

**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
SEPTEMBER 1, 2003 THROUGH FEBRUARY 29, 2004**

This report covers the activities of the Permanent Receiver since his last report to the Court for the period ended August 31, 2003. This is the tenth 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.

Asset Evaluation and Sales

The difficulties encountered by the Receiver in liquidating the only remaining major asset, the 17,500 square foot residence in Boca Raton, Florida have been chronicled in detail in previous reports. I obtained updated appraisals for the residence in July 2003. At that time, the listing price was reduced to \$11.8 million. Months passed without receiving a legitimate offer that was reasonably close to the property's appraised value.

As previously reported, I was investigating the advisability of conducting an auction and had extensive discussions with three nationally recognized auction firms. All three auction firms advised the Receiver that an auction could result in a sale for as little as \$6.5 million, but in a best case scenario, may result in a sale in excess of \$10 million. In January 2004, I received an offer to purchase the residence in Boca Raton for \$8 million. We were able to negotiate with the potential purchaser and reached an agreement at \$9 million. I consulted with the three auction firms about the pending offer and was advised by all three to accept the offer rather than conduct an auction. Counsel for the Receiver contacted the Federal Trade Commission and counsel for the Class Action Plaintiffs advising them of the pending sale. Neither party objected and the sale closed in February 2004.

Pending Litigation and Remaining Claims

There are approximately 62 existing or potential pre-receivership disputed claims, including product liability claims, water damage claims, and claims from vendors and service providers. Two product liability cases covered under a general liability policy with a \$50,000 deductible have remained inactive for over a year. The total of all claims, which could exceed \$500,000, will be included in and resolved by the claim administration 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

We continue to respond to numerous inquiries about the status of the claims administration process and timeframe for distribution of the consumer redress fund. We redesigned the Equinoxinternational.com website by providing online claim status verification for the claimants. Claimants can also enter a change of address online. The site is SSL capable, which means all sensitive information entered by a claimant is secure and protected from disclosure to third parties.

The amount of funding available for consumer redress depends on the resolution of the pending claim from the IRS, Class Counsel Fees that may be awarded, and other final expenses.

As previously reported, 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. On October 14, 2003, counsel for the Receiver filed a proposed order pursuant to the Court's direction. On December 11, 2003, the Court signed the Order.

The approved Motion described in detail the Receiver's Prior Claim Determinations and the request to establish detailed Claim Objection Procedures. The Claim Objection procedures requested by the Receiver, and approved by this Court, sought to provide the maximum amount of claim benefits to the largest group of approved claimants. The underlying principle of the Claim Administration Procedures was to require complete and acceptable documentation for the portions of claims that exceed the average amount claimed by all distributors, or the amount determined to be usual.

The average claim for Net Purchases and for Net Business Expenses was each less than \$4,000. Based on a review of available data and other information, the usual claim for each portion of the claim was determined to be \$12,000. Consequently, the Receiver requested claimants to furnish documentation to support claims for Net Purchases or Net Business Expenses in excess of \$12,000.

From the responses, or lack of responses from the claimants, the approved Claim Objection Procedures resulted in reduction and other revisions to the Net Purchases calculation for 1,973 claimants and reduction and other revisions to the Net Business Expense calculation for 2,865 claimants. For the claimants in excess of \$12,000, claims for Net Purchases were reduced to \$8,175,676 from \$40,867,694. Additionally, for claimants in excess of \$12,000, claims for Net Business Expenses were reduced to \$43,046,748 from \$97,994,410.

The approved Claim Objection Procedures potentially reduced claims in excess of \$12,000 for either Net Purchases or Net Business Expenses by \$87.6 million to \$51.2 million from \$138.8 million. The reduced claims provide an increased share of the available distribution fund for all claimants.

Following directions in the approved Order, the Receiver's staff mailed letters to these 4,838 claimants describing how their claims were revised and the amount of the revision. About 950 of the letters were returned as undeliverable because claimants failed to inform the Receiver of a change of address. We requested updated address information from the United States Post Office and anticipate mailing about 350 letters with revised addresses. Several hundred claimants have contacted the Receiver requesting additional information or expressing their intent to file an objection.

Pursuant to the Court's Order discussed above, we will advise the claimants to file their objections in writing with the Receiver within 30 days. The Receiver will thereafter put the objections without changes into a suitable format, and file them with the court with the Receiver's recommendation for their adjudication. The Receiver will schedule a hearing on the filed objections and will provide the claimants who have objected notice of the hearing.

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 \$341,223 compared to \$226,203 in the previous reporting period. Partnership Asset Expenses increased about \$120,000 because of final construction expenses for the Florida residence. Receivership expenses were \$15,000 lower than in the previous period.

Financial Report

Under Tab 1 is the Receiver's Financial Report of Administration Expenses for the period beginning April 20, 2000 and ending February 29, 2004.

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.

Respectfully submitted,

/S/

Robb Evans
Receiver
