

**ROBB EVANS**  
**Receiver of**  
**California AutoCare Corporation**  
**AutoCare Americorp**

**REPORT OF RECEIVER'S ACTIVITIES**  
**November 20, 2002 through May 31, 2003**

This report covers the activities of the Receiver since the second 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.

As previously reported, Joseph Sanfellipo transferred \$154,489.02 from the company's two corporate accounts to his personal account late in the afternoon on November 14, 2002. The Receiver believed this transfer was a violation of this Court's Order that had been served on the Bank of America and the corporate offices earlier that same day. The Receiver subsequently made a motion to the Court for turnover of the funds and on February 4, 2003, this Court authorized Bank of America to turn over \$154,489. The funds were turned over to the Receiver on February 14, 2003. Upon receipt of the funds, the Receiver verified and paid all former employees their priority wage claims totaling \$9,630.27.

On February 4, 2003 this Court authorized the Receiver to conduct a private sale of the company's fixed business assets, consisting of desks, chairs, computer equipment, and miscellaneous supplies, in order to return the premises to the landlord in the most cost efficient manner. The Receiver disposed of the personal property located at the Encinitas location by selling the entire lot to one individual for \$2,200.00. The buyer additionally agreed to remove all items within two days of the sale to enable the Receiver to return the facilities to the landlord and terminate any further rent liability to the estate. The personal property at the Carlsbad location was very old and of insufficient value to justify any type of auction expenses. The landlord at that location offered, and the Receiver accepted, \$300.00 for the lot and also waived any claim for rents that may have been due. It was determined that the personal property at the Palm Springs location had no value and it was abandoned by the Receiver.

The Receiver's staff has reviewed the accounting and banking information and transactions. We were unable to locate any other assets or claims that have any realizable value.

The bulk of the Receiver's activities occurred during the four month period when the Receiver took custody and control of the premises and disposed of those premises, analyzed the business operations and financial condition of the company as detailed in the first report

to this Court, and prepared a newsletter that was sent to all investors and note holders. Since then the Receiver's activities have been reduced and have been primarily dedicated to responding to continued status inquiries from investors and note holders and inquiries from former employees and creditors.

## **Conclusion**

I request that the Court:

Ratify and approve the Receiver's actions described in this report.

Respectfully submitted,

Robb Evans  
Receiver