

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

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

- Update the Court regarding the status of the final remaining issue of the Receivership Estate 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. Completion of the sale has been delayed for several years because Long Beach Mortgage Company (Long Beach) refuses to release its security interest recorded against the property. The Long Beach mortgage security interest was recorded after the date the Receiver filed a lis pendens, and this Court has transferred title in this asset to the Receiver.

The Receiver filed this Court's Order in Dallas, 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. Despite the orders of two Courts granting clear title to the Receiver, the title company will not grant title insurance without the release of lien by Long Beach Mortgage. Long Beach Mortgage, now owned by Washington Mutual, refuses to release its lien and has appealed the Dallas County District Court Order. Long Beach Mortgage

has also refused to complete the sale and escrow the proceeds pending their appeal of the Order granting title free and clear to the Receiver.

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 Fifth District Court of Appeals, Dallas County, has scheduled this to be submitted January 15, 2008 to a panel (Tab 1), and has advised the parties that oral arguments will not be necessary. The purchaser continues to rent the property pending completion of the sale. The Receiver believes that the sale will be completed and the last asset of the estate will be sold in the near future.

Administrative Expenses

Under Tab 2 are the financial reports for the period of July 1, 2007 through September 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. In the interest of economy, authorize the Receiver to file his next report after the results of the Texas Court of Appeals ruling are known.
3. Authorize or confirm all expenses of the Receivership from July 1, 2007 through September 30, 2007, including fees and expenses of the Receiver detailed under Tab 2.

Respectfully submitted,

/s/

Robb Evans
Receiver

TAB 1

CHIEF JUSTICE
LINDA THOMAS
JUSTICES
JOSEPH B. MORRIS
MARK WHITTINGTON
CAROLYN WRIGHT
JIM MOSELEY
DAVID L. BRIDGES
MICHAEL J. O'NEILL
KERRY P. FITZGERALD
MARTIN RICHTER
MOLLY FRANCIS
DOUGLAS S. LANG
ELIZABETH LANG-MIERS
AMOS L. MAZZANT



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October 25, 2007

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RE: Court of Appeals Number: 05-07-00435-CV
Trial Court Case Number: 05-05219-B

Style: Long Beach Mortgage Company
v.
Robb Evans, as Receiver for TLC America, Inc.

The Court has determined that oral argument will not significantly aid it in determining the legal and factual issues presented in the appeal. Accordingly, the appeal will be submitted without oral argument on 15th day of January, 2008 to a panel consisting of Justice Mark Whittington, Justice David L. Bridges, and Justice Molly Francis. See Tex. R. App. P. 39.8.

Respectfully Yours,
Lisa Matz, Clerk of the Court

by Cindy Thornton, Deputy Clerk

TAB 2

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

	<u>October 31, 2000 to June 30, 2007</u>	<u>July 1, 2007 to September 30, 2007</u>	<u>Total</u>
Proceeds from Sales of Properties	\$ 72,844,875.30	\$ -	\$ 72,844,875.30
Rental Income	6,026,751.40	4,500.00	6,031,251.40
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	729,495.49	-	729,495.49
Bank Deposits	360,643.55	16,623.99	377,267.54
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	1,198,304.65	16,623.99	1,214,928.64
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	5,825.00	-	5,825.00
Restitutions Received from Kettenhof	1,900.00	200.00	2,100.00
Miscellaneous Income	121,072.26	9,973.86	131,046.12
Total Income	\$ 89,330,884.64	\$ 31,297.85	\$ 89,362,182.49

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

	October 31, 2000 to June 30, 2007	July 1, 2007 to September 30, 2007	Total
Business Operating Expenses:			
Property Expenses:			
Repairs & Maintenance	\$ 3,186,388.94	\$ -	\$ 3,186,388.94
Property Taxes (Footnote 1)	2,159,190.10	(25,000.00)	2,134,190.10
Insurance	1,081,178.86	2,998.17	1,084,177.03
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	422,380.46	-	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	674,806.36	-	674,806.36
Total Property Expenses	11,390,603.30	(22,001.83)	11,368,601.47
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	2,400.00	440,279.98
Total Business Operating Expenses	14,886,017.50	(19,601.83)	14,866,415.67
Receivership Administrative Expenses:			
Receiver's Fees & Expenses:			
Receiver's Fees	264,924.00	748.00	265,672.00
Receiver's Out of Pocket Expenses	5,913.95	-	5,913.95
Total Receiver's Fees & Expenses	270,837.95	748.00	271,585.95
Staff Expenses:			
Accounting & Support / Financial Reconstruction	1,353,870.18	3,711.04	1,357,581.22
Project Coordinators / Portfolio Management	722,048.64	1,008.00	723,056.64
Out of Pocket Expenses	207,172.15	-	207,172.15
Employer Taxes	96,501.37	542.80	97,044.17
Total Staff Expenses	2,379,592.34	5,261.84	2,384,854.18
Other Receivership Administrative Expenses:			
Legal Fees & Costs	2,071,515.05	25,061.39	2,096,576.44
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	410,792.70	4,440.11	415,232.81
Total Other Receivership Administrative Expenses	2,708,808.60	29,501.50	2,738,310.10
Total Receivership Administrative Expenses	5,359,238.89	35,511.34	5,394,750.23
Total Expenses Previously Reported	\$ 20,245,256.39		
Total Current Period Expenses		\$ 15,909.51	
Total Expenses for the Period from October 31, 2000 through September 30, 2007			\$ 20,261,165.90

Footnote 1:
 The negative balance represents a refund.

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

Date	Memo	Amount
07/31/2007	P/E 07/01/07-07/31/07	\$ 506.00
08/31/2007	P/E 08/01/07-08/31/07	132.00
09/30/2007	P/E 09/01/07-09/30/07	110.00
Total Fee & Expense Claims		\$ 748.00