

Robb Evans
Receiver in the Matter of
United States of America v. John Allen Wheeler

Report of Receiver's Activities
December 1, 2005 through February 28, 2006

In its May 16, 2003 Order, this Court appointed the Receiver and directed the Receiver to file quarterly reports advising the Court of its progress and for payment of the Receiver's fee and out-of-pocket expenses for the Court's approval. This is the eighth report. It does not constitute an audit of the financial condition and is intended only to provide information for use by the Court in assessing the progress of the Receivership.

Assets

Constructive Trust

The Receiver entered into initial discussions with Wheeler family members with ownership interests (Wheeler family) in the ranch property concerning a repayment agreement on the \$1,048,881.19 judgment. Subsequent to these discussions, the Receiver mailed a letter to the Wheeler family providing them with a thirty-day period to assess their options and advise the Receiver of their proposed repayment plan. The expiration date to submit a repayment plan is April 14, 2006. If no repayment plan is forthcoming, the Receiver will advise the Wheeler family that the Receiver is prepared to list the property for market and sale. The Receiver will use the net proceeds of the sale to apply to the balance of the judgment and in the event the net proceeds exceed the judgment, the residual proceeds will accrue to the Wheeler family.

Pinnacle Energy Group

The Receiver has contacted Pinnacle Energy Group LLC (Pinnacle) and ratified the mineral lease agreement. The yearly renewal fee of \$13,179.25 was paid by Pinnacle to the Receiver. In addition, the Receiver sent a demand notice to Pinnacle requesting the release of the accrued oil and gas royalties being held in trust. In response to the demand notice, Pinnacle issued payment to the Receiver in the amount of \$25,583.61. The Receiver maintains an accounting of the deposited fees and royalties to apply as payments to reduce the balance of the judgment. These funds are being held by the Receiver and will be disbursed to the victims.

U.S. Reservation Bank and Trust in Arizona

As previously reported, John Wheeler transferred \$1 million to U.S. Reservation Bank and Trust in Arizona. That company was placed into receivership by order of the United States District Court for the District of Arizona. A claim in the amount of \$1,000,000 has been filed with the Arizona Receiver. The status of this claim is pending.

When the Arizona Receiver makes payment on the claim and the constructive trust issue is resolved, the Receiver will make a recommendation to this Court for a further distribution to approved claimants.

Other Investments

The Receiver continues to investigate other investments made by John Wheeler, including an investment in an airline charter travel business with a Mr. Thomas Clayton Plummer. The Receiver has conducted two interviews with a past business partner of Mr. Wheeler and Mr. Plummer to determine if there are any remaining assets. The Receiver is in the process of making a final determination as to the viability of locating any additional assets. As noted in a previous report, Mr. Plummer filed for bankruptcy and his home was sold a few months prior to the filing of the bankruptcy petition.

Administrative Expenses

Under Tab 1 is a report of the expenses incurred by the Receivership from December 1, 2005 through February 28, 2006.

Requests of the Court

The Court is respectfully requested to:

1. Approve this report and confirm the actions of the Receiver described therein.
2. Approve and authorize payment of expenses of the Receivership from December 1, 2005 through February 28, 2006 as detailed under Tab 1.

Respectfully submitted,

/S/

Robb Evans
Receiver