

**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
MARCH 1, 2003 THROUGH AUGUST 31, 2003**

This report covers the activities of the Permanent Receiver since his last report to the Court for the period ended February 28, 2003. This is the ninth 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. The motion filed April 10, 2003 for approval of my report for the period ended February 28, 2003 is under submission.

Asset Evaluation and Sales

The only remaining major asset to be liquidated is the 17,500 square foot residence in Boca Raton, Florida. Even though construction of the single-family residence in Boca Raton has been completed, I continue to receive offers far below the listing price. Because some of the luxury estates in the immediate area have been involved in public corporate scandals, full value recovery for this 17,500 square foot residence is even more challenging. As a result of new appraisal information, the listing price of the residence was reduced from \$13.8 million to \$11.8 million.

As previously reported, given the difficult market conditions and complete absence of any reasonable offer for the home, real estate experts have suggested that I consider an international auction for this property. The auction process under consideration would present the property to the widest possible market via an intense multi-media advertising program. The auction program would include either a published or an unpublished reserve and a pre-auction cancellation clause. I will soon finish the evaluation, which includes having national auction firms visit the property, prepare marketing proposals and budgets, and meet with my staff to discuss the process and expected results.

Provided the evaluation continues to confirm that such an auction is an appropriate marketing option and if no reasonable offer to purchase the property is presented, I will file a motion fully explaining the auction process and seeking approval to complete it.

Discussion of Marketing the Boca Raton Property

Questions have arisen regarding results of the marketing efforts undertaken for this large and expensive residential property. Waterfront residences of 17,500 square feet that are valued over \$10 million obviously limit the range of buyers that not only have the ability to purchase, but also the interest in such a property. The appeal of this property is additionally limited by design features that do not have universal acceptance.

In May 2000, I listed this property for sale with the first of three brokers that specialize in selling high-end estate properties in the area. I also periodically confirmed the property's offering price and marketing approach with fresh appraisals, opinions of value from professionals, and by engaging new listing brokers. However, I have not received a legitimate offer that is reasonably close to the property's appraised value.

Since the first listing, the pool of potential buyers has been dramatically reduced by collapses in some economic sectors, corporate scandals linked to the ownership of similar properties (including property close to the subject), and a general dampening of enthusiasm partially caused by the 9-11 tragedy.

In spite of these events, it is not correct to state that the property should have been sold. No buyer has been willing to pay a reasonable price for the property. Perhaps, in the near future, the property will have to be liquidated for the price it will bring, without regard to the opinions of market value expressed by real estate experts. However, I believe it is in the best interest of the Estate, and its intended beneficiaries, to delay pursuing liquidation substantially below appraised value until all other options have been exhausted and a final distribution of the estate assets is pending.

Pending Litigation and Remaining Claims

During this reporting period, we settled a products liability lawsuit filed in the Supreme Court of New York. The New York action was covered under a general liability policy with a \$50,000 deductible and settled for less than the deductible. The other two product liability cases, also covered under the same general liability policy, have remained inactive for over a year and we do not expect them to be revived.

On occasion, we still receive new water damage claims. Most of the remaining water damage cases have been denied or have been closed for lack of a timely response to our settlement offer.

Approximately 22 existing or potential pre-receivership claims from vendors and service related providers, which could exceed \$500,000, are expected to be resolved through the claims process.

Internal Revenue Service Issues

As previously reported, the IRS claim for approximately \$12 million is still pending. The Federal Trade Commission's attorney successfully arranged for the Department of Justice to intervene in the dispute arising from the competing claims from two agencies of the U.S. government. We have tendered a settlement offer and although we have not received a response to our offer, we continue to monitor, and periodically inquire about, the progress of their negotiations.

Claim Administration and Consumer Redress

As previously reported, I have completed the administration of claims. On January 10, 2003, my counsel filed a Motion For Order Establishing Claims Bar Dates, Claims Objection Procedures And Approving Receiver's Prior Claims Determinations. The Court granted my motion on September 30, 2003, and my counsel is lodging a proposed order pursuant to the Court's direction.

We continue to respond to numerous inquiries about the status of the claims administration process and timeframe for distribution of the consumer redress fund. The amount of funding available for the consumer redress program depends on the resolution of the sale of the home in Boca Raton and the pending claim from the IRS.

Sources and Uses of Funds: March 1, 2003 through August 31, 2003

Under Tab 1 is a statement of cash inflow and outflow for the current reporting period, and for the period after February 28, 2000, the date used to estimate the value of assets turned over to the Receivership Estate. During the current six-month reporting period, cash outflow totaled \$226,000 compared to \$1.291 million in the previous reporting period. All areas of expense were lower this period, including Receivership Expenses, which were \$16,434 lower than the prior reporting period.

We expect reduced operating expenses to continue. However, such reductions do not take into consideration possible payments for taxes, Class Counsel fees, or unanticipated additional expenses.

Financial Report

Under Tab 1 is the Receiver's Financial Report of Administration Expenses for the period beginning April 20, 2000 and ending August 31, 2003.

Conclusion

I request that:

- This Report be approved.
- I be authorized to pay the indicated accrued fees and expenses owing myself.
- My actions in making other payments and taking such other actions described in this Report be confirmed.
- My prior report for the period ended February 28, 2003 be approved.

Respectfully submitted,

<SIGNED>

Robb Evans
Receiver
