The purchaser continues to rent the property pending sale.

### **Administrative Expenses**

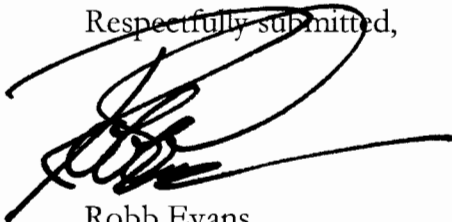
Under Tab 1 are the financial reports for the period of January 1, 2007 through March 31, 2006. The Court is respectfully requested to approve these reports, including fees and expenses of the Receiver.

### **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, 2007 through March 31, 2007, including fees and expenses of the Receiver detailed under Tab 1.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Robb Evans', with a long horizontal flourish extending to the right.

Robb Evans  
Receiver

# **TAB 1**

**Robb Evans, Receiver of TLC Investments & Trade Co., et al.**  
**Summary of Income**  
**October 31, 2000 (Inception of Permanent Receivership) through March 31, 2007**

	<u>October 31, 2000 to December 31, 2006</u>	<u>January 1, 2007 to March 31, 2007</u>	<u>Total</u>
Proceeds from Sales of Properties	\$ 72,844,875.30	\$ -	\$ 72,844,875.30
Rental Income	6,017,751.40	4,500.00	6,022,251.40
Commission Repayments from Agents	4,043,539.29	-	4,043,539.29
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	809.14	-	809.14
Interest Income:			
Mortgage Notes	718,827.49	10,668.00	729,495.49
Bank Deposits	332,673.48	11,118.73	343,792.21
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>1,159,666.58</u>	<u>21,786.73</u>	<u>1,181,453.31</u>
Proceeds from Sale of Mortgage Notes	411,816.47	-	411,816.47
Receipts of Cash from Tom G. Cloud and Cloud & Associates			
Under the Court Judgment	385,178.12	-	385,178.12
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	22,769.72	-	22,769.72
Receipts of Cash from Ernest Cossey Under the Court Judgment	243,926.72	-	243,926.72
Proceeds from Dispositions of Auto, Furniture & Equipment	15,224.40	-	15,224.40
Proceeds from Granting of Easements	13,200.00	-	13,200.00
Settlement-Note on Lake Livingston Property	5,000.00	-	5,000.00
Restitutions Received from Brian Aeria	4,025.00	900.00	4,925.00
Restitutions Received from Kettenhof	1,200.00	300.00	1,500.00
Miscellaneous Income	121,072.26	-	121,072.26
<b>Total Income</b>	<b>\$ 89,280,746.57</b>	<b>\$ 27,486.73</b>	<b>\$ 89,308,233.30</b>

**Robb Evans, Receiver of TLC Investments & Trade Co., et al.**  
**Summary of Expenses**  
**October 31, 2000 (Inception of Permanent Receivership) through March 31, 2007**

	<u>October 31, 2000 to December 31, 2006</u>	<u>January 1, 2007 to March 31, 2007</u>	<u>Total</u>
<b>Business Operating Expenses:</b>			
<b>Property Expenses:</b>			
Repairs & Maintenance	\$ 3,186,928.73	\$ -	\$ 3,186,928.73
Property Taxes (Footnote 1)	2,159,202.43	(12.33)	2,159,190.10
Insurance	1,076,939.40	3,129.87	1,080,069.27
Utilities	1,009,571.08	-	1,009,571.08
Management Fees	692,090.71	-	692,090.71
Engineering & Architecture	625,703.98	-	625,703.98
Advertising & Marketing	439,672.04	-	439,672.04
Legal Fees	415,799.77	122.00	415,921.77
Security, Alarm & Protection	317,811.80	-	317,811.80
Gardening Services	303,411.21	-	303,411.21
Appraisal & Survey	267,689.22	-	267,689.22
Cleaning Services	174,862.91	-	174,862.91
Development Expenditures	35,845.63	-	35,845.63
Miscellaneous	673,463.85	-	673,463.85
<b>Total Property Expenses</b>	<u>11,378,992.76</u>	<u>3,239.54</u>	<u>11,382,232.30</u>
Field Office Operating Expenses (Footnote 1)	2,775,120.88	(16.00)	2,775,104.88
Racehorse Expenses	261,344.53	-	261,344.53
Dog Expenses	21,084.81	-	21,084.81
Federal & State Income Taxes	402,854.98	35,025.00	437,879.98
<b>Total Business Operating Expenses</b>	<u>14,839,397.96</u>	<u>38,248.54</u>	<u>14,877,646.50</u>
<b>Receivership Administrative Expenses:</b>			
<b>Receiver's Fees &amp; Expenses:</b>			
Receiver's Fees	261,734.00	1,628.00	263,362.00
Receiver's Out of Pocket Expenses	5,913.95	-	5,913.95
<b>Total Receiver's Fees &amp; Expenses</b>	<u>267,647.95</u>	<u>1,628.00</u>	<u>269,275.95</u>
<b>Staff Expenses:</b>			
Accounting & Support / Financial Reconstruction	1,343,076.50	5,888.20	1,348,964.70
Project Coordinators / Portfolio Management	720,524.64	744.00	721,268.64
Out of Pocket Expenses	207,172.15	-	207,172.15
Employer Taxes	95,432.69	513.59	95,946.28
<b>Total Staff Expenses</b>	<u>2,366,205.98</u>	<u>7,145.79</u>	<u>2,373,351.77</u>
<b>Other Receivership Administrative Expenses:</b>			
Legal Fees & Costs	2,042,530.25	20,030.18	2,062,560.43
Tax Return Preparation Fees	118,762.00	-	118,762.00
Copying & Records Reproduction	88,317.86	-	88,317.86
Interest Expense	19,420.99	-	19,420.99
Miscellaneous Expenses	402,486.80	5,440.65	407,927.45
<b>Total Other Receivership Administrative Expenses</b>	<u>2,671,517.90</u>	<u>25,470.83</u>	<u>2,696,988.73</u>
<b>Total Receivership Administrative Expenses</b>	<u>5,305,371.83</u>	<u>34,244.62</u>	<u>5,339,616.45</u>
<b>Total Expenses Previously Reported</b>	<b>\$ 20,144,769.79</b>		
<b>Total Current Period Expenses</b>		<b>\$ 72,493.16</b>	
<b>Total Expenses for the Period from October 31, 2000 through March 31, 2007</b>			<b>\$ 20,217,262.95</b>

Footnote 1:  
The negative balance includes refunds.

**Robb Evans, Receiver of TLC Investments & Trade Co., et al.**  
**Receiver Fee Claim**  
**For the Period from January 1 through March 31, 2007**

<b>Date</b>	<b>Memo</b>	<b>Amount</b>
01/31/2007	P/E 01/01/07-01/31/07	\$ 374.00
02/28/2007	P/E 02/01/07-02/28/07	440.00
03/31/2007	P/E 03/01/07-03/31/07	814.00
<b>Total Fee &amp; Expense Claims</b>		<b>\$ 1,628.00</b>