

Robb Evans, Receiver of TLC Investments & Trade Co., et al.
Quarterly Report to the Court
As of June 30, 2007

This is the twenty-seventh 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 (Long Beach) 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. The title company will not grant title insurance without the release of lien by Long Beach Mortgage.

The Receiver brought suit against Long Beach pursuant to the Uniform Declaratory Judgments Act ("UDJA"), Chapter 37 of the Texas Civil Practice and Remedies Code, and sought a declaration of the invalidity and/or unenforceability of a deed of trust lien claim asserted by Long Beach and declaration of the superiority of the Receiver's Lis Pendens in connection with the real property located at 7843 Marquette Street, Dallas, Texas. The Receiver also sought an award of its attorneys' fees.

The Receiver and Long Beach filed cross-motions for summary judgment, and the Dallas County District Court granted the Receiver's Motion for Summary Judgment, denied Long Beach's Motion for Summary Judgment, and entered a Final Judgment in favor of the Receiver on January 22, 2007. The Final Judgment declared the Receiver's Lis

Pendens valid and superior to Long Beach's deed of trust lien claim, declared Long Beach's deed of trust lien claim invalid and of no force or effect, quieted title in the Receiver, and awarded the Receiver his attorneys' fees.

The Dallas Court ruled that the Receiver's Notice of Lis Pendens, filed on July 23, 2002 and recorded on July 24, 2002 was 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. Attorney's Fees were awarded in favor of the Receiver in the approximate amount of \$56,000. Long Beach filed a Motion for New Trial, which was summarily denied on April 4, 2007. On April 13, 2007, Long Beach filed a Notice of Appeal. The briefs of both the appellant and the appellee have now been filed, and the Receiver's Texas counsel anticipates that the case will be heard by the Fifth District Court of Appeals, Dallas County, within three to six months. The Receiver filed a Motion to garnish assets of Long Beach Mortgage to collect its attorney's fees. Long Beach Mortgage recently posted a bond pending appeal in the amount of the attorney's fees. The Receiver also filed a Motion to require Long Beach Mortgage to post a bond for the sales contract price, but that Motion was denied by the Dallas Court. The purchaser continues to rent the property pending sale.

Administrative Expenses

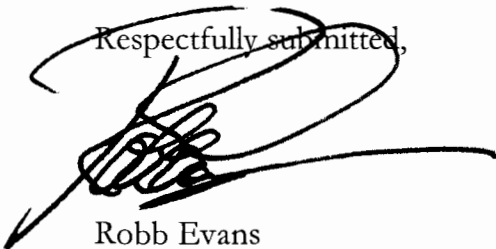
Under Tab 1 are the financial reports for the period of April 1, 2007 through June 30, 2007. The Court is respectfully requested to approve these reports, including fees and expenses of the Receiver.

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, 2007 through June 30, 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", is written over the text "Respectfully submitted,". The signature is stylized and somewhat illegible.

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 June 30, 2007

	<u>October 31, 2000 to March 31, 2007</u>	<u>April 1, 2007 to June 30, 2007</u>	<u>Total</u>
Proceeds from Sales of Properties	\$ 72,844,875.30	\$ -	\$ 72,844,875.30
Rental Income	6,022,251.40	4,500.00	6,026,751.40
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	729,495.49	-	729,495.49
Bank Deposits	343,792.21	16,851.34	360,643.55
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>1,181,453.31</u>	<u>16,851.34</u>	<u>1,198,304.65</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	4,925.00	900.00	5,825.00
Restitutions Received from Kettenhof	1,500.00	400.00	1,900.00
Miscellaneous Income	121,072.26	-	121,072.26
Total Income	\$ 89,308,233.30	\$ 22,651.34	\$ 89,330,884.64

Robb Evans, Receiver of TLC Investments & Trade Co., et al.
 Summary of Expenses
 October 31, 2000 (Inception of Permanent Receivership) through June 30, 2007

	<u>October 31, 2000 to March 31, 2007</u>	<u>April 1, 2007 to June 30, 2007</u>	<u>Total</u>
Business Operating Expenses:			
Property Expenses:			
Repairs & Maintenance (Footnote 1)	\$ 3,186,928.73	\$ (539.79)	\$ 3,186,388.94
Property Taxes	2,159,190.10	-	2,159,190.10
Insurance	1,080,069.27	1,109.59	1,081,178.86
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	415,921.77	6,458.69	422,380.46
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	1,342.51	674,806.36
Total Property Expenses	<u>11,382,232.30</u>	<u>8,371.00</u>	<u>11,390,603.30</u>
Field Office Operating Expenses	2,775,104.88	-	2,775,104.88
Racehorse Expenses	261,344.53	-	261,344.53
Dog Expenses	21,084.81	-	21,084.81
Federal & State Income Taxes	437,879.98	-	437,879.98
Total Business Operating Expenses	<u>14,877,646.50</u>	<u>8,371.00</u>	<u>14,886,017.50</u>
Receivership Administrative Expenses:			
Receiver's Fees & Expenses:			
Receiver's Fees	263,362.00	1,562.00	264,924.00
Receiver's Out of Pocket Expenses	5,913.95	-	5,913.95
Total Receiver's Fees & Expenses	<u>269,275.95</u>	<u>1,562.00</u>	<u>270,837.95</u>
Staff Expenses:			
Accounting & Support / Financial Reconstruction	1,348,964.70	4,905.48	1,353,870.18
Project Coordinators / Portfolio Management	721,268.64	780.00	722,048.64
Out of Pocket Expenses	207,172.15	-	207,172.15
Employer Taxes	95,946.28	555.09	96,501.37
Total Staff Expenses	<u>2,373,351.77</u>	<u>6,240.57</u>	<u>2,379,592.34</u>
Other Receivership Administrative Expenses:			
Legal Fees & Costs	2,062,560.43	8,954.62	2,071,515.05
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	407,927.45	2,865.25	410,792.70
Total Other Receivership Administrative Expenses	<u>2,696,988.73</u>	<u>11,819.87</u>	<u>2,708,808.60</u>
Total Receivership Administrative Expenses	<u>5,339,616.45</u>	<u>19,622.44</u>	<u>5,359,238.89</u>
Total Expenses Previously Reported	\$ 20,217,262.95		
Total Current Period Expenses		\$ 27,993.44	
Total Expenses for the Period from October 31, 2000 through June 30, 2007			\$ 20,245,256.39

Footnote 1:
 The negative balance includes refunds.

Robb Evans, Receiver of TLC Investments & Trade Co., et al.
Receiver Fee Claim
For the Period from April 1 through June 30, 2007

Date	Memo	Amount
04/30/2007	P/E 04/01/07-04/30/07	\$ 330.00
05/31/2007	P/E 05/01/07-05/31/07	704.00
06/30/2007	P/E 06/01/07-06/30/07	528.00
Total Fee & Expense Claims		\$ 1,562.00