

ROBB EVANS & ASSOCIATES LLC
Receiver of
Assail, Inc.
Infinium, Inc.
Market-Rep.com, Inc.
Summit Communications International, Inc. dba
Advantage Capital
Capital First Benefits, Inc.
Premier One Benefits, Inc.
Par 3, Inc.
Valdine Management Company, Inc.
And the assets of Kyle Kimoto

**REPORT OF RECEIVER'S ACTIVITIES
MARCH 26, 2003 THROUGH APRIL 22, 2003**

This report covers the activities of the Receiver since the last Report. This is the Third 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.

Continuing Financial Investigation

The Receiver has continued the investigation into certain disbursements from Assail, Inc., some of which were discussed in the First and Second Reports to this Court.

Movement of Funds

As previously reported, the Receiver has analyzed certain bank statements and accounting records. The Receiver has obtained additional bank information that further documents a pattern of the movement of funds among a web of companies, some of which are closely related to or owned by Mr. Kyle Kimoto and others with an undocumented or unexplained financial relationship with Mr. Kimoto.

Under Tab 1 is a flowchart that shows information on the movement of funds.

Alliance Solutions, Inc. (Alliance)

As discussed in the Receiver's Second Report, the sole officer of Alliance is Jay Snow. The ownership of this company is not known at this time.

Bank statements received since the Receiver's Second Report reflect that Alliance's receipts for the year 2001 were derived from apparent sales activities processed through Global e Telecom and from Assail, Inc. As shown on the cash receipts and disbursements detail under Tab 2, those receipts were consumed by the end of 2001 with payments to various parties.

The bank statements reflect that Alliance's receipts for 2002 were \$3,537,383. Of that amount, \$3,149,867 was derived from defendant entities Assail Inc., Capital First Benefits, and Premier One Benefits.

During 2002, Alliance disbursed \$908,479 to Par 3, Inc. and \$711,927 to Global Benefits, Inc. The Receiver has not located any documents that explain these transfers from this purportedly independent company to entities significantly owned by Kyle Kimoto.

On February 21, 2003, Mr. Kyle Kimoto completed a financial disclosure statement for the Federal Trade Commission. That statement lists a 50% ownership interest in Hybrid Sports Group, with an estimated liquidation value of \$25,000. Alliance's March 31, 2002 bank statement includes a wire transfer to Hybrid Sports Group in the amount of \$50,000.

On October 23, 2002, Alliance disbursed \$116,431 to Valdine Management Company, Inc.

On January 17, 2003, Alliance wire transferred \$200,000 to the account of Robert M. Draskovich, an attorney who represents Kyle Kimoto.

Global Benefits, Inc. (Global)

As previously reported, Global Benefits, Inc. dba Voice Vox is 91% owned by Kyle Kimoto. Scott Burley, Mr. Kimoto's brother-in-law, owns the other 9% and is the former president of Global.

Bank statements received since the Receiver's Second Report reflect that Global's receipts for the years 2000 and 2001 were derived mainly from apparent sales activities processed through First American, Alliance and from Assail, Inc. As shown on the cash receipts and disbursements detail under Tab 3, those receipts were substantially consumed by the end of 2001 with payments to various parties, many of which are unidentified, pending receipt of copies of supporting documents from the bank.

The bank statements reflect that Global's receipts for 2002 and through March 2003 were \$4,061,036. Of that amount, \$947,770 was derived from defendant entity Assail Inc. and \$711,927 was received from Alliance. Voice Vox, a product offered by Global, generated another \$2,035,076.

Between August 30, 2002 and October 25, 2002, Global disbursed \$654,219 to Tower Holdings LLC. Between August 30, 2002 and October 23, 2002, Global disbursed \$624,397 to Red Rock GT2 LLC. Kyle Kimoto's February 21, 2003 financial disclosure statement lists his spouse Julie Kimoto as the 100% owner and Member of both LLCs. The Receiver has not located any documents that explain these transfers.

Between November 21, 2001 and February 21, 2002, Global disbursed \$157,000 to Par 3, Inc.

On January 10, 2003, Global issued a check for \$400,000 to Members Express, Inc. This check was not negotiated until February 5, 2003. The Receiver is investigating the nature of this transaction that nearly depleted the remaining balance in Global's bank account.

Tower Holdings LLC (Tower)

As detailed in the Second Report, Tower was formed on August 21, 2002. Julie Kimoto has been disclosed as the 100% owner and Member. Tower's bank statements reflect that all but the initial deposit of \$100.00 and \$.03 in interest income of the \$654,319 received from August 2002 through October 2002 was received from Global.

Under Tab 4 is a summary of cash receipts and disbursements. On September 18, 2002 Tower disbursed \$91,235 to Par 3, Inc. Additional disbursements include \$250,000 to Fales Group Real Estate, LLC, \$118,267 to American Dental Society (ADS), and \$119,191 to unidentified payees. The Receiver is awaiting additional information from the bank to classify the unidentified payments. Two unidentified payments of \$22,371 and \$10,250 were made on February 12 and February 18, 2003, respectively.

The Receiver has completed an initial review of documents turned over by Par 3, Inc. The documents reveal that Tower was substituted in place of Par 3, Inc. as purchaser in three real estate transactions with contract prices totaling \$1.865 million and requiring immediate funding of \$785,000. The review further demonstrates that Par 3, Inc. provided the access to the real estate transactions and Global provided the funding.

The Receiver is informed that Assail, Inc. intended to market a product of ADS and will review the disbursement to ADS. Nevada public records state that Steven Henrickson is the sole officer of ADS.

Red Rock GT2 LLC (Red Rock)

As detailed in the Second Report, Red Rock was formed on August 21, 2002. Julie Kimoto has been disclosed as the 100% owner and Member. Red Rock's bank statements reflect that, with the exception of an unidentified deposit of \$70,000, all of the \$694,497 received from August 2002 through October 2002 was received from Global.

Under Tab 5 is a summary of cash receipts and disbursements. On September 18, 2002, Red Rock disbursed, by three separate wire transfers, \$347,816 to Par 3, Inc. Additional disbursements include \$183,093 to ADS and \$70,000 to the Internal Revenue Service. The check payable to the Internal Revenue Service was dated February 7, 2003, endorsed by Julie Kimoto and a cashier's check was issued in place of this check. The Receiver will investigate the payee of the cashier's check and the circumstances of Kimoto's endorsement of the IRS check. Two unidentified payments of \$5,000 and \$8,900 were made on February 12 and February 18, 2003, respectively.

The Receiver also will review the disbursement to ADS from Red Rock.

Par 3, Inc. (Par 3)

As described in Kyle Kimoto's February 21, 2003 financial disclosure statement, Kyle Kimoto was the sole officer and 100% owner of Par 3 until August 2002. According to the financial disclosure statement, he then became a 49% owner and no longer holds any corporate office.

Bank statements received since the Receiver's Second Report reflect that, with the exception of three unidentified deposits totaling \$20,052 and a \$100,000 deposit from Auto C Trust, all of Par 3's \$3,532,506 receipts for the years 2000, 2001 and 2002 were derived from Alliance, Assail, Inc., E-Credit Solutions, Inc., Global, Red Rock, Tower and Zentel Enterprises, Inc. Those receipts are shown on the cash receipts and disbursements detail under Tab 6.

Disbursements totaling \$682,554.10 were for residential items. As shown under Tab 6 on the detailed transaction report, which was compiled from bank statements and underlying bank documents, many of these disbursements for residential items appear to have been for Kyle Kimoto's personal residence.

Between December 11, 2001 and July 1, 2002, Par 3 made mortgage payments to Washington Mutual Savings Bank totaling \$82,316.28. The payments were for loan number 0042610832, which is the loan for Kyle Kimoto's personal residence.

Between March 13, 2002 and July 28, 2002, Par 3 issued checks totaling \$363,543.17 for automobiles and trailers. The Receiver intends to investigate the nature of these payments.

Valdine Management Company, Inc. (Valdine)

As detailed in the Receiver's Second Report, the sole officer of Valdine is Steven Henriksen. The Receiver is informed that Steven Henriksen is the younger brother of defendant and Assail, Inc. Chief Financial Officer Michael Henriksen. The ownership of this company is not known at this time.

As detailed in the Second Report, Valdine was formed on June 10, 2002. Bank statements received since the Receiver's Second Report reflect that Valdine's receipts of \$662,073 for

2002 were from Millennium Communications, Alliance, Capital First Benefits, National Wellness Network, and Premier One Benefits. Under Tab 7 are cash receipts and disbursements schedules compiled from bank statements.

One of the schedules includes a detailed transaction report of disbursements, which was compiled from bank statements. The Receiver is concerned about a series of transactions that began on January 16, 2003.

As briefly described in the Second Report, the office space for Valdine was not fully operational. When the Temporary Receiver took possession of the premises on January 15, 2003, it was very clear that the office space for Valdine had not been occupied by any staff. Also, as detailed under Tab 7, Valdine had no income after November 8, 2002. Yet, on January 23, 2003, a payroll of \$44,283.06 was processed through Valdine's bank account. The Receiver has requested the details of this payroll from ADP to gain an understanding of this transaction.

On January 17, 2003, Valdine disbursed \$25,000 to Reneer and Associates, a law firm that represents Kyle Kimoto.

On January 21, 2003, Valdine disbursed \$10,000 to Robert M. Draskovich, an attorney who represents Kyle Kimoto.

On January 21, 2003, Steven Henriksen, the President of Valdine, wired \$73,355 to his personal account at Wells Fargo Bank. The Receiver has now reviewed payroll report for the period ending January 18, 2003. This payroll run included a bonus payment of \$110,000, plus a regular payroll of \$234, resulting in a \$73,355 payment net of tax withholdings. The report was prepared by the payroll processor ADP. The Master Control report states that the regular weekly earnings for Steven Henriksen were \$550, or \$28,600 per year. The Receiver did not locate any authorization or any other documentation supporting the payment of a bonus of \$110,000, plus obligating the company to additional payroll tax expenses of \$7,638.

On January 21 and January 22, 2003, Valdine disbursed \$10,000 and \$50,000 respectively to Dean Kajioka, a Las Vegas attorney.

On January 23, 2003, Valdine disbursed \$25,000 to Lustigman Firm P.C., a law firm that represented either Assail, Inc. or Kyle Kimoto.

On January 29, 2003, Valdine disbursed \$25,000 to Moore & Anderson LLP, a law firm that represents Assail, Inc. and Kyle Kimoto.

The Receiver has not located any documents that explain the disbursements from this purportedly independent company to attorneys for Assail, Inc. and Kyle Kimoto.

Other disbursements totaling \$110,000 occurred between January 17, 2003 and January 24, 2003. The Receiver is awaiting copies of the underlying bank transactions to determine the nature of these disbursements, some of which appear to be cash withdrawals.

Conclusion

The Receiver believes the financial information and transactions described in this report and the Second Report, document intercompany payments and transfers that indicate common interests and the possibility of a common enterprise.

Respectfully submitted,

Robb Evans & Associates LLC
Receiver

Movement of Funds (in thousands of dollars) from January 14, 2000 through October 25, 2002

