

ROBB EVANS
Receiver of TLC Investments et al.
11450 Sheldon Street
Sun Valley, California 91352-1121

March 8, 2001

Subject: Hardship Advances

Dear Investor:

On January 31, 2001 I filed a motion with the United States District Court seeking approval of a special line of credit extended to the receivership estate by City National Bank and authority to grant hardship advances to investors who certify they are in a distressed financial situation. A copy of that motion was mailed to all investors on February 16, 2001.

On March 6, 2001 the Honorable David O. Carter approved the motion with one modification. **The Court ordered that any hardship request that did not include a copy of the applicant's most recent Federal Income Tax Return (your 1999 or 2000 tax return) be automatically rejected. A hardship request form is enclosed with this letter.**

It is not possible for me to list all situations that may be a qualifying distressed financial situation. However, you should not apply for a hardship advance if you have other means to meet the most urgent financial needs. For example, applications would likely be granted in those extreme circumstances where individuals are on the verge of losing their home to foreclosure and have exhausted all other resources or need urgent medical care that cannot be provided because of lack of funds. Keeping a mortgage current or having to sell investments to make a payment would not qualify. Judge Carter did ask that I immediately inform him of any hardship requests that appear not to follow these guidelines. Applications must be signed under penalty of perjury by either you or by someone who is responsible for your care.

Applications for hardship advances **MUST** be received by March 30, 2001. The amount of the hardship advance will be affected not only by the amount of the investor's approved claim but by the total amount approved for all investors. This is an advance against future investor distributions. Interest, at cost, and a processing charge will be imposed, as described in the Court filing you have already received. We will do our best to mail the hardship advances by the end of April, but you should not rely upon either the amount requested or timing of the advance for purposes of financial planning. We expect to notify investors of approval or rejection of their applications and the amount to be advanced by April 15, 2001.

Very truly yours,

/S/

Robb Evans
Receiver
