

# ROBB EVANS

Federal Court Receiver of TLC Investments et al.

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November 2, 2000

To: Investors and Creditors of TLC Investments & Trade Co.

On October 4, 2000, the United States Securities and Exchange Commission ("S.E.C.") filed a civil action in the United States District Court, Central District of California, Southern Division, against:

TLC Investments & Trade Co.

TLC America,Inc. dba Brea Development Company

TLC Brokerage, Inc. dba TLC Marketing

TLC Development, Inc.

TLC Real Properties

RLLP-1

Cloud & Associates Consulting, Inc.

Ernest F. Cossey, Gary W. Williams, and Thomas G. Cloud

The complaint alleged that these defendants violated Federal securities laws, requested a freeze of the assets and appointment of a Receiver.

On October 5th Federal District Court Judge David O. Carter granted the S.E.C.'s request and appointed me Temporary Receiver of TLC Investments & Trade Co. and its affiliates. I was ordered to take custody and control of the assets of all the companies. On October 5th I assumed control of the company headquarters and its bank accounts. I then began the process of exercising control over properties and other assets located throughout the United States.

On October 30th Judge Carter issued a Preliminary Injunction and appointed me Permanent Receiver. My colleagues and I are now evaluating how best to return the maximum possible amount to investors. We will be operating under the supervision of Judge Carter. It is clear that Judge Carter does not want a "fire sale" and will insist that the maximum possible value be obtained for all assets. That will be our goal.

I invite you to visit my internet web site at [www.robbevans.com](http://www.robbevans.com). I have placed a copy of the Court's Order and my first report to the Court on the web site along with the Court's rulings and other documents that may be of interest to investors. For those who cannot visit the web site, you may receive a copy of my initial report by faxing a request to the letterhead facsimile number or by leaving your name and address with my staff at the letterhead telephone number.

The initial report is based on a very preliminary investigation and review of the company records. Our initial conclusions are subject to additional study of the business records and other documents as well as a great deal of investigative work. Nevertheless, I believe that the value of the company assets, although substantial, will be less than the amounts owed to investors.

I intend to immediately begin an orderly liquidation of the real property and other assets, and to investigate other sources for recovery of your loss. I hope to make periodic distributions as cash becomes available. Unfortunately, it would not be realistic to expect a distribution this year.

You may communicate with my staff or me by mail or facsimile at the letterhead address or via e-mail at [rea@robbevans.com](mailto:rea@robbevans.com). Presently, you do not need to send me any records or documents unless the name or address on the envelope is incorrect. I invite you to let me know of your concerns. I will post announcements and situation updates on our web site. It is also my intention to conduct group meetings with investors as soon as meaningful information is available. Looking at the addresses of investors, it appears that meetings in the greater Los Angeles area and in the southern San Joaquin Valley have the best likelihood of being convenient to most investors. You will be advised of the time and place of those meetings.

In the meantime, rest assured that my colleagues and I will be working as diligently as possible to maximize your recovery in this unfortunate circumstance. As much as we would like to answer all of your questions or concerns as soon as possible, the demands of urgency and economy prevent us spending significant time dealing with individual investor situations until we have reached a later stage in this process. We ask for your patience.

Very truly yours,

/S/

Robb Evans  
Receiver

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