

**Robb Evans, Receiver of
Equinox International Corp.,
Advanced Marketing Seminars, Inc.,
BG Enterprises, Inc.,
Related Corporations or Business Entities
and Certain Other Assets**

**REPORT OF RECEIVER'S ACTIVITIES
MAY 19, 2000 THROUGH JUNE 18, 2000**

This report covers the activities of the Permanent Receiver since his First Report to the Court. This is the Second 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.

Business Operations

As previously reported about one half of the 70 retained employees have been assigned to the project of entering and reviewing requests for approximately 1,300 distributor refunds for returned products into the computer system. I estimate this project will be substantially completed by June 30th. There are currently 52 remaining staff. That number will be reduced to approximately 40 by June 30th.

Liquidation of Equinox Product

I have conducted one complete sale of product and a second, and final sale, will be completed by June 23rd. The first sale, in which most items were priced at 100% of cost, resulted in sales of about \$760,000. The second sale, in which most items have been priced at about 25% of cost, has generated sales of about \$630,000 through June 16th. Most items have been sold out and I do not anticipate there will be much value in the residual inventory. As previously reported, several liquidators have contacted me to express an interest in purchasing the product inventory. It appears the average offer will be about 15% of the cost of the product, which is well below the results we have obtained to date.

Assets

I have substantially completed an inventory of the estate's assets. Under Tab 1 is a listing of items by category and the status of each item. I have received offers on many assets, but have not acted on any offers. Potential buyers have been advised that sales will not occur until the motion pending before this Court is resolved and the fair market value of each asset is determined.

Equinox conducts business in Mexico and Taiwan. Under the local laws, liquidating these entities may be a very expensive and time-consuming process. I am attempting to locate potential buyers for these two business entities to save the estate the cost and potential liability involved with liquidation. These matters will be described in more detail under a separate motion to this Court.

International Purity Corporation is a receivership entity located in Saginaw, Texas that was producing water filters for resale by Equinox. I am in discussions with several potential buyers of the patent and of equipment molds.

Premises

I had been negotiating with the landlord about the timing and financial arrangements for vacating the corporate premises and distribution center facility. The monthly payment for these premises is \$165,128.33. Before those negotiations were completed, the landlord inexplicably filed various motions and pleadings against me. I am currently evaluating the motions and determining whether to attempt to renew negotiations with the landlord, despite its abrupt and unexplained about-face.

Consumer Redress

I have been working closely with the Plaintiff and class counsel on a notice and claim form to be sent to class members. Concurrently, Las Vegas based staff are completing a very complex computer programming task of extracting information from the multiple Equinox databases which will be included on the claim form. I anticipate that task must be completed this week.

Financial Report

Under Tab 2 is the Receiver's Financial Report for the period beginning April 20, 2000 and ending June 18, 2000. During this period, most of the expenses related to taking control of assets located in five states, Mexico, and Taiwan.

Conclusion

I request that:

- This Report be approved.
- I be authorized to pay the indicated accrued expenses owing myself.
- My actions in making other payments and taking such other actions described in this Report be confirmed.

Respectfully submitted,

Robb Evans
Receiver