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8 RECEIVER

9 UNITED STATES DISTRICT COURT  
10 CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION

11  
12 SECURITIES AND EXCHANGE  
13 COMMISSION,

14 Plaintiff,

15 v.

16 LAMBERT VANDER TUIG (a/k/a/  
17 LAMBERT VANDER TAG a/k/a/  
18 DEAN I. VANDER TAG), THE  
19 CAROLINA DEVELOPMENT  
COMPANY, INC. (a/k/a THE  
CAROLINA COMPANY AT  
PINEHURST, INC.), AND  
JONATHAN CARMAN,

20 Defendants.

Case No. SACV06-172 AHS(MLGx)

**RECEIVER'S EIGHTH SIX-  
MONTH ACCOUNTING REPORT  
FOR THE PERIOD ENDING  
JANUARY 31, 2010**

Complaint Filed: February 16, 2006

1 Thomas A. Seaman, duly-appointed receiver herein ("Receiver")  
2 respectfully submits this Eighth Six-Month Report. The time period covered by this  
3 report is from August 1, 2009 through January 31, 2010. Inception-to-date  
4 accounting from the time of the Receiver's appointment, February 16, 2006 is also  
5 provided.

6  
7 **I. PROCEDURAL BACKGROUND**  
8

9 The Receiver was appointed on February 16, 2006 at a hearing on the  
10 *ex parte* motion brought by the Securities and Exchange Commission seeking a  
11 Temporary Restraining Order to stop the fraudulent sale of unregistered securities  
12 by The Carolina Development Company (the "Company") and its principals and  
13 agents, (collectively, the "Defendants"). On February 27, 2006 the Court issued a  
14 Preliminary Injunction Order enjoining the Defendants from future violations of  
15 securities laws. On April 5, 2006 the Court issued Findings of Fact and Conclusions  
16 of Law in support of the Preliminary Injunction ("Findings"). Defendants filed no  
17 objection to the Court's Findings which include the Defendants making  
18 misrepresentations to investors about sales and revenues of the Company, making  
19 false statements about going public, making false statements about restricted stock  
20 and failure to disclose stock already publicly traded, making misrepresentations  
21 about properties owned by the Company, misrepresenting the amount of authorized  
22 shares, misrepresenting the book value of the Company, in the case of Vander Tuig,  
23 concealing his real name and not disclosing previous action against him by the  
24 Securities and Exchange Commission, operating a Ponzi like scheme,  
25 misappropriating investor funds, taking funds from un-accredited investors, and  
26 continuing to make misrepresentations to investors after this Court issued the  
27 Temporary Restraining Order and Preliminary Injunction. On April 7, 2006 this  
28

1 Court expanded the scope of the receivership by implementing a stay on legal  
2 actions against the Defendants, and putting additional entities under the control of  
3 the Receiver. On February 22, 2008 this Court granted Plaintiff's motion for  
4 summary Judgment against Vander Tag. On August 9, 2007 this Court approved  
5 the Plaintiff's Plan of Partial Distribution. On or around January 21, 2009 the  
6 California Department of Justice indicted Lambert Vander Tag, Jonathan Carman,  
7 defendants herein, Robert Waldman, a former attorney for the Company, and Scott  
8 Yard, Mark Sostak and Soren Svendsen, who sold securities for the Company.  
9 Collectively there were 89 counts of grand theft and securities fraud against these  
10 six Carolina Company participants. On or around April 30, 2009 the Receiver  
11 distributed \$7,680,363.69 to investor-victims in accordance with the Plaintiff's Plan  
12 of Partial Distribution.

13

14 **II. ACCOUNTING SUMMARY AND EXPLANATORY NARRATIVE**

15

16 Exhibit "A" provides an accounting of all receipts and disbursements of  
17 the receivership estate and includes a cash basis profit and loss statement, balance  
18 sheet and detailed general ledger since the inception of the receivership. Profit and  
19 loss statements for both the latest six month reporting period and inception-to-date  
20 are also provided.

21

22 For the six month reporting period the Receiver collected funds in the  
23 amount of \$627.40 which is comprised of interest income.

24

25 The Receiver has diligently invested excess cash in the estate in United  
26 States Treasury bills. During the six month period the estate earned interest income  
27 of \$627.50; inception-to-date the estate has earned interest income of \$662,419.80.

28

1 Unfortunately with the current financial crisis, the funds earned a lower rate of  
2 interest than in prior reporting periods.

3  
4 Inception-to-date, through January 31, 2010, the Receiver has collected  
5 funds in the amount of \$19,564,106.81 which can be broken down into the  
6 following basic categories, and are discussed below in more detail, where notable:

7		
8	Seized or turned over	\$ 7,241,079.36
9	Litigation Proceeds	\$ 435,750.00
10	Real estate escrows terminated by the Receiver	\$ 2,192,349.51
11	Disgorgement Proceeds	\$ 304,930.00
12	Return of Dividends paid	\$ 173,911.88
13	Other asset recovery	\$ 64,199.59
14	Interest paid to the Receiver	\$ 662,419.80
15	Sales of real property	\$ 8,429,466.67
16	Recovery of professional retainers	<u>\$ 60,000.00</u>
17	TOTAL	\$19,564,106.81
18		

19 For the six month reporting period, the Receiver expended  
20 \$481,318.35. Noteworthy among disbursements was the Receiver's fees in the  
21 amount of \$82,219.50 and Receiver's legal counsel's fees and expenses in the  
22 amount of \$298,314.11, all of which were paid in accordance with fee applications  
23 approved by this Court. Other disbursements are summarized and listed in Exhibit  
24 A.

25  
26 The Receiver and his professionals will file fee applications in April,  
27 2010 for the period ending March 31, 2010.

28

1            Since the inception of the case, the Receiver has expended funds to  
2 preserve the assets of the Company and incurred other expenses in the total amount  
3 of \$19,014,921.74. These disbursements/expenses can be broken down into the  
4 following basic categories.

5		
6	Distribution to victims	\$7,680,363.69
7	Interest and principal	\$ 5,112,788.12
8	Payments to "11 <sup>th</sup> Hour Investors"	\$ 1,087,268.02
9	Appraisers, technical advisers and consultants	\$ 795,224.61
10	Receiver's counsel fees and expenses	\$ 2,424,936.79
11	Tax accountants and related legal	\$154,047.52
12	Receiver's fees	\$ 1,150,105.00
13	Other cost as set forth on the P&L	<u>\$ 610,187.99</u>
14	TOTAL	\$19,014,921.74
15		

16            The Receiver is holding cash in the amount of \$549,185.07.

28

1 **III. Remaining Assets.**

2  
3 1. Moore County, The Carolina. The Receiver was in discussions with  
4 the golf course owner who may potentially purchase the remaining real  
5 property owned by the Company. The prospective buyer has been  
6 contacting the other land owners who are investor/victims of Carolina  
7 Company in order to potentially purchase all of the land located in the  
8 tract, however, has therefore been unsuccessful to date and has not  
9 concluded an agreement with the Receiver. It appears from local  
10 brokers that there is currently little to no demand for land in Moore  
11 County.

12  
13 2. Moore County, Single Family Lots. The Receiver currently has four  
14 lots for sale in Moore County; three at The Mid-South golf course, and  
15 one at The National golf course. The Receiver has lowered the prices  
16 to attract offers. Sale of Lot 2520 for \$29,000.00 was approved by the  
17 Court and is expected to close March 19, 2010.

18  
19  
20 Dated: March 12, 2010

21  
22  
23 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

24  
25 */s/ Michael A. Wallin*

26 By \_\_\_\_\_

MICHAEL A. WALLIN

Attorneys for

THOMAS A. SEAMAN, RECEIVER

**Carolina Development Company**  
**Profit & Loss**  
**August 2009 through January 2010**

Cash Basis

	Aug '09 - Jan 10
<b>Income</b>	
Interest	627 40
<b>Total Income</b>	627 40
<b>Expense</b>	
Bank Service Charges	116 00
Insurance	
Liability Insurance	9,468.45
<b>Total Insurance</b>	9,468 45
Judgements	45 357 42
Postage and Delivery	1,486 96
<b>Professional Fees &amp; Expenses</b>	
Receiver's Counsel's Expenses	53,887 98
Receiver's Fees	82,219 50
Receiver's Legal Counsel	244 426 13
Receiver's tax accountants	35,981 53
Technical Consultants	
Appraisal Fees	600 00
<b>Total Technical Consultants</b>	600.00
<b>Total Professional Fees &amp; Expenses</b>	417 115 14
Storage & Moving	1,776 00
<b>Taxes</b>	
LLC Tax	49 00
Property Taxes	5 949.38
<b>Total Taxes</b>	5 998.38
<b>Total Expense</b>	481,318.35
<b>Net Income</b>	<b>-480,690.95</b>

EXHIBIT A

**Carolina Development Company**  
**Profit & Loss**  
February 2006 through January 2010

Cash Basis

	Feb '06 - Jan 10
<b>Income</b>	
Defendant Turnover/Seizure	7,241,079.36
Disgorgement Proceeds	304,930.00
Interest	662,419.80
Litigation Proceeds	435,750.00
Other Asset Recovery	64,199.59
Real Estate Escrows	2,192,349.51
Real Estate Sales	8,429,466.67
Recovery of Prof. Retainers	60,000.00
Return of Dividends Paid	173,911.88
<b>Total Income</b>	<b>19,564,106.81</b>
<b>Expense</b>	
Bank Service Charges	1,516.87
Distribution to Investors	7,680,363.69
Insurance	
Liability Insurance	43,822.06
<b>Total Insurance</b>	<b>43,822.06</b>
Investor Relations	1,728.17
Judgements	45,357.42
Loan Payments	
Interest	3,612,788.12
Principal	1,500,000.00
<b>Total Loan Payments</b>	<b>5,112,788.12</b>
Locksmith	385.95
Mileage	137.35
Office & Computer Supplies	1,369.55
Office Rent	63,977.76
Outside Services	704.98
Photocopying & Reproduction	39,134.17
Postage and Delivery	5,176.18
Professional Fees & Expenses	
Consulting Fees	2,500.00
Litigation Expenses	56,314.33
Notary Fees	10.00
Private Investigator	36,503.61
Receiver's Counsel's Expenses	109,753.95
Receiver's Expenses	1,896.11
Receiver's Fees	1,150,105.00
Receiver's Legal Counsel	2,315,182.84
Receiver's tax accountants	154,047.52
Receiver's Travel Expenses	8,918.55
Technical Consultants	
Appraisal Fees	141,500.00
Consultants Expenses	45,894.40
Information Technology	73,997.00
Land Use & Development	433,946.21
M.U.D. Attorney/Local Counsel	99,887.00
<b>Total Technical Consultants</b>	<b>795,224.61</b>
Title Research	41,700.00
<b>Total Professional Fees &amp; Expenses</b>	<b>4,672,156.52</b>
Property Expenses	
Carman Residence 19 Skygate	32,353.67
Celina Bridges	
M.U.D. Recoverable Expenses	1,794.00
<b>Total Celina Bridges</b>	<b>1,794.00</b>
HOA Dues	3,111.46
<b>Total Property Expenses</b>	<b>37,259.13</b>
Return of 11th Hour Investments	1,087,268.02
Selling Expenses	83,542.75

**Carolina Development Company**  
**Profit & Loss**  
February 2006 through January 2010

Cash Basis

	Feb '06 - Jan 10
Storage & Moving	16,682.41
Taxes	
EDD, Pre-receiver settlement	4,829.97
FTB, Pre-receiver - Settlement	10,440.22
IRS - Pre-receiver settlement	36,863.94
LLC Tax	1,958.00
Property Taxes	67,202.76
Total Taxes	121,294.89
Telephone	255.75
Utilities	
Gas & Electrical	0.00
Total Utilities	0.00
Total Expense	19,014,921.74
Net Income	<u><u>549,185.07</u></u>

**Carolina Development Company  
Balance Sheet**

Cash Basis

	<u>Jan 31, 10</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
U.S. Treasury Securities #0817	538,779.25
Wells Fargo Checking	4,929.11
Wells Fargo Savings	5,476.71
Total Checking/Savings	<u>549,185.07</u>
Total Current Assets	<u>549,185.07</u>
<b>TOTAL ASSETS</b>	<u><u>549,185.07</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Retained Earnings	549,805.53
Net Income	-620.46
Total Equity	<u>549,185.07</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>549,185.07</u></u>

**Carolina Development Company**  
**General Ledger**  
**As of January 31, 2010**

Cash Basis

Type	Date	Num	Name	Memo	Debit	Credit	Balance
<b>Carman Turnover Account #8989</b>							0 00
Total Carman Turnover Account #8989							0 00
<b>Celina Escrow Savings</b>							0 00
Total Celina Escrow Savings							0 00
<b>Jill Kraus Turnover Acct Chckng</b>							0 00
Total Jill Kraus Turnover Acct Chckng							0 00
<b>Jill Kraus Turnover Treas. Sec.</b>							0 00
Total Jill Kraus Turnover Treas. Sec.							0 00
<b>U.S. Treasury Securities #0817</b>							818,551 66
Deposit	8/31/2009			Deposit	6 95		818,558 61
Deposit	9/30/2009			Deposit	6 73		818 565 34
Deposit	10/31/2009			Deposit	6 95		818,572 29
Deposit	11/30/2009			Deposit	6 73		818,579 02
Transfer	12/17/2009			Funds Transfer for 10th		280 000 00	538 579 02
Deposit	12/31/2009			Deposit	195 65		538,774 67
Deposit	1/31/2010			Deposit	4 58		538,779 25
Total U S Treasury Securities #0817					227 59	280 000 00	538 779 25
<b>Wells Fargo Checking</b>							21,122 57
Check	8/18/2009	1383	Elkins Jones Insurance	Inv # 64498		9 468 45	11 654 12
Check	8/18/2009	1384	Moore County Tax Depa	Act # 76736550		1,669 75	9,984 37
Check	8/27/2009	1385	Irvine Storage	Tenant # 1872, Unit # F		359 00	9,625 37
Check	8/31/2009			Service Charge		15 00	9,610 37
Deposit	9/2/2009			Interest	49 14		9,659 51
Check	9/15/2009	1386	Irvine Storage	Unit # F115		359 00	9 300 51
Check	9/15/2009	1387	Franchise Tax Board	FEIN # 33-0977273		49 00	9,251 51
Check	9/30/2009			Service Charge		15 00	9,236 51
Deposit	10/2/2009			Interest	16 91		9 253 42
Check	10/31/2009			Service Charge		15 00	9,238 42
Deposit	11/2/2009			Interest	10 49		9,248 91
Check	11/5/2009	1388	Irvine Storage	Unit # F115		339 00	8 909 91
Check	11/30/2009	1389	Irvine Storage	Inv # 19372		360 00	8,549 91
Check	11/30/2009			Service Charge		15 00	8,534 91
Deposit	12/2/2009			Interest	12 01		8 546 92
Check	12/3/2009	1390	Gary C Wykidal	Seaman v Wykidal - Fi		45,357 42	-36,810 50
Transfer	12/3/2009			Transfer to cover Wykid	47,000 00		10 189 50
Check	12/14/2009	1392	Plaza Copy & Imaging	Inv # X259795		1 420 92	8,768 58
Check	12/14/2009	1393	Thomas Seaman Comp	Fed Ex reimbursement		66 04	8,702 54
Transfer	12/17/2009			10th Interim Fee App tr	413,000 00		421 702 54
Check	12/18/2009	1391	Sheppard, Mullin, Richt	Tenth Interim Fee App		298,314 11	123,388 43
Check	12/18/2009	1394	Crowe Horwath, LLP	Second Interim Fee App		35,981 53	87,406 90
Check	12/18/2009	1395	Thomas Seaman Comp	Tenth Interim Fee App		82 219 50	5,187 40
Check	12/29/2009	1396	Irvine Storage	Inv # 19870		359 00	4,828 40
Check	12/29/2009	1397	Moore County Tax Depa	Multiple Land Record K		2,518 36	2,310 04
Check	12/29/2009	1398	Moore County Tax Depa	Multiple Land Record K		1 761 27	548 77
Check	12/31/2009			Service Charge		15 00	533 77
Deposit	1/2/2010			Interest	10 34		544 11
Transfer	1/12/2010			Operating funds transfe	5 000 00		5,544 11
Check	1/12/2010	1399	James N Myrick	Inv # 20091140		600 00	4,944 11
Check	1/31/2010			Service Charge		15 00	4,929 11
Total Wells Fargo Checking					465 098 89	481 292 35	4,929 11
<b>Wells Fargo Savings</b>							190 201 79
Check	8/31/2009			Service Charge		1 00	190 200 79
Deposit	8/31/2009			Interest	79 22		190,280 01
Check	9/30/2009			Service Charge		1 00	190,279 01
Deposit	9/30/2009			Interest	62 57		190 341 58
Check	10/31/2009			Service Charge		1 00	190,340 58
Deposit	10/31/2009			Interest	64 67		190,405 25
Check	11/30/2009			Service Charge		1 00	190,404 25
Deposit	11/30/2009			Interest	62 61		190 466 86
Transfer	12/3/2009			Transfer to cover Wykid		47,000 00	143,466 86
Transfer	12/17/2009			Funds Transfer for 10th	280,000 00		423,466 86
Transfer	12/17/2009			10th Interim Fee App tr		413 000 00	10 466 86

**Carolina Development Company**  
**General Ledger**  
As of January 31, 2010

Cash Basis

Type	Date	Num	Name	Memo	Debit	Credit	Balance
Check	12/31/2009			Service Charge		1 00	10,465 86
Deposit	12/31/2009			Interest	31 23		10,497 09
Transfer	1/12/2010			Operating funds transfe		5,000 00	5 497 09
Check	1/31/2010			Service Charge		21 00	5,476 09
Deposit	1/31/2010			Interest	0 62		5,476.71
Total Wells Fargo Savings					280,300 92	465,026 00	5,476 71
<b>Accounts Receivable</b>							0 00
Total Accounts Receivable							0 00
<b>Undeposited Funds</b>							0 00
Total Undeposited Funds							0 00
<b>Accounts Payable</b>							0 00
Total Accounts Payable							0 00
<b>Opening Bal Equity</b>							0 00
Total Opening Bal Equity							0 00
<b>Retained Earnings</b>							-1,029,876 02
Closing	12/31/2009				480,070.49		-549,805.53
Total Retained Earnings					480 070 49	0 00	-549,805 53
<b>Defendant Turnover/Seizure</b>							0 00
Total Defendant Turnover/Seizure							0 00
<b>Disgorgement Proceeds</b>							0 00
Total Disgorgement Proceeds							0 00
<b>Interest</b>							0 00
Deposit	1/2/2010			Interest		10 34	-10 34
Deposit	1/31/2010			Interest		0 62	-10 96
Deposit	1/31/2010			Deposit		4.58	-15 54
Total Interest					0 00	15 54	-15 54
<b>Litigation Proceeds</b>							0 00
Total Litigation Proceeds							0 00
<b>Other Asset Recovery</b>							0 00
Total Other Asset Recovery							0 00
<b>Real Estate Escrows</b>							0 00
Total Real Estate Escrows							0 00
<b>Real Estate Sales</b>							0 00
Total Real Estate Sales							0 00
<b>Recovery of Prof. Retainers</b>							0 00
Total Recovery of Prof Retainers							0 00
<b>Return of Dividends Paid</b>							0 00
Total Return of Dividends Paid							0 00
<b>Bank Service Charges</b>							0 00
Check	1/31/2010			Service Charge	21 00		21 00
Check	1/31/2010			Service Charge	15.00		36.00
Total Bank Service Charges					36 00	0 00	36 00
<b>Distribution to Investor</b>							0 00
Total Distribution to Investor							0 00
<b>Distribution to Investors</b>							0 00
Total Distribution to Investors							0 00
<b>Insurance</b>							0 00
Directors and Officers Insuranc							0 00
Total Directors and Officers Insuranc							0 00

**Carolina Development Company**  
**General Ledger**  
As of January 31, 2010

Cash Basis

Type	Date	Num	Name	Memo	Debit	Credit	Balance
<b>Liability Insurance</b>							0 00
Total Liability Insurance							0 00
<b>Insurance - Other</b>							0.00
Total Insurance - Other							0.00
Total Insurance							0 00
<b>Investor Relations</b>							0 00
Total Investor Relations							0 00
<b>Judgements</b>							0 00
Total Judgements							0 00
<b>Loan Payments</b>							0 00
<b>Interest</b>							0 00
Total Interest							0 00
<b>Principal</b>							0 00
Total Principal							0 00
<b>Loan Payments - Other</b>							0 00
Total Loan Payments - Other							0.00
Total Loan Payments							0 00
<b>Locksmith</b>							0 00
Total Locksmith							0 00
<b>Mileage</b>							0 00
Total Mileage							0 00
<b>Office &amp; Computer Supplies</b>							0 00
Total Office & Computer Supplies							0 00
<b>Office Rent</b>							0 00
Total Office Rent							0 00
<b>Outside Services</b>							0 00
Total Outside Services							0 00
<b>Parking Fee</b>							0 00
Total Parking Fee							0 00
<b>Photocopying &amp; Reproduction</b>							0 00
Total Photocopying & Reproduction							0 00
<b>Postage and Delivery</b>							0 00
Total Postage and Delivery							0 00
<b>Professional Fees &amp; Expenses</b>							0 00
<b>Consulting Fees</b>							0 00
Total Consulting Fees							0 00
<b>Litigation Expenses</b>							0 00
Total Litigation Expenses							0 00
<b>Notary Fees</b>							0 00
Total Notary Fees							0 00
<b>Private Investigator</b>							0 00
Total Private Investigator							0 00
<b>Receiver's Counsel's Expenses</b>							0 00
Total Receiver's Counsel's Expenses							0 00
<b>Receiver's Expenses</b>							0 00



**Carolina Development Company**  
**General Ledger**  
As of January 31, 2010

Cash Basis

Type	Date	Num	Name	Memo	Debit	Credit	Balance
Total Return of 11th Hour Investments							0 00
<b>Selling Expenses</b>							0.00
Total Selling Expenses							0 00
<b>Storage &amp; Moving</b>							0 00
Total Storage & Moving							0 00
<b>Taxes</b>							0 00
<b>EDD, Pre-receiver settlement</b>							0 00
Total EDD, Pre-receiver settlement							0 00
<b>FTB, Pre-receiver - Settlement</b>							0 00
Total FTB, Pre-receiver - Settlement							0 00
<b>IRS - Pre-receiver settlement</b>							0 00
Total IRS - Pre-receiver settlement							0 00
<b>LLC Tax</b>							0 00
Total LLC Tax							0 00
<b>Property Taxes</b>							0 00
Total Property Taxes							0 00
<b>Taxes - Other</b>							0 00
Total Taxes - Other							0.00
Total Taxes							0 00
<b>Telephone</b>							0 00
Total Telephone							0 00
<b>Utilities</b>							0 00
<b>Gas &amp; Electrical</b>							0 00
Total Gas & Electrical							0 00
<b>Utilities - Other</b>							0 00
Total Utilities - Other							0.00
Total Utilities							0 00
<b>No acct</b>							0 00
Total no acct							0.00
<b>TOTAL</b>					<b>1226333.89</b>	<b>1226333.89</b>	<b>0.00</b>

PROOF OF SERVICE

I, the undersigned, declare that I am, and was at the time of service of the papers herein referred to, employed in the County of Orange; over the age of eighteen years and not a party to the within entitled action or proceeding. My business address is 650 Town Center Drive, 4th Floor, Costa Mesa, California 92626-1993.

On March, 2010, I served the following document described as **RECEIVER'S EIGHTH SIX-MONTH ACCOUNTING REPORT FOR THE PERIOD ENDING JANUARY 31, 2010** on the interested party(ies) in this action by placing  true copies/ originals thereof enclosed in sealed envelopes and/or packages addressed as follows:

**SEE ATTACHED SERVICE LIST**

- BY MAIL:** I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. postal service on that same day with postage thereon fully prepaid at Costa Mesa, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.
- BY FACSIMILE:** I served said document(s) to be transmitted by facsimile pursuant to Rule 2008 of the California Rules of Court. The telephone number of the sending facsimile machine was 714-513-5130. The name(s) and facsimile machine telephone number(s) of the person(s) served are set forth in the service list. The sending facsimile machine (or the machine used to forward the facsimile) issued a transmission report confirming that the transmission was complete and without error. Pursuant to Rule 2.306(g)(4), a copy of that report is attached to this declaration.
- BY OVERNIGHT DELIVERY:** I served such envelope or package to be delivered on the same day to an authorized courier or driver authorized by the overnight service carrier to receive documents, in an envelope or package designated by the overnight service carrier.
- FEDERAL:** I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on March, 2010 at Costa Mesa, California.

/s/ Margaret N. Manns  
Margaret N. Manns

**SERVICE LIST**

**SACV06-172AHS(MLGx)**

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