

Robb Evans & Associates LLC
Receiver of
Wall Street Underground, Inc. et al.

REPORT OF RECEIVER'S ACTIVITIES

This report covers the activities of the Receiver since the inception of the Receivership. This is the first Report to the Court on the progress of the Receivership. It does not constitute an audit of financial condition and is intended only to provide information for use by the Court in assessing the progress of the Receivership.

In this Court's April 18, 2004 Memorandum and Order, the Court noted that "in light of the liquidation¹ of Euro Bank, appointment of a receiver is necessary to determine whether WSU's alleged account at Euro Bank does in fact belong to the corporation, and, if so, to safeguard those assets through the liquidation".

Shortly after the Receiver's appointment, it received a number of banking documents from the Commodity Futures Trading Commission (CFTC) that demonstrated some funds transfers to Euro Bank. The Receiver alerted the Joint Liquidators of its claim on funds deposited in an account titled Wall Street Underground Ltd (WSU). During the course of its investigation, the Receiver learned that defendant Derek Abrahams was the authorized signer on the WSU account.

On May 20, 2004, the Liquidators received a competing claim in the form of a Writ of Summons filed against the Liquidators by Aron Taub².

Mr. Taub is from Belgium. By agreements made on December 16, 2003 and May 17, 2004, Mr. Taub acquired the shares and assets and all the rights, title, and interest in Wall Street Underground Cayman Islands Limited (WSUCI). A writ of summons was filed in the Cayman Islands Court on May 20, 2004 by Mr. Taub claiming to be the beneficial owner of the assets of WSUCI. The account held the sum of approximately US\$1.3 million together with dividends and interest.

¹ Euro Bank was closed on May 11, 1999 by order of the Governor-in-Council upon the recommendation of the Cayman Monetary Authority. On June 16, 1999, the bank was placed into voluntary liquidation. Mr. Ian Wight and Mr. Michael Pilling of Deloitte and Touche were appointed as the Liquidators.

² Information the Liquidators provided to the Receiver concerning Mr. Taub is detailed in the following paragraphs.

The funds were held in the name of WSUCI. WSUCI was struck off the company register on June 30, 2002. Mr. Taub also claimed to have instructed his attorneys in Grand Cayman to take steps to restore the company fully to the Register.

WSUCI was operated by defendant Derek Abrahams. It appeared from agreements provided by Mr. Taub that WSUCI bought the assets of WSU Inc. (a Delaware Corporation) in 1996.

Sometime in March 2001, WSUCI entered into an agreement with a company called Eagle Enterprises Limited. Eagle was a company registered in the British Virgin Islands subsequently known as Manlon Enterprises Limited (Manlon). Manlon presented a claim on the funds to the Liquidators and the Liquidators declined to pay in response to that demand.

Mr. Taub claimed that he acquired all the shares in and rights of WSUCI and all the rights which Manlon had to all the monies held by the defendants and to be paid out by them and the shares of Manlon. Also, by agreement made between March and May 2004, Mr. Taub acquired from Manlon its right to receive the monies and proceeds in the account and by an agreement made on or about May 14, 2004 he acquired the shares in Manlon.

Mr. Taub also claimed that when he made that agreement, he believed that he had acquired all the assets of WSUCI, and he discovered that the company had already made an agreement with WSU Hong Kong. He also claimed that he obtained an agreement with WSU Hong Kong, confirming that he owned all the shares of that company.

Mr. Taub claimed that his principal purpose in acquiring the rights and the companies was to obtain all such lists of consumers as may be available to him from WSU, but also wished to have all the rights of both companies.

On August 3, 2004 the Liquidators rejected Mr. Taub's claim and on August 24, 2004 Mr. Taub filed an appeal against the Liquidators' rejection of his claim. On November 22, 2004 the Cayman Islands Grand Court denied Mr. Taub's appeal.

In the process of completing the liquidation of Euro Bank, in February 2005 the Liquidators applied to the Grand Court to formally strike the May 20, 2004 Writ of Summons from the record. On March 23, 2005 the Grand Court approved the Liquidator's application to close the Taub matter.

Shortly after the Grand Court's March 23, 2005 decision, the Receiver and the Liquidators commenced negotiating repatriating the funds to the United States. The Receiver also sought a non-opposition from the Cayman Island's Attorney General.

Under Tab 1 is the agreement the Receiver reached with the Liquidators on April 5, 2005. The Cayman Island's Attorney General did not object to the agreement.

The funds have been wire transferred to the Receiver. As detailed on pages 5 and 6 of the Deed on Release under Tab 1, the Receiver will distribute the funds to the victims of WSU if the CFTC obtains a permanent injunction against WSU in the matter pending before this Court. If the CFTC does not obtain a permanent injunction against WSU, the Receiver will return the funds to the Financial Secretary of the Cayman Islands³.

Respectfully Submitted,

/s/

Robb Evans & Associates LLC
Receiver

³ Subsequent to the execution of the Deed of Release, the Euro Bank liquidation was dissolved.