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BEFORE THE ARIZONA CORPORATION COMMISSION

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MARC SPITZER
Chairman
JIM IRVIN
Commissioner
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
MIKE GLEASON
Commissioner

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ARIZONA CORPORATION COMMISSION
DOCUMENT CONTROL

In the matter of:

) Docket No. S-03491A-02-0000

)
) AMERICAN NATIONAL MORTGAGE
) PARTNERS, L.L.C.
) 15021 N. 74th Street, Suite 100
) Scottsdale, Arizona 85260

) **STATUS UPDATE**

)
) SECURA INNOVATIVE INVESTMENT,
) INC.
) 15021 N. 74th Street, Suite 100
) Scottsdale, Arizona 85260

)
) SECURA MORTGAGE MANAGEMENT,
) L.L.C.
) 15021 N. 74th Street, Suite 100
) Scottsdale, Arizona 85260

)
) CASH FLOW UNIVERSITY, INC.
) 15021 N. 74th Street, Suite 100
) Scottsdale, Arizona 85260

Arizona Corporation Commission

DOCKETED

AUG 06 2003

)
) SECURA FUND ARIZONA, L.L.C.
) 15021 N. 74th Street, Suite 100
) Scottsdale, Arizona 85260

DOCKETED BY *CTC*

)
) LARRY WILLIAM DUNNING and SHEILA
) DUNNING, husband and wife
) 5635 E. Lincoln Dr., #23
) Paradise Valley, Arizona 85253-4121

1 PHIL VIGARINO and JANE DOE)
2 VIGARINO, husband and wife)
3 15021 N. 74th Street, Suite 100)
4 Scottsdale, Arizona 85260)

4 ROBERT K. REHM)
5 15021 N. 74th Street, Suite 100)
6 Scottsdale, Arizona 85260)

6 MARK KESLER and JANE DOE KESLER,)
7 husband and wife)
8 10783 W. Encanto Blvd)
9 Avondale, Arizona 85323)

9 FRANK CASPARE and GAIL CASPARE,)
10 husband and wife)
11 27 Taconic)
12 Millwood, NY 10546-1125)

12 Respondents.)

13
14 Pursuant to Administrative Law Judge Wolfe's Eleventh Procedural Order dated May 19,
15 2003, the Division hereby submits its 90 day status update.

16 On September 5, 2002, a Temporary Cease and Desist Order was issued against the above
17 listed Respondents. The Respondents requested a hearing on this matter. On March 10, 2003,
18 Respondent American National Mortgage Partners LLC ("ANMP") filed for protection under
19 Chapter 11 of the United States Bankruptcy Code. On March 10, 2003, the Division filed a Motion
20 to Stay the Administrative Proceeding and Request for Leave to File Matter in Superior Court. An
21 Open Meeting was held on March 11, 2003, and the Commissioners authorized the Division to
22 proceed in Maricopa County Superior Court.

23 On March 25, 2003, the Commission filed a Verified Complaint against the above
24 Respondents and a number of additional Defendants (CV2003-005724 Arizona Corporation
25 Commission vs. American National Mortgage Partners LLC et al.) The Commission sought a
26 preliminary injunction and the appointment of a receiver. On April 2, 2003, the Honorable Judge J.

1 Richard Gama entered an Order for Preliminary Injunction and an Order Appointing a Receiver.
2 James C. Sell is the appointed Receiver on this matter.

3 The Honorable Randolph J. Haines is the Judge assigned on the ANMP Bankruptcy. Under
4 the unique circumstances of this case, the Receiver is to comply with both the Bankruptcy Court
5 Rules and the Receivership Order entered in Maricopa County Superior Court. On April 17, 2003,
6 the Commission filed a Motion for Relief from the Automatic Stay in the Bankruptcy proceedings
7 of ANMP and ANMP 74th St LLC. The Motion requested that all stays and injunctions under 11
8 U.S.C. §362(a) be terminated to allow the Commission to seek an Order Appointing James C. Sell
9 as receiver over American National Mortgage Partners LLC and ANMP 74th St LLC. That Motion
10 was heard and granted by the Honorable Judge Haines on April 23, 2003.

11 After numerous meetings with counsel for various parties, and the Office of the U.S.
12 Trustee, the receivership order was amended. The First Amended Order Appointing Receiver was
13 entered on May 15, 2003. A copy is attached hereto as Exhibit A. Pursuant to the Amended
14 Receivership Order, the Receiver is to report to both Bankruptcy Court and Superior Court. The
15 Receivership will be monitored by both Courts. The Receiver's First Report was filed on June 13,
16 2003. A copy of the report is attached hereto as Exhibit B.

17 The only Defendants to file a timely answer to the Commission's complaint were Paul and
18 Carol Meka. Mark Kesler filed an answer after the Commission filed an Application for Default.
19 Counsel for Larry and Sheila Dunning, Frank and Gail Caspare, Phil and Tricia Vigarino, Robert
20 Rehm and Susan Rutledge filed Certain Defendants' Motion To Make More Definite and Certain
21 within the timeframe set forth in the Rules of Civil Procedure after the Commission filed a
22 Application for Default. On June 11, 2003, the Commission filed a Motion Seeking Leave of the
23 Court to Amend the Verified Complaint. On July 17, 2003, the Commission filed an Amended
24 Motion Seeking Leave of the Court to Amend the Verified Complaint and to Amend the First
25 Amended Order Appointing Receiver and the Order of Preliminary Injunction. The Commission is
26 awaiting a ruling on this Motion.

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The parties have stipulated to extending the time for filing Rule 26 disclosures until at least September 15, 2003. Discovery on this matter will commence shortly.

The Receiver has possession of all the business records of the Receivership entities. The Receiver is attempting to collect on the debt owed to investors and completing an accounting of all funds invested in the entities. In addition, the Receiver has hired counsel to represent ANMP in the Bankruptcy proceedings and handle the issues that arise.

The investigation is continuing and the Division is working closely with Defendants' counsel, the Receiver and the Receiver's counsel in an attempt to resolve this matter as quickly as possible and in the best interests of the investors.

The Division will submit another status report in 90 days as required by the Procedural Order dated May 19, 2003.

RESPECTFULLY SUBMITTED this 6th of August, 2003.

ARIZONA CORPORATION COMMISSION

By Wendy Coy
Wendy Coy
Attorney for the Securities Division

1 A copy of the foregoing was mailed this
2 ~~10~~ day of August, 2003 to:

3 James P. Kneller, Esq.
4 7509 E. First St.
5 Scottsdale, Arizona 85251
6 Attorney for Defendants Rehm and Rutledge

7 Mark Chester, Esq.
8 Chester & Schein, P.C.
9 8777 North Gainey Center Drive, Suite 191
10 Scottsdale, Arizona 85258
11 Attorney for Defendant Kesler

12 Larry Wilk
13 Jaburg & Wilk
14 3200 N. Central Ave. Suite 2000
15 Phoenix, Arizona 85012-2440
16 Attorney for Receiver

17 Donald M. Peters, Esq.
18 Miller LaSota & Peters PLC
19 5225 N. Central, Suite 235
20 Phoenix, Arizona 85012
21 Attorney for Defendant Paul and Carol Meka

22 Anthony E. DePrima, Esq.
23 Lerch & DePrima, P.L.C.
24 1700 East Thomas Road, Suite B
25 Phoenix, Arizona 85016
26 Attorney for Defendants Frank and Gail Caspare, Larry and Sheila Dunning
and Phil and Tricia Vigarino

Exhibit A

FILED
5/15/03 9:00am
MICHAEL K. JEANES, Clerk
By J. Melius
Deputy

1 ARIZONA CORPORATION COMMISSION
2 Wendy Coy, #013195
3 1300 West Washington, 3rd Floor
4 Phoenix, Arizona 85007
5 Attorney for Plaintiff
6 Telephone: (602) 542-0633
7 Fax: (602) 594-7418

CERTIFIED COPY

STATE OF ARIZONA

MARICOPA COUNTY SUPERIOR COURT

8 ARIZONA CORPORATION COMMISSION)
9)
10 Plaintiff)
11 v.)
12 AMERICAN NATIONAL MORTGAGE)
13 PARTNERS, L.L.C., an Arizona limited liability)
14 company, individually and as trustee of 1230 Pine)
15 Road Trust dated July 21, 2002, 1256 Rand Ave)
16 Trust dated September 11, 2002, 2725 E. Thomas)
17 Road Trust dated November 14, 2002, 2801)
18 Wayzata Blvd Trust dated September 13, 2002,)
19 35824 N. Secluded Lane Trust dated June 21, 2002,)
20 36th Street & Oak Trust dated Nov. 8, 2002, 4330)
21 N. 5th Street Trust dated October 24, 2002, 506)
22 Stoning Circle Trust dated July 26, 2002, 630 E.)
23 Mullan Avenue Trust dated August 29, 2002, 8301)
24 Creekside Circle Trust dated August 22, 2002, 8744)
25 E. Oak Street Trust dated June 19, 2002, Lot 14)
26 Copper Canyon Trust dated May 8, 2002, San)
Miguel Trust dated September 20, 2002, SECURA)
INNOVATIVE INVESTMENT, INC., an Arizona)
corporation, SECURA MORTGAGE)
MANAGEMENT, L.L.C., an Arizona limited)
liability company, individually and as trustee of 67th)
Street Trust dated July 5, 2002, CASH FLOW)
UNIVERSITY, INC., an Arizona corporation,)
SECURA FUND ARIZONA, L.L.C., an Arizona)
limited liability company, CORPORATE)
MANAGEMENT SOLUTIONS, INC., an Arizona)
corporation, individually and as trustee of 5505 E.)
San Miguel Trust dated May 17, 2002, Lot 14)
Copper Canyon Trust dated May 18, 2002,)

No. CV2003 005724
**FIRST AMENDED ORDER
APPOINTING RECEIVER**

1 Northwest Fir Properties dated May 17, 2002,)
Roosevelt Street Trust dated April 30, 2002,)
2 GUARANTY PERFORMANCE, INC., an Arizona)
corporation, ANMP 74TH STREET, L.L.C., an)
3 Arizona limited liability company, CREATIVE)
FINANCIAL FUNDING, L.L.C., an Arizona)
4 limited liability company, individually and as)
trustee of 8802 N. Black Canyon Hwy Trust dated)
5 unknown, AMERICAN MONEY POWER, INC.)
dba MONEY POWER, an Arizona corporation,)
6 FEDERAL CAPITAL, L.L.C., an Arizona limited)
liability company, and CORPORATE FIDUCIAL)
7 SERVICES, INC., a Nevada corporation,)
8 individually and as trustee of The Federal Way)
Building L.L.C. dated January 27, 2000, Progress)
9 Drive Trust dated August 21, 2000, 222 N. 44th)
Street Trust dated August 31, 2001, 36050 N. 58th)
10 Street Trust dated unknown, 522 N. Columbia)
Center Blvd. Trust dated February 22, 2001, 7102)
11 W. Roosevelt Trust dated July unknown, 2001,)
9815 S.W. Capital Hwy Trust dated June 24, 2001,)
12 The 300 East Camelback Road Trust dated June 1,)
13 2000, Deer Valley Trust dated September 20, 2000,)
The Silverdale Building Trust dated 06/27/2000,)
14)
BLACK CORPORATION 1-50 as trustee of 11324)
15 E. Sprague Ave. Trust dated unknown, 36050 N.)
58th Street Trust dated unknown, 7848 E. Copper)
16 Canyon Street Trust dated September 19, 2002,)
Amsterdam 350 Trust dated August 16, 2002,)
17)
18 LARRY WILLIAM DUNNING and SHEILA)
DUNNING, husband and wife, PHIL VIGARINO)
19 and JANE DOE VIGARINO, husband and wife,)
ROBERT K. REHM, MARK KESLER and JANE)
20 DOE KESLER, FRANK CASPARE and GAIL)
CASPARE, husband and wife, PAUL MEKA)
21 AND CAROL MEKA, husband and wife,)
individually and as trustee of 24003 N. Dobson)
22 Trust dated April 22, 2002, Flynn-Jackson)
Properties Trust dated 4/30/02, and Roosevelt)
23 Street Trust dated April 30, 2002, ERIC)
24 STRASSER, as trustee of Camelback 300 Trust)
dated February 11, 2002, DAVID STOCKER)
25 AND KARYN STOCKER; husband and wife, as)
trustee of 3303 Medina Road Trust dated March)
26 15, 2002, Clearwater Mines Trust dated February)

1 12, 2002, Deer Valley/26th Ave. Trust dated)
 2 unknown, High Chaparral Trust dated March 11,)
 3 2002, and R.L. Wickman Trust dated January 31,)
 4 2002; SUSAN RUTLEDGE AND JOHN DOE)
 5 RUTLEDGE, husband and wife;)
 6 35824 N. SECLUDED LANE L.L.C., an Arizona)
 7 limited liability company, AMSTERDAM)
 8 LENDERS L.L.C., an Arizona limited liability)
 9 company, ASHTON GLEN APARTMENTS)
 10 L.L.C., an Arizona limited liability company,)
 11 CAMELBACK STONE CANYON L.L.C., an)
 12 Arizona limited liability company, CASTLE)
 13 ROOSEVELT WAREHOUSE L.L.C., an Arizona)
 14 limited liability company, COLONIAL)
 15 VILLAGE L.L.C., an Arizona limited liability)
 16 company, FCG LENDERS L.L.C., an Arizona)
 17 limited liability company, FLYNN JACKSON)
 18 PREMIUM PORTFOLIO L.L.C., an Arizona)
 19 limited liability company, FLYNN JACKSON)
 20 SECOND PORTFOLIO L.L.C., an Arizona)
 21 limited liability company, MEGASTORE)
 22 ROOSEVELT WAREHOUSE L.L.C., an Arizona)
 23 limited liability company, NORMANDALE)
 24 TOWER L.L.C., an Arizona limited liability)
 25 company, NORTH SECLUDED LANE L.L.C.,)
 26 an Arizona limited liability company, OAK)
 COMMONS L.L.C., an Arizona limited liability)
 company, SAN MIGUEL LENDERS L.L.C., an)
 Arizona limited liability company, THOMAS)
 TOWNHOMES L.L.C., an Arizona limited)
 liability company, WBMM L.L.C., an Arizona)
 limited liability company, ROOSEVELT)
 WAREHOUSE L.L.C., an Arizona limited)
 liability company, TRAPPER CREEK L.L.C., an)
 Arizona limited liability company, ATLAS MINE)
 L.L.C., an Arizona limited liability company,)
 BB/CAREFREE L.L.C., an Arizona limited)
 liability company, DEER VALLEY TRUST II)
 L.L.C., an Arizona limited liability company,)
 FRIENDS INVESTORS L.L.C., an Arizona)
 limited liability company, MEDINA)
 PROPERTIES, L.L.C., an Arizona limited)
 liability company, SOUTH BONITA L.L.C., an)
 Arizona limited liability company, T. LUNGARO)
 L.L.C., an Arizona limited liability company,)
 CORPORATE WAREHOUSE L.L.C., an Arizona)

1 Plaintiff the Arizona Corporation Commission ("ACC") having filed a Verified Complaint
2 and an Application for Appointment of a Receiver for the Defendants listed in Exhibit "A"
3 attached hereto (collectively "Receivership Defendants"), the Court finds, based upon the papers
4 filed by the ACC, that this Amended Order Appointing Receiver is both necessary and appropriate
5 in order to prevent waste and dissipation of the assets of the Receivership Defendants to the
6 detriment of investors.

7 IT IS THEREFORE ORDERED:

8 1. This Court hereby takes exclusive jurisdiction¹ and possession of the assets, monies,
9 securities, choses in action, and properties, real and personal, tangible and intangible, of whatever
10 kind and description, wherever situated, of the Receivership Defendants, (hereinafter,
11 "Receivership Assets") except American National Mortgage Partners L.L.C. and ANMP 74th ST.
12 L.L.C. where the jurisdiction is also under the Bankruptcy Court.

13
14 2. James C. Sell located at 6328 N. 181st Avenue, Waddell, Arizona 85355, with the
15 phone number of 623.853.1196, facsimile number 623.853.1132, is appointed Receiver for the
16 Receivership Assets. The Receiver shall file with the Clerk of this Court a bond in the sum of
17 \$500,000, without need for sureties approved by the Court, to assure his conscientious performance
18 of the duties and responsibilities imposed by this Order. The Receiver is hereby authorized to take
19 and have possession and control of the Receivership Assets. Until further order of this Court, the
20 Receiver shall have complete and exclusive control, possession, and custody of all Receivership
21 Assets. The Receiver shall be the agent of the court and shall be accountable directly to this Court.
22

23
24 ¹ The references to exclusive jurisdiction and stays and injunctions provided throughout this order
25 shall not deny or prohibit the prosecution and adjudication of those claims set forth in Adversary
26 Distributing Corporation, Case No. 03-03546-RJH (the "Dexter Debtors"). To the extent that the
Receiver takes any actions requiring court order, prior notice shall be provided to lead counsel for
Taylor R. Coleman and the Dexter Debtors.

1 3. All persons, including Defendants and their officers, agents, servants, employees,
2 attorneys, and all persons in active concert or participation with them who receive actual notice of
3 this Order by personal service or otherwise, and specifically including any bank or other financial
4 or depository institution holding accounts for or on behalf of the Receivership Defendants, shall
5 promptly deliver to the Receiver all Receivership Assets in the possession or under the control of
6 any one or more of them and shall promptly surrender all books and records of any kind pertaining
7 or belonging to the Receivership Defendants.

8 4. The Defendants shall fully cooperate with and assist the Receiver, which shall
9 include, but not be limited to, providing information to the Receiver that the Receiver deems
10 necessary to exercising the authority and discharging the responsibilities of the Receiver under this
11 Order; providing any password required to access any computer, electronic file, or telephonic data
12 in any medium; advising all persons who owe money to the Receivership Defendants that all debts
13 should be paid directly to the Receiver; and provide to the Receiver all keys and codes necessary to
14 gain or to secure access to any Receivership Assets or Receivership Records.

15 5. All persons, including Defendants and their officers, agents, servants, employees,
16 attorneys, and all persons in active concert or participation with them, who receive actual notice of
17 this Order by personal service or otherwise, are enjoined from in any way interfering with the
18 operation of the Receivership or in any way disturbing the Receivership Assets and from filing or
19 prosecuting any actions or proceedings which involve the Receiver or which affect the
20 Receivership Assets, specifically including any proceeding initiated pursuant to the United States
21 Bankruptcy Code, except with the prior permission of this Court or the Bankruptcy Court as
22 appropriate. Any actions so authorized to determine disputes relating to Receivership Assets shall
23 be filed in this Court or the Bankruptcy Court as appropriate.
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1 6. All Defendants are hereby restrained and enjoined from directly or indirectly
2 destroying, secreting, defacing, transferring or otherwise altering or disposing of any documents of
3 the Defendants, including, but not limited to, books, records, accounts, writings, drawings, graphs,
4 charts, photographs, audio and video recordings, computer records and other data compilations,
5 electronically stored records, or any other papers of any kind or nature. Defendants are also
6 restrained and enjoined from excusing debts owed to the Defendants or transferring, receiving,
7 altering selling, encumbering, pledging, assigning, liquidating, or otherwise disposing of any assets
8 owned, controlled, or in the possession or custody of, or in which an interest is held or claimed by,
9 the Receivership Defendants, or the Receiver.

10 7. All banks, broker-dealers, savings and loans, escrow agents, title companies,
11 commodity trading companies, or other financial institutions shall cooperate with all reasonable
12 requests of the Receiver relating to implementation of this Order, including transferring funds at
13 his direction and producing records related to the assets of the Receivership Defendants.

14 8. The Receiver is hereby authorized to make appropriate notification to the United
15 States Postal Service to forward delivery of any mail addressed to the Receivership Defendants,
16 any company or entity under the direction or control of any of the Receivership Defendants, to any
17 Post Office box or other mail depository, to himself. Further, the Receiver is hereby authorized to
18 open and inspect all such mail, to determine the location or identity of assets or the existence and
19 amount of claims.
20

21 9. The Receiver is hereby authorized to open one or more bank accounts with financial
22 institutions insured by an agency of the United States. The Receiver shall Deposit all Receivership
23 Assets in such designated accounts and shall make all payments and disbursements from the
24 Receivership Assets from such accounts. The Receiver shall be responsible, to the best of his
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1 ability, to collect and allocate the loan proceeds, both principal and interest, and to make land
2 payments to the lenders.

3 10. The Receiver is hereby authorized to make such ordinary and necessary payments,
4 distributions, and disbursements as he deems advisable or proper for the marshaling, maintenance
5 or preservation of the Receivership Assets. The Receiver shall have the authority to contact and
6 negotiate with any creditors of the Receivership Defendants, for the purpose of compromising or
7 settling any claim. To this purpose, in those instances in which Receivership Assets serve as
8 collateral to secured creditors, the Receiver may surrender such assets to secured creditors, and
9 shall have the authority to make such surrender conditional upon the waiver of any deficiency of
10 collateral. Furthermore, the Receiver is authorized to renew, cancel, terminate, or otherwise adjust
11 any pending lease agreements to which the Receivership Defendants are a party.
12

13 11. The Receiver is hereby directed to prevent the inequitable distribution of assets and
14 determine, adjust, and protect the interests of persons with an interest in or claim against the
15 Receivership Assets.

16 12. The Receiver is hereby directed to file with this Court and serve upon the parties,
17 within 30 days after entry of this Amended Order, a preliminary report setting out the identity,
18 location and value of the Receivership Assets, and any liabilities pertaining thereto. Further, at the
19 time the Receiver makes such report, he shall recommend to the Court whether, in his opinion,
20 based on his initial investigation, claims against Defendants, should be adjudged in the Bankruptcy
21 Court. After providing the parties an opportunity to be heard, this Court will determine whether to
22 accept the Receiver's recommendation and, if appropriate, issue an order authorizing the Receiver
23 to commence a bankruptcy proceeding.
24

25 13. Except by leave of this Court or the Bankruptcy Court as appropriate, during
26 pendency of the Receivership ordered herein, the Defendants, and all other persons and entities be

1 and hereby are stayed from taking any action to establish or enforce any claim, right, or interest for,
2 against, on behalf of, in, or in the name of, any of the Receivership Defendants, any of their
3 subsidiaries, affiliates, partnerships, assets, documents, or the Receiver or the Receiver's duly
4 authorized agents acting in their capacities as such, including, but not limited to, the following
5 actions:

- 6 a. Commencing, prosecuting, continuing, entering, or enforcing any suit or
7 proceeding, except that such actions may be filed to toll any applicable statute of
8 limitations;
- 9 b. Accelerating the due date of any obligation or claimed obligation; filing or
10 enforcing any lien; taking or attempting to take possession, custody, or control of
11 any asset; attempting to foreclose, forfeit, alter, or terminate any interest in any
12 asset, whether such acts are part of a judicial proceeding, are acts of self-help, or
13 otherwise;
- 14 c. Executing, issuing, serving, or causing the execution, issuance or service of, any
15 legal process, including, but not limited to, attachments, garnishments, subpoenas,
16 writs of replevin, writs of execution, or any other form of process whether specified
17 in this Order or not; or
- 18 d. Doing any act or thing whatsoever to interfere with the Receiver taking custody,
19 control, possession, or management of the assets or documents subject to this
20 receivership, or to harass or interfere with the Receiver in any way, or to interfere in
21 any manner with the exclusive jurisdiction of this Court over the assets or
22 documents of the Receivership Defendants.

23 14. Except as otherwise provided in this Order, all persons and entities in need of
24 documentation from the Receiver shall in all instances first attempt to secure such information by
25
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1 submitting a formal written request to the Receiver, and, if such request has not been responded to
2 within fifteen (15) days of receipt by the Receiver, any such person or entity may thereafter seek an
3 Order of this Court with regard to the relief requested.

4 15. The Receivership Defendants will have access to the business records, including
5 copies of computer records, of the Receivership Defendants upon twenty-four (24) hour notice to
6 the Receiver and under the receivers' supervision. The Receivership Defendants will not remove
7 the business records from the Receiver.

8 16. The Receiver is hereby authorized to employ such employees, accountants, and
9 attorneys as are necessary and proper for the collection, preservation and maintenance of the
10 Receivership Assets, subject to the terms outlined in paragraph 23 below.

11 17. The Receiver is hereby authorized and directed to receive and collect any and all
12 sums of money due or owing to the Receivership Defendants, whether the same are now due or
13 shall hereafter become due and payable, and is authorized to incur such reasonable expenses and
14 make such disbursements as are necessary and proper for the collection, preservation, maintenance
15 and operation of the Receivership Assets.

16 18. The Receiver is hereby authorized to institute, defend, compromise or adjust such
17 actions or proceedings in state or federal courts now pending and hereafter instituted, as may in his
18 discretion be advisable or proper for the protection of the Receivership Assets or proceeds
19 therefrom, and to institute, prosecute, compromise or adjust such actions or proceedings in state or
20 federal court as may in his judgment be necessary or proper for the collection, preservation and
21 maintenance of the Receivership Assets.

22 19. The Receiver is hereby authorized to institute such actions or proceedings to impose
23 a constructive trust, obtain possession and/or recover judgment with respect to persons or entities
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1 who received assets or funds traceable to investor monies. All such actions shall be filed in this
2 Court except as maybe subject to subsequent Bankruptcy Court Orders.

3 20. Upon the request of the Receiver, any peace officer of this State is authorized and
4 directed to assist the Receiver in carrying out his duties to take possession, custody or control of, or
5 identify the location of, any Receivership Assets. The Receiver is authorized to remove any person
6 from any premises or real estate constituting a Receivership Asset that attempts to interfere with
7 the Receiver, his attorneys or agents in the performance of their duties. The Receiver is further
8 authorized to change any locks or other security mechanisms with respect to any premises or other
9 assets that constitute Receivership Assets.

10 21. The Receiver shall keep the ACC and the Receivership Defendants apprised at
11 reasonable intervals of developments concerning the operation of the receivership, and shall
12 provide to the ACC upon request any documents under the control of the Receiver.

13 22. The Receiver shall seek and obtain the approval of this Court prior to disbursement
14 of professional fees and expenses to himself or counsel, by presentation of a written application
15 therefor and after consultation with the ACC except as described in paragraph 23 below. All costs
16 incurred by the Receiver shall be paid from the Receivership Assets.

17 23. As to American National Mortgage Partners L.L.C. and ANMP 74th ST. L.L.C., the
18 Receiver has the following additional requirements:

- 19
- 20 a. The Receiver will be designated as the Debtor under Bankruptcy
21 Rule 9001(5)(A).
 - 22 b. The Receiver will extend the \$500,000 bond required in the State
23 action to include a provision in favor of the United States. A copy
24 of the bond will be filed with the Bankruptcy Court and the Office
25 of the U.S. Trustee.
26

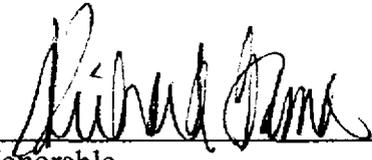
- 1 c. The Receiver will maintain a master mailing list and send status
2 reports and notices to creditors.
- 3 d. The Receiver will file copies of the State Court Receiver reports
4 with the Bankruptcy Court. The first report will be due 30 days
5 from the date of this Amended Order.
- 6 e. The Receiver will file monthly accounting reports with both the
7 State Court and the Bankruptcy Court.
- 8 f. Debtors will pay the required U.S. Trustee quarterly fees.
- 9 g. The Receiver will comply with 11 U.S.C. §330 in seeking
10 compensation for Receiver and his professionals, *in doing so*,
11 Receiver, on a quarterly basis, will seek State Court approval for
12 all compensation. Upon receipt of State Court Order, Receiver
13 will notice the Order by way of negative notice in the Bankruptcy
14 proceeding. If no objections, the Order will be entered in the
15 Bankruptcy proceeding. By doing so, Receiver will insure that to
16 the extent any professionals are paid from assets of the Bankruptcy
17 estate, appropriate Court authorization has been obtained.
- 18 h. The Receiver will hire Bankruptcy Counsel if and when necessary.
- 19 i. The Receiver will report to the Bankruptcy Court for a status conference in
20 approximately 90 days.
- 21 j. The foregoing provisions are without prejudice to the Receiver seeking
22 modification, or clarification, of these provisions through future Court
23 Orders.
- 24 k. The Receiver will seek approval of the Bankruptcy Court prior to
25 transferring assets out of American National Mortgage Partners L.L.C. and
26 ANMP 74th ST. L.L.C. or seeking dismissal of the Bankruptcy proceedings.

COPY FOR
CERTIFICATION

1 IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this action for all
2 purposes except over American National Mortgage Partners L.L.C. and ANMP 74th ST. L.L.C.
3 American National Mortgage Partners L.L.C. and ANMP 74th ST. L.L.C. will also be under the
4 jurisdiction of the Bankruptcy Court as specifically outlined above. The Receiver is hereby
5 authorized, empowered and directed to apply to this Court or the Bankruptcy Court if appropriate,
6 with notice to the ACC and Defendants, for issuance of such other orders as may be necessary and
7 appropriate in order to carry out the mandate of this Court and the Bankruptcy Court as
8 appropriate.

9 IT IS FURTHER ORDERED that this Order will remain in effect until modified by further
10 order of this Court.

11 SIGNED this 13 day of April, 2003.

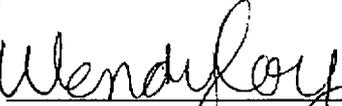
12 
13 _____
14 Honorable
15 Judge of the Superior Court
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1 ADDENDUM TO RECEIVER ORDER

2
3 The parties agree as to form and substance to entry of this Amended Order Appointing

4 Receiver.

5 Dated this 6th of May, 2003.

6 
7 Wendy Coy, Esq.
8 1300 W. Washington, 3rd Floor
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Attorney for the Arizona Corporation Commission

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14 Phoenix, Arizona 85016

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16 Larry Wilk
17 Jaburg & Wilk
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Attorney for Receiver James C. Sell

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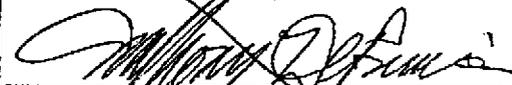
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ADDENDUM TO RECEIVER ORDER

The parties agree as to form and substance to entry of this Amended Order Appointing Receiver.

Dated this _____ of May, 2003.

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Attorney for the Arizona Corporation Commission



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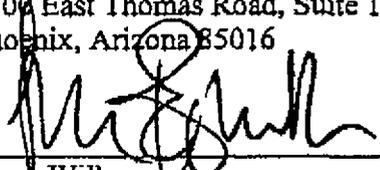
ADDENDUM TO RECEIVER ORDER

The parties agree as to form and substance to entry of this Amended Order Appointing Receiver.

Dated this _____ of May, 2003.

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ADDENDUM TO RECEIVER ORDER

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Dated this _____ of May, 2003.

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ADDENDUM TO RECEIVER ORDER

The parties agree as to form and substance to entry of this Amended Order Appointing Receiver.

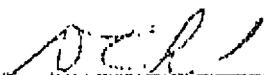
Dated this of May, 2003.

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1 /s/ Richard C. Gramlich

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EXHIBIT "A"

1. American National Mortgage Partners L.L.C.
2. ANMP 74th ST. L.L.C.
3. 1230 Pine Road Trust dated July 21, 2002
4. 1256 Rand Ave Trust dated September 11, 2002
5. 2725 E. Thomas Road Trust dated November 14, 2002
6. 2801 Wayzata Blvd Trust dated September 13, 2002
7. 35824 N. Secluded Lane Trust dated June 21, 2002
8. 36th Street & Oak Trust dated Nov. 8, 2002
9. 4330 N. 5th Street Trust dated October 24, 2002
10. 506 Stoning Circle Trust dated July 26, 2002
11. 630 E. Mullan Avenue Trust dated August 29, 2002
12. 8301 Creekside Circle Trust dated August 22, 2002
13. 8744 E. Oak Street Trust dated June 19, 2002
14. Lot 14 Copper Canyon Trust dated May 8, 2002
15. San Miguel Trust dated September 20, 2002
16. SECURA INNOVATIVE INVESTMENT, INC., an Arizona corporation
17. SECURA MORTGAGE MANAGEMENT, L.L.C., an Arizona limited liability company
18. 67th Street Trust dated July 5, 2002
19. CASH FLOW UNIVERSITY, INC., an Arizona corporation
20. SECURA FUND ARIZONA, L.L.C., an Arizona limited liability company
21. CORPORATE MANAGEMENT SOLUTIONS, INC., an Arizona corporation
22. 5505 E. San Miguel Trust dated May 17, 2002
23. Lot 14 Copper Canyon Trust dated May 18, 2002

- 1 24. Northwest Fir Properties dated May 17, 2002
- 2 25. Roosevelt Street Trust dated April 30, 2002
- 3 26. GUARANTY PERFORMANCE, INC., an Arizona corporation
- 4 27. CREATIVE FINANCIAL FUNDING, L.L.C., an Arizona limited liability company
- 5 28. 8802 N. Black Canyon Hwy Trust dated unknown
- 6 29. AMERICAN MONEY POWER, INC. dba MONEY POWER, an Arizona corporation
- 7 30. FEDERAL CAPITAL, L.L.C., an Arizona limited liability company
- 8 31. CORPORATE FIDUCIAL SERVICES, INC., a Nevada corporation
- 9 32. The Federal Way Building L.L.C. dated January 27, 2000
- 10 33. Progress Drive Trust dated August 21, 2000
- 11 34. 222 N. 44th Street Trust dated August 31, 2001
- 12 35. 36050 N. 58th Street Trust dated unknown
- 13 36. 522 N. Columbia Center Blvd. Trust dated February 22, 2001
- 14 37. 7102 W. Roosevelt Trust dated July unknown, 2001
- 15 38. 9815 S.W. Capital Hwy Trust dated June 24, 2001
- 16 39. The 300 East Camelback Road Trust dated June 1, 2000
- 17 40. Deer Valley Trust dated September 20, 2000
- 18 41. The Silverdale Building Trust dated 06/27/2000
- 19 42. 11324 E. Sprague Ave. Trust dated unknown
- 20 43. 36050 N. 58th Street Trust dated unknown
- 21 44. 7848 E. Copper Canyon Street Trust dated September 19, 2002
- 22 45. Amsterdam 350 Trust dated August 16, 2002,
- 23 46. 24003 N. Dobson Trust dated April 22, 2002
- 24 47. Flynn-Jackson Properties Trust dated 4/30/02
- 25 48. Roosevelt Street Trust dated April 30, 2002
- 26 49. Camelback 300 Trust dated February 11, 2002

- 1 50. 3303 Medina Road Trust dated March 15, 2002
- 2 51. Clearwater Mines Trust dated February 12, 2002
- 3 52. Deer Valley/26th Ave. Trust dated unknown
- 4 53. High Chaparral Trust dated March 11, 2002
- 5 54. R.L. Wickman Trust dated January 31, 2002
- 6 55. 35824 N. SECLUDED LANE L.L.C., an Arizona limited liability company
- 7 56. AMSTERDAM LENDERS L.L.C., an Arizona limited liability company
- 8 57. CAMELBACK STONE CANYON L.L.C., an Arizona limited liability company
- 9 58. CASTLE ROOSEVELT WAREHOUSE L.L.C., an Arizona limited liability
- 10 company
- 11 59. COLONIAL VILLAGE L.L.C., an Arizona limited liability company
- 12 60. FCG LENDERS L.L.C., an Arizona limited liability company
- 13 61. FLYNN JACKSON PREMIUM PORTFOLIO L.L.C., an Arizona limited liability
- 14 company
- 15 62. FLYNN JACKSON SECOND PORTFOLIO L.L.C., an Arizona limited liability
- 16 company
- 17 63. MEGASTORE ROOSEVELT WAREHOUSE L.L.C., an Arizona limited liability
- 18 company
- 19 64. NORMANDALE TOWER L.L.C., an Arizona limited liability company
- 20 65. NORTH SECLUDED LANE L.L.C., an Arizona limited liability company
- 21 66. OAK COMMONS L.L.C., an Arizona limited liability company
- 22 67. THOMAS TOWNHOMES L.L.C., an Arizona limited liability company
- 23 68. WBMM L.L.C., an Arizona limited liability company
- 24 69. ROOSEVELT WAREHOUSE L.L.C., an Arizona limited liability company
- 25 70. TRAPPER CREEK L.L.C., an Arizona limited liability company
- 26 71. ATLAS MINE L.L.C., an Arizona limited liability company

- 1 72. BB/CAREFREE L.L.C., an Arizona limited liability company
- 2 73. DEER VALLEY TRUST II L.L.C., an Arizona limited liability company
- 3 74. MEDINA PROPERTIES, L.L.C., an Arizona limited liability company
- 4 75. SOUTH BONITA L.L.C., an Arizona limited liability company
- 5 76. T. LUNGARO L.L.C., an Arizona limited liability company
- 6 77. CORPORATE WAREHOUSE L.L.C., an Arizona limited liability company
- 7 78. DV PARTNERS L.L.C., an Arizona limited liability company
- 8 79. FLYNN JACKSON PARTNERS L.L.C., an Arizona limited liability company
- 9 80. NORTH DOBSON-SCOTTSDALE L.L.C., an Arizona limited liability company
- 10 81. HUDSON PARK L.L.C., an Arizona limited liability company
- 11 82. HUDSON VALLEY L.L.C., an Arizona limited liability company
- 12 83. HUDSON-HYDE PARK L.L.C., an Arizona limited liability company
- 13 84. SIXTY-SEVENTH STREET L.L.C., an Arizona limited liability company
- 14 85. FOREST AVENUE L.L.C., an unknown limited liability company
- 15 86. 3303 OHIO PPROPERTY L.L.C., an Arizona limited liability company
- 16 87. CAMELBACK 300 L.L.C., an Arizona limited liability company
- 17 88. WATERSTONE APARTMENTS L.L.C., an Arizona limited liability company
- 18 89. FCG PARTNERS L.L.C., an Arizona limited liability company
- 19 90. AMSTERDAM L.L.C., an Arizona limited liability company
- 20 91. PROFIT-I L.L.C., an Arizona limited liability company
- 21 92. FLYNN JACKSON PROPERTIES L.L.C., an unknown limited liability company
- 22 93. FOREST GLOBAL L.L.C., an unknown limited liability company
- 23 94. LAS SENDAS MOUNTAIN L.L.C., an unknown limited liability company
- 24 95. OMAHA PROPERTY L.L.C., an unknown limited liability company
- 25 96. JOSHUA LANE LENDERS, L.L.C., an unknown limited liability company
- 26 97. NT CREEKSIDE L.L.C., an Arizona limited liability company

- 1 98. I-10 INVESTORS L.L.C., an Arizona limited liability company
- 2 99. MONEY POWER L.L.C., an Arizona limited liability company
- 3 100. WESTERN + GULF, INC., a Louisiana corporation
- 4 101. BOAT BED & BREAKFAST L.L.C., an Arizona limited liability company
- 5 102. SHE LA VIA COSMETICS, INC., an Arizona corporation

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1 Copies of the foregoing mailed
and/or emailed this 12th of May, 2003:

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3 Maricopa County Superior Court
4 Honorable J. Richard Gama
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32 5635 E. Lincoln Dr.
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Exhibit B

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Web Site: www.forensic-cpa.com
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AZ CORP COMMISSION
DOCUMENT CONTROL

RECEIVER'S REPORT

RE: No. CV 2003 005724

Overview

There are numerous entities covered by the Receivership. The structural characteristics, business operations, accounting, commonality of management control, commingling of funds and misdirection of funds of the Receivership entities were similar enough to refer to the management entities collectively in this report as the Company. The passive Investor based entities that provided the funds used by the Company to make loans to Borrowers is collectively referred to in this report as Investors.

Pursuant to the order appointing the receiver a preliminary report was to be filed within 30 days of the amended order. The report was to be filed "setting out the identity, location and value of the Receivership Assets, and any liabilities pertaining thereto."

Since the inception of the Receivership we diligently have been accumulating and reviewing documents to be able to produce an accurate listing of Receivership Assets.

Exhibit A is a preliminary listing of the Receivership Estate's loan portfolio. We anticipate the listing will be substantially modified as we obtain more reliable data. As we began to examine the supporting documentation for the loan transactions we discovered numerous omissions, errors and misrepresentations. We have performed a preliminary review of the known open loan transactions and have found material deficiencies in every transaction.

Since the Company did not normally obtain title policies for their loans, the files do not typically include evidence of any underlying indebtedness. Furthermore, the Company often entered into side agreements with its Borrowers wherein the Company would **not** record a lien against the property so long as the debtor was not in default. This practice permitted Borrowers to further encumber property without disclosing the existence of the Borrower's loan(s) from the Company. The owners of the Company were aware of, or

were instrumental in arranging the further encumbrance of the subject properties. Typically Investors neither knew of nor consented to the additional debt senior to theirs. The Investors often received fictitious descriptions of their lien position and the collateral purportedly securing it.

To remedy the lack of title policies and other related title issues we have been negotiating a joint agreement with the Castle entities to help defer the costs of title policies. Reports on all properties have been ordered and numerous reports received. Due to the number of properties, locations throughout the country and time frame in verifying the properties, not all reports have been received. A grid index identifying ownership and liens will be filed with the court, delivered to Investors, and placed on the Receiver's website www.americannationalreceivership.com shortly.

Our report was to contain an estimate of the value of the estate properties. The loan files often contain appraisals of the subject property but subsequent appraisals, by superior position lien holders, and/or purchase offers received on several of the properties indicate that the appraisals contained in the Company's loan files are unreliable indicators of value.

Examples of Material Loan Problems

The following are examples and are presented to demonstrate the typical types of problems we have discovered in a substantial number of the loan transactions.

Example 1. New York loans

Three related loans totaling \$5,600,000 were made in July 2002 purportedly secured by art work, a 67 Street, New York City residence and a Hyde Park, New York residence on 100 acres. These loans are not as represented. The Company never recorded the liens against the real property and the UCC-1 filed against the art work was a second. It appears there was an undisclosed side agreement between the Lender and Borrower to not record the liens against the real property so long as the Borrower was not in default. The individual Investors were never told of the existence of the side agreement. In January, 2003 the Borrower failed to make its required payment and in February, 2003, was notified of the default. Despite the default the Company never recorded the lien against the real property.

Example 2. 36 Street, Phoenix

According to the Company's loan file documents, the Borrower has outstanding loans of approximately \$1,000,000. There is a first position loan of approximately \$365,000 from First International Bank (FIB) and a series of subordinated Investor loans totaling approximately \$635,000. The Investor loans predated the FIB first position loan. The Company did not record the Investor loans and as a consequence the Borrower was able to obtain the subsequent first mortgage loan.

One of the underlying Investor loans was for \$384,000. An analysis of the Company's accounting records show that only \$213,854 of the \$384,000 was disbursed to, or on behalf of, the Borrower. The difference, \$170,146 was used to make interest distributions to other Investors on defaulted loans and to pay the Company's operating expenses. \$100,000 of the Borrower's debt structure was not used for the renovation of the property but was lent by the Borrower to a Castle entity.

The property improvements have been substantially completed. Upon completion, the Borrower estimates the property will have a gross sale value of approximately \$800,000. The Borrower's marketing plan, on a best case scenario, would result in \$680,000 of net sales. As a consequence the Borrower will be facing a deficiency of at least \$148,000.

Example 3. 2725 E. Thomas

\$100,000 was raised from two Investors. The Borrower never received any of the proceeds. The Company collected a \$5,000 broker fee for the loan transaction. The two Investors received three monthly interest payments on the alleged loan from their own money. The remainder of the \$100,000 was used for operating expense or transferred to affiliated entities.

Example 4. Stephanie Lane

The subject property was obtained by the Company from a previous defaulted Borrower. The Company subsequently sold the property on October 4, 2002 for \$650,000. At the time of purchase, the buyer obtained a new first mortgage of \$552,500, the Company received \$171,457 in cash and carried back \$97,500 second position note. According to the Company's accounting records the \$171,457 cash proceeds should have been disbursed to the three Investors associated with the original defaulted loan transaction from 1999 or 2000. Instead, \$100,000 of the cash proceeds received by the Company was used to purchase a \$100,000 Certificate of Deposit. On that same day the Company entered into an agreement with the buyer increasing the \$97,500 note to \$150,000. Simultaneously, the Company agreed to let the property purchaser, at his sole discretion, via a collateral agreement with the bank to borrow up to \$100,000 from the bank using the Company's certificate of deposit as collateral.

Diversion of Investor Funds

The Castle loans are collectively the largest group of related loans made by the Company. The Company's books reflect over \$17,000,000 in outstanding Castle loans.

Commencing in the fall of 2001, the Company began experiencing collection problems on the Castle loans. Despite the collection problems the Investors continued to receive their interest distributions. From May 8, 2002 through October 21, 2002 the Company had received in excess of \$1,800,000 in NSF checks from Castle. The Company diverted cash from every available source to continue the Investor distributions. While the use of new Investor funds to pay old Investors was accelerated by Castle's tendering of

\$1,800,000 of NSF checks the practice existed before the Castle collection problems commenced.

An analysis of the Company's business practices, accounting and cash flow disclosed the following conditions:

On a number of occasions funds were raised from Investors for specific loans but a portion of the funds were not disbursed to the Borrower. The proceeds were used to pay the following:

1. Operating expenses of the Company,
2. Loan origination fees to the Company on funds never disbursed,
3. Loan origination fees to the Company on at least one loan that was never consummated, and
4. Interest payments to unrelated Investors on their loans.

Because of these payments Investors did not know their Borrower had defaulted. The Investors believed they held an interest in a performing loan(s).

In at least one instance (High Chaparral) the Borrower paid off his loan but the Company did not distribute the proceeds to the Investors but instead diverted the proceeds for other Company purposes. The Company continued to make periodic interest payments to the Investors as though the loan's term had been extended. Months after the loan payoff the Company repaid one of the three Investors his capital investment. Despite several inquiries the other two Investors were never repaid.

Investment Switching

During our review of the files we noted numerous instances where individual Investors and groups of Investors would be switched from one loan to another. There appears to be two basic reasons for the loan switching.

1. The individual Investor learned something about the original transaction that disturbed him enough to complain to the Company that the transaction was misrepresented to them.
2. The Borrower defaulted on their loan and the group of Investors related to that loan were switched to a new or unrelated existing loan.

Out of Balance

For every loan on the Company books there is an associated list of Investors. Upon comparison of the face amount of the loan we discovered instances where there was more purported Investor money than the face amount of the loan.

We observed instances where one or more individual Investors were given credit for investing in a loan. On the other hand there were several loans where the Investor contributions were less than the face amount of the loan.

Guaranty Performance

Guaranty Performance, Inc. (GPI) was incorporated on February 11, 2002. On several loans originated by the Company and funded by Investors, the Borrower paid a "credit enhancement fee" to GPI. Investors were told the "credit enhancement fee" guaranteed that Investors would be repaid both principal and any accrued interest even if the Borrower defaulted.

The "credit enhancement fee" was a marketing tool that lacked substance. GPI was never much more than a corporate shell. As fees were collected they, for the most part, were invested in loans originated by the Company. The financial records of GPI demonstrate it never had the financial ability to pay off any of its "guaranteed loans". GPI's total Assets/Revenue never exceeded \$45,000. Since GPI's revenue was used to invest in loans its assets were illiquid and were subject to the same default risks they were purportedly guaranteeing.

It is the intent of the Receiver to review cash investment in detail, and issue subsequent reports setting forth descriptions similar to those herein. The reports will analyze and detail the transactions and flow of monies.

Illinois Land Trust Issue

A further complication to determining the interest of the Investor/Lenders of the Company has arisen due to the documentation used to establish the interest of the various lending entities. Rather than documenting the transactions using standard, statutorily recognized security devices (deeds of trusts, mortgages or agreements for sale), the Company chose to document the transactions through the creation of "Illinois Land Trusts". These trusts are not recognized under Arizona's statutory framework. Under the concept of creating a trust to hold title to the property with the Lenders and Borrowers becoming beneficiaries under the trust, the interest of the Borrowers is converted from an interest in real property, to a personal property interest. In the event of default, the interest of the Borrower is terminated not by a real estate foreclosure, but through a personal property foreclosure pursuant to the Uniform Commercial Code and the terms of the trust documents. There being no statutory provision for the Illinois Land Trusts, and little, if any, case law in Arizona regarding this type of transaction, the enforceability of

the "Illinois Land Trust" is in question. At least two borrowing entities will require this issue to be addressed, with the outcome materially affecting the interests of the Investor/Lenders.

Bankruptcy

The Receivership Order requires the Receiver, based upon his initial investigation, to determine whether the claims of Defendants should be adjudicated in Bankruptcy Court. Upon initial review, the cost of the entities being adjudicated in separate bankruptcy proceedings would be cost prohibitive. If each entity were to file individually, the administrative expenses would exceed the existing financial resources of the companies. The terms of the First Amended Order provides as follows:

5. All persons, including Defendants and their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, who receive actual notice of the Order by personal service or otherwise, are enjoined from in any way disturbing the Receivership Assets and from filing or prosecuting any actions or proceedings which involve the receiver or which affect the Receivership Assets...

Upon entry of the Order Appointing the Receiver, all Investors and Borrowers were notified of the existence of this Order, and the ramifications of taking any action which would circumvent the terms and conditions contained therein. Accordingly, parties were placed on actual notice of the existence of this injunctive provision. In addition, to the extent third party lenders have attempted to take action against the entities, they have been notified of the existence of the Order and the terms contained therein. Certain of the protections provided by 11 U.S.C. § 362 of the Bankruptcy Code are therefore provided by the existence of the pending Order. In addition, to the extent that there may be claims of fraudulent conveyances, state law provides adequate remedies for the Receiver to protect the interests of the Receivership entities. Although the provisions contained within the Bankruptcy Code provide presumptive type relief, access to state law statutory fraudulent conveyance relief exists, and can be exercised in lieu of the filing of a bankruptcy proceeding.

Two entities, American National Mortgage Partners and ANMP 74th Street are currently subject to pending bankruptcy proceedings before the Honorable Randall J. Haines, United States Bankruptcy Judge for the District of Arizona. These proceedings were filed on March 10, 2003, prior to the appointment of the Receiver. Pursuant to subsequent Court Orders, counsel has been obtained to represent the interests of the Receiver in these entities.

ANMP 74th St. holds title to the properties subject to the Castle Boutique bankruptcy proceedings. American National Mortgage Partners served as a servicing agent for the lending entities subject to the Receivership Order and received and disbursed funds in that capacity. The Automatic Stay of 11 U.S.C. § 362 of the United States Bankruptcy

Code would presumptively provide added protection and preclude third parties from exercising their claims against the assets of the Debtor entities. The current proceedings create operative dates for the presumptive time frames for preferences and fraudulent transfers under 11U.S.C. §§ 547 and 548 of the Bankruptcy Code. At the present time, maintaining these proceedings in place will not substantially effect the ongoing administration of the Receivership Estate. Therefore the Receiver recommends that the proceedings be maintained subject to review. On July 15, 2003, Judge Haines has set a status hearing, at which time the Bankruptcy Court intends to review the Receiver's recommendations and issue further Orders regarding the continuance of those proceedings.

This report provides numerous instances whereby funds appear to have been misapplied and/or misappropriated. To the extent American National Mortgage Partners helped facilitate the transfer of funds, and the misapplication proves rampant amongst most or all of the Receivership entities, the American National proceeding may prove to create an umbrella, encompassing all of the entities. Through further analysis of the financial records of American National Mortgage Partners, the Receiver will be able to more accurately determine whether or not the remaining Receivership entities fall within the purview of the American National Mortgage Partners bankruptcy, and should be consolidated therewith.

For the above reasons, the Receiver would recommend that the filing of additional proceedings would not be in the best interest of the Receivership Estate at the present time, and that the pending bankruptcy proceedings should be maintained subject to further order from Judge Haines.

Sincerely,


JAMES C. SELL, Receiver

JCS:ja

EXHIBIT "A"

Current Loan Listing

Borrower	L.L.C. Lenders	Collateral	Trust	Note Amount
Auralyn Method Ben Jackson & Josevie Vedrene-Jackson	Joshua Lane Lenders, L.L.C.	6815 N. Joshua Tree, Paradise Valley, Arizona 85253	6815 N. Joshua Tree Trust dated January 7, 2003	113,500.00
Don Reisterer	N.T. Creekside, L.L.C.	8152 S. Stephanie Lane, Tempe, Arizona 85284	8310 Creekside Circle Trust dated August 22, 2002	50,000.00
Don Reisterer	Normandale Tower, L.L.C.	8310 Creekside Circle, Bloomington, Minnesota 55437	8310 Creekside Circle Trust dated August 22, 2002	106,625.01
Flynn Jackson, Inc. Attn: Greg Housemyer	Flynn Jackson Premium Portfolio, L.L.C.	8310 Creekside Circle, Bloomington, Minnesota 55437 1)5 Fordham Hill Oval., apt #12F, Bronx, NY 2)1845 82nd St #C-2, Brooklyn, NY 3)62-64 Saunders St., Rego Park, NY 4)903 1 Ft. Hamilton Parkway 6G, Brooklyn, NY 5)14483 66-15 Thornton Pl. 1B, Forest Hills, 1)255 Flower City Pk., Rochester, NY 2)612 Franklin St, Trenton, NJ 3)Bldg 13, Unit C, Windham, NY 4)28 Tobyhanna Trail, Hopatcong, NJ 5)1407 Magee Ave., Philadelphia, PA		558,402.33
Flynn Jackson, Inc. Attn: Greg Housemyer	Flynn Jackson Partners, L.L.C.	1)45 Condon Ave, Buffalo, NY 2)7846 Astra Circle, Reynoldsburg, OH 3)200 Rector Place 17E, New York, NY 4)14483 South Adams Rd., Carbondale, KS 5)1 Tiffany Pl. Apt 4M, Brooklyn, NY 6)1407 Magee Ave., Philadelphia, PA		288,612.82
Flynn Jackson, Inc. Attn: Greg Housemyer	Flynn Jackson Second Portfolio, L.L.C.	1)45 Condon Ave, Buffalo, NY 2)7846 Astra Circle, Reynoldsburg, OH 3)200 Rector Place 17E, New York, NY 4)14483 South Adams Rd., Carbondale, KS 5)1 Tiffany Pl. Apt 4M, Brooklyn, NY 6)1407 Magee Ave., Philadelphia, PA		715,000.00
Flynn Jackson, Inc. Attn: Greg Housemyer	F.J. Properties, L.L.C.	1)45 Condon Ave, Buffalo, NY 2)7846 Astra Circle, Reynoldsburg, OH 3)200 Rector Place 17E, New York, NY 4)14483 South Adams Rd., Carbondale, KS 5)1 Tiffany Pl. Apt 4M, Brooklyn, NY 6)1407 Magee Ave., Philadelphia, PA		608,798.71
FutureCom Global, Inc.		125 S. 52nd Street, Tempe, Arizona 85281	125 S. 52nd Street Trust dated March 27, 2002	88,000.00
FutureCom Global, Inc.		277,500 Unrestricted Common Shares FutureCom Global		1,250,000.00
FutureCom Global, Inc.	Amsterdam Lenders, L.L.C., FCG Lenders, L.L.C.	350 Forest Avenue, Amsterdam, New York 12010	Amsterdam 350 Trust dated August 16, 2002	555,000.00
FutureCom Global, Inc.		350 Forest Avenue, Amsterdam, New York 12010	Amsterdam 350 Trust dated August 16, 2002	1,000,000.00
Global Investment Group, L.L.C.	Amsterdam, L.L.C.	350 Forest Avenue, Amsterdam, New York 12010	The 350 Forest Avenue Trust dated April 2, 2002	705,000.00
				750,000.00

Current Loan Listing

Borrower	L.L.C. Lenders	Collateral	Trust	Note Amount
Herbert J. Fisher/Fisher Properties	Thomas Townhouse, L.L.C.	2725 E. Thomas Road, Phoenix, Arizona 85006	2725 E. Thomas Rd Trust dated November 14, 2002	353,800.00
Herbert J. Fisher/Fisher Properties		2302 N. 36th Street, Phoenix, Arizona 85008		21,200.00
Herbert J. Fisher/Fisher Properties	Oak Commons, L.L.C.	2302 N. 36th Street, Phoenix, Arizona 85008	The 36th Street and Oak Trust dated November 8, 2002	384,000.00
John Wanek/Exeter Aston, L.L.C.	Glen Ashton Apartments, L.L.C.	506 Stonington Circle, Centerville, Ohio 45458	506 Stonington Circle Trust dated July 26, 2002	580,000.00
John Wanek/Waterstone Place, L.L.C.	Colonial Village, L.L.C.	1256 Rand Avenue, Columbus, Ohio 35824 N. Secluded Lane, Carefree, Arizona 85377	1256 Rand Avenue Trust dated September 1, 2002	800,000.00
Kenneth Magill	35824 N. Secluded Lane, L.L.C.	35824 N. Secluded Lane, Carefree, Arizona 85377	35824 N. Secluded Lane Trust dated June 21, 2002	300,000.00
Kenneth Magill	North Secluded Lane, L.L.C.	35824 N. Secluded Lane, Carefree, Arizona 85377	35824 N. Secluded Lane Trust dated June 21, 2002	500,000.00
Kenneth Magill	North Secluded Lane, L.L.C.	35824 N. Secluded Lane, Carefree, Arizona 85377	35824 N. Secluded Lane Trust dated June 21, 2002	100,000.00
Kimberly & Chris Dedmon		8151 W. Gelding Drive, Peoria, Arizona 85381	Kimberly & Chris Dedmon/8151 W. Gelding Drive	10,000.00
Kimberly & Chris Dedmon Omni Horizon Group/Kimberly & Chris Dedmon				12,593.97
R. L. Wickman	South Bonita, L.L.C.	2865 Trails Edge Blvd, Bonita Springs, FL 34134	R.L. Wickman Trust dated January 31, 2002	150,000.00
		1)14-16 East 67th Street, New York, NY 10021, 2)135-139 Old Post Road, Straatsburg, New York		270,000.00
Robert Guccione/General Media	Sixty-Seventh Street, L.L.C., The Hudson Hyde Park, L.L.C.	& 3)assignment of proceeds of Fine Art Sale	67th Street Trust dated July 5, 2002	1,870,000.00
		1)14-16 East 67th Street, New York, NY 10021, 2)135-139 Old Post Road, Straatsburg, New York		
Robert Guccione/General Media	The Hudson Valley, L.L.C.	& 3)assignment of proceeds of Fine Art Sale	67th Street Trust dated July 5, 2002	1,650,000.00
		1)14-16 East 67th Street, New York, NY 10021, 2)135-139 Old Post Road, Straatsburg, New York		
Robert Guccione/General Media	The Hudson Park, L.L.C.	& 3)assignment of proceeds of Fine Art Sale	67th Street Trust dated July 5, 2002	1,980,000.00

Current Loan Listing

Borrower	L.L.C. Lenders	Collateral	Trust	Note Amount
Robert K. Rehm		998 East Indian School Rd., Phoenix, AZ 85014		400,000.00
Western + Gulf Capital, Inc.		998 East Indian School Rd., Phoenix, AZ 85014	998 E. Indian School Trust dated September 20, 1999	363,436.22
Stanford E. & Susan Lerch		Washington Park Property (old mining claim/map WASHINGTON PARK SUMMER HOMES, MAP 642 16/16 book- map-parcel 302-81-003)		25,000.00
Stanford E. Lerch		Unsecured		20,541.72
Stanford Lerch/KRC Investments, L.L.C.		4330 N. 5th Street, Phoenix, Arizona 85006	4330 N. 5th Street Trust dated October 24, 2001	120,000.00
Sultan Al Shaie	North Dobson - Scottsdale, L.L.C.	24003 N. Dobson Road, Scottsdale, Arizona 85255	24003 N. Dobson Rd. Trust dated April 22, 2002	50,000.00
Sultan Al Shaie	North Dobson - Scottsdale, L.L.C.	24003 N. Dobson Road, Scottsdale, Arizona 85255	24003 N. Dobson Rd. Trust dated April 22, 2002	150,000.00
Susan Bates		6565 N. 19th Avenue, Unit #47, Phoenix, Arizona	6565 N. 19th Avenue, Unit 47 Trust dated March 29, 2002	48,500.00
Taylor Coleman/Castle Megastore Corp.		1113 Progress Drive, Medford, Oregon 97504	1113 Progress Drive Trust dated August, 2000	400,000.00
Taylor Coleman/Castle Megastore Corp.		222 N. 44th Street, Phoenix, Arizona 85034	222 N. 44th Street Trust dated August 31, 2001	100,000.00
Taylor Coleman/Castle Megastore Corp.		222 N. 44th Street, Phoenix, Arizona 85034		
Taylor Coleman/Castle Megastore Corp.		522 N. Columbia Center Blvd, Kennewick, Washington 99336		
Taylor Coleman/Castle Megastore Corp.		5110 Central Avenue, Albuquerque New Mexico 87108	222 N. 44th Street Trust dated August 31, 2001	975,000.00
Taylor Coleman/Castle Megastore Corp.	Camelback 300, L.L.C.	300 E. Camelback Rd., Phoenix, Arizona 85012	Camelback 300 Trust dated December, 2001	250,000.00
Taylor Coleman/Castle Megastore Corp.	Camelback 300, L.L.C.	300 E. Camelback Rd., Phoenix, Arizona 85012	Camelback 300 Trust dated December, 2001	400,000.00
Taylor Coleman/Castle Megastore Corp.		5501 E. Washington Street, Phoenix, Arizona 85034	5501 E. Washington Street Trust dated September 1, 2001	562,000.00
Taylor Coleman/Castle Megastore Corp.		5501 E. Washington Street, Phoenix, Arizona 85034	5501 E. Washington Street Trust dated September 1, 2001	185,800.00
Taylor Coleman/Castle Megastore Corp.		7102 W. Roosevelt Street, Phoenix, Arizona	7102 W. Roosevelt Street Trust dated July 10, 2001	54,000.00
Taylor Coleman/Castle Megastore Corp.		7102 W. Roosevelt Street, Phoenix, Arizona	7102 W. Roosevelt Street Trust dated July 10, 2001	160,000.00

Current Loan Listing

Borrower	L.L.C. Lenders	Collateral	Trust	Note Amount
Taylor Coleman/Castle Megastore Corp.		7102 W. Roosevelt Street, Phoenix, Arizona	7102 W. Roosevelt Street Trust dated July 10, 2001	182,000.00
Taylor Coleman/Castle Megastore Corp.		7102 W. Roosevelt Street, Phoenix, Arizona	7102 W. Roosevelt Street Trust dated July 10, 2001	133,000.00
Taylor Coleman/Castle Megastore Corp.		8315 E. Apache Trail, East Mesa, Arizona 85207	83rd Ave/I-10 Trust dated May 25, 2001	110,000.00
Taylor Coleman/Castle Megastore Corp.		9815 SW Capital Hwy, Portland, Oregon 97219	9815 SW Capital Hwy Trust dated June 29, 2001	257,646.96
Taylor Coleman/Castle Megastore Corp.		8802 N. Black Canyon Hwy, Phoenix, Arizona 85051-4042		100,000.00
Taylor Coleman/Castle Megastore Corp.		8802 N. Black Canyon Hwy, Phoenix, Arizona 85051-4042		125,000.00
Taylor Coleman/Castle Megastore Corp.		21815 N. 26th Ave., Phoenix, Arizona		
Taylor Coleman/Castle Megastore Corp.		8802 N. Black Canyon Hwy, Phoenix, Arizona		
Taylor Coleman/Castle Megastore Corp.		11324 E. Sprague Ave., Spokane, Washington 99206	Deer Valley II Trust dated November, 2001	635,000.00
Taylor Coleman/Castle Megastore Corp.		1815 E. 5th Ave., Anchorage, Alaska		
Taylor Coleman/Castle Megastore Corp.		21815 N. 26th Ave., Phoenix, Arizona		
Taylor Coleman/Castle Megastore Corp.		8802 N. Black Canyon Hwy, Phoenix, Arizona		
Taylor Coleman/Castle Megastore Corp.		11324 E. Sprague Ave., Spokane, Washington 99206	Deer Valley Trust dated September 20, 2000	4,000,000.00
Taylor Coleman/Castle Megastore Corp.	D.V. Partners, L.L.C.	21815 N. 26th Ave., Phoenix, Arizona		500,000.00
Taylor Coleman/Castle Megastore Corp.		Unsecured	Federal Way Building, L.L.C. Trust dated January 27, 2000	1,000,000.00
Taylor Coleman/Castle Megastore Corp.	Corporate Warehouse, L.L.C., Roosevelt Warehouse, L.L.C., Castle Roosevelt Warehouse, L.L.C., Megastore Roosevelt Warehouse, L.L.C.	7102 W. Roosevelt Street, Phoenix, Arizona	Roosevelt Street Trust dated April 30, 2002	2,000,000.00
Taylor Coleman/Castle Megastore Corp.	Camelback Stone Canyon, L.L.C.	5505 E. San Miguel, Paradise Valley, Arizona 85253	San Miguel Trust dated September 20, 2002	800,000.00
Taylor Coleman/Castle Megastore Corp.		11324 NW Randall Way, Silverdale, Washington	Silverdale Trust dated June 27, 2000	275,000.00
Taylor Coleman/Castle Megastore Corp.	San Miguel Lenders, L.L.C.	5505 E. San Miguel, Paradise Valley, Arizona 85253	The 5505 E. San Miguel Trust dated May 17, 2002	400,000.00

Current Loan Listing

Borrower	L.L.C. Lenders	Collateral	Trust	Note Amount
Terrell Beckwith Tony Lungaro/T N Corporation	Medina Properties, L.L.C.	1230 Pine Road, Omaha, Nebraska 68144	1230 Pine Road Trust dated July 21, 2002	60,000.00
Tony Lungaro/T N Corporation	3303 Ohio Property, L.L.C.	3303 E. Medina Rd., Medina, Ohio 33652	3303 E. Median Rd. Trust dated March 15, 2002	415,000.00
William T. Jacobson/Atlas Mining Company William T. Jacobson/Clearwater Mines, Inc.	Trapper Creek, L.L.C.	Patented Mining Claims situated in Shashone County, Idaho - 9 parcels	Northwest Fir Properties Trust dated May 17, 2002	345,507.59
William T. Jacobson/Clearwater Mines, Inc.	Atlas Mine, L.L.C.	630 E. Mullan Ave., Osburn, Idaho 83849	630 E. Mullan Trust dated August 29, 2002	86,100.00
William T. Jacobson/Clearwater Mines, Inc.	Atlas Mine, L.L.C.	Patented Mining Claims situated in Clearwater, Florida and Shashone County, Idaho	Clearwater Mines Trust dated February 12, 2002	175,000.00