

**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, 2004 THROUGH AUGUST 31, 2005**

This report covers the activities of the Permanent Receiver since his last report to the Court for the period ended August 31, 2004. This is the twelfth 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

Previous reports have chronicled in detail the sale of the estate assets. I have accepted an offer to sell 86,609 shares of Inherent.Com, which is the controlling interest of this website service firm, and one of the few remaining meager assets left in the Receivership estate.

Internal Revenue Service Issues

As previously reported, the IRS claims for approximately \$12 million are 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 tendered a settlement offer and received a favorable verbal response. We were receiving periodic confirmations that the proposed settlement was progressing through the approval process of the Department of Justice. Recent reports have been sporadic, however, and the Federal Trade Commission and others are requesting updated information. The Receiver will post new information about the settlement on the website as soon as it is available.

Claim Administration and Consumer Redress

As previously reported, on December 11, 2003, the Court signed an Order Establishing Claims Bar Dates, Claims Objection Procedures and Approving Receiver's Prior Claims Determinations.

Non-Distributor Claims:

The Receiver served a Notice of Claims Bar Date to 107 persons or entities. The 107 served included the regular service list and all known actual or potential pre-receivership non-distributor claimants. The non-distributor service list included actual or potential product liability claims, water damage claims, and claims from vendors, service providers, property owners, and their attorneys if available.

Thirteen claimants followed the directions in the Notice of Claims Bar date and submitted claims to the Receiver's office on or before the bar date of June 25, 2004. The 13 claims totaled \$1,705,472. The Receiver has studied the claims and has prepared, and will soon file his Motion for the Court's approval regarding his determination on these claims. That Motion will include notice to all claimants and will request a scheduled hearing on the Receiver's objections that he has been unable to resolve with claimants. The claims and the arguments of the unresolved claimants will be included without changes in the Receiver's Motion.

Distributor Claims:

The December 11, 2003 Order approved the Receiver's prior Distributor Claim determinations and the request to establish detailed Distributor Claim Objection Procedures. The Distributor 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.

Following directions in the approved Order, the Receiver's staff mailed letters to 4,933 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. The Receiver's office requested updated address information from the United States Post Office and obtained some revised addresses.

Of the approximate 4,000 distributor claimants that received the letter describing how claims were revised and the amount of the revision, 187 did not agree with the Receiver's changes. The Receiver's staff has resolved all but eight of the claimant disagreements, often with additional mutually agreed-upon revisions.

The Receiver will include his recommended determination on the distributor claims in the previously described Motion. That Motion will include notice to all claimants and will request a scheduled hearing on the Receiver's objections that he has been unable to resolve with claimants. The claims and the arguments of the unresolved claimants will be included without changes in the Receiver's Motion.

Communication with Claimants:

The Receiver's office continues to respond to numerous inquiries about the status of the claims administration process and timeframe for distribution of the redress fund. Previously we reported that the Receiver's office 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. Additional information, including copies of the Receiver's reports and Court documents, is also available on the website.

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

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 this reporting period, cash outflow for the six months ending August 31, 2005 totaled \$89,465, compared to \$20,661 for the previous six months, primarily for completing closing tax returns for most of the Receivership entities and for increased estate expenses. Estate cash basis expenses were \$17,015 higher than in the previous six months from completing work on Claims Administration and preparing exhibits and text for the Receiver's Motion.

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, 2005.

Conclusion

I respectfully 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
