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RECEIVER

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UNITED STATES DISTRICT COURT

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CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION

11

12

SECURITIES AND EXCHANGE
COMMISSION,

Case No. SACV06-172 AHS(MLGx)

13

Plaintiff,

14

v.

**RECEIVER'S TENTH SIX-MONTH
ACCOUNTING REPORT FOR THE
PERIOD ENDING JANUARY 31,
2011**

15

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

Complaint Filed: February 16, 2006

20

Defendants.

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1 Thomas A. Seaman, duly-appointed receiver herein (the "Receiver"),
2 respectfully submits this Tenth Six-Month Report. The time period covered by this
3 report is from August 1, 2010 through January 31, 2011. 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 (the "SEC")
11 seeking the appointment of a receiver and a temporary restraining order to, among
12 other things, stop the fraudulent sale of unregistered securities by The Carolina
13 Development Company, Inc. (the "Company") and its principals and agents
14 (collectively, the "Defendants"). On February 27, 2006, the Court issued a
15 Preliminary Injunction Order enjoining the Defendants from future violations of
16 securities laws. On April 5, 2006, the Court issued Findings of Fact and
17 Conclusions of Law in support of the Preliminary Injunction ("Findings"). The
18 Defendants filed no objection to the Court's Findings which include the Defendants
19 making misrepresentations to investors about sales and revenues of the Company,
20 making false statements about going public, making false statements about restricted
21 stock and failure to disclose stock already publicly traded, making
22 misrepresentations about properties owned by the Company, misrepresenting the
23 amount of authorized shares, misrepresenting the book value of the Company, in the
24 case of Vander Tuig, concealing his real name and not disclosing previous action
25 against him by the SEC, operating a Ponzi-like scheme, misappropriating investor
26 funds, taking funds from unaccredited investors, and continuing to make
27 misrepresentations to investors after this Court issued the Temporary Restraining
28

1 Order and Preliminary Injunction. On April 7, 2006, this Court expanded the scope
2 of the receivership by implementing a stay on legal actions against the Defendants,
3 and putting additional entities under the control of the Receiver.
4

5 On August 9, 2007, this Court approved the SEC's Plan of Partial
6 Distribution. On February 22, 2008, this Court granted the SEC's motion for
7 summary judgment against Vander Tuig. On or around January 21, 2009, the
8 California Department of Justice indicted Lambert Vander Tuig, Jonathan Carman,
9 defendants herein, Robert Waldman, a former attorney for the Company, and Scott
10 Yard, Mark Sostak and Soren Svendsen, who sold securities for the Company.
11 Collectively there were 89 counts of grand theft and securities fraud filed against
12 these six participants. On or around April 30, 2009, the Receiver distributed
13 \$7,680,363.69 to investor-victims in accordance with the SEC's Plan of Partial
14 Distribution.
15

16 **II. ACCOUNTING SUMMARY AND EXPLANATORY NARRATIVE**
17

18 Exhibit "A" provides an accounting of all receipts and disbursements of
19 the receivership estate and includes a cash basis profit and loss statement, balance
20 sheet and detailed general ledger since the inception of the receivership. Profit and
21 loss statements for both the latest six month reporting period and inception-to-date
22 are also provided.
23

24 For the six month reporting period the Receiver collected funds in the
25 amount of \$39,496.52 which is comprised of real estate sales in the amount of
26 \$39,379.23 for Lot 2132 and interest in the amount of \$117.29.
27
28

1 The Receiver has diligently invested excess cash in United States
2 Treasury bills. During the six month period the estate earned interest income of
3 \$117.29; inception-to-date the estate has earned interest income of \$662,710.28.
4 Unfortunately with the current financial crisis, the funds earned a vastly lower rate
5 of interest than in prior reporting periods.

6
7 Inception-to-date, through January 31, 2011, the Receiver has collected
8 funds in the amount of \$19,637,069.46 which can be broken down into the
9 following basic categories.

11	Seized or turned over	\$ 7,241,079.36
12	Litigation proceeds	\$ 435,750.00
13	Real estate escrows terminated by the Receiver	\$ 2,202,349.51
14	Disgorgement proceeds	\$ 304,930.00
15	Return of dividends paid	\$ 173,911.88
16	Other asset recovery	\$ 64,199.59
17	Interest paid to the Receiver	\$ 662,710.28
18	Sales of real property	\$ 8,492,138.84
19	Recovery of professional retainers	<u>\$ 60,000.00</u>
20	TOTAL	\$19,637,069.46

21
22 For the six month reporting period, the Receiver expended
23 \$234,632.97. Noteworthy among disbursements was Receiver's Legal Counsel's
24 fees in the amount of \$110,927.50 and Receiver's fees in the amount of \$74,598.50,
25 all of which were paid in accordance with fee applications approved by this Court.

26
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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 \$19,285,884.05. 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 th Hour Investors"	\$ 1,087,268.02
9	Appraisers, technical advisers and consultants	\$ 800,224.61
10	Receiver's counsel fees and expenses	\$ 2,550,135.13
11	Tax accountants and related legal	\$ 164,371.65
12	Receiver's fees	\$ 1,124,703.50
13	Other cost as set forth on the P&L	<u>\$ 666,029.33</u>
14	TOTAL	\$19,285,884.05
15		

16 The Receiver is holding cash in the amount of \$351,185.41.

17

18 **III. REMAINING ASSETS**

19

20 **A. Moore County, The Carolina.**

21

22 The Receiver obtained an updated appraisal and a broker opinion of
23 value to assess the current market value of the 229 acres owned by the Company in
24 Moore County, North Carolina. There still remains little or no demand for land in
25 Moore County. The Receiver listed the property for sale with a national real estate
26 brokerage firm with expertise in residential land sales and they have aggressively
27 marketed the property for sale. The broker identified a potential buyer and the
28

1 Receiver negotiated terms of sale and executed a purchase and sale agreement with
2 the potential buyer at a purchase price of \$2.075 million. After completing certain
3 due diligence, the potential buyer has requested an extension of the due diligence
4 period. The Receiver is currently in negotiations with the potential buyer to try to
5 reach agreement on an extension of the due diligence period. In the meantime, the
6 broker is continuing to market the property for sale.

7

8 **B. Moore County, Single Family Lots.**

9

10 The Receiver completed the sale of Lot 2132 in August 2010 at a gross
11 sales price of \$48,000.00, consistent with Court Approval. The net sale proceeds
12 realized from the sale of Lot 2132 were \$39,379.23. The Receiver has Lot 2175 at
13 Mid South and Lot 24 at The National remaining for sale.

14

15 Dated: March 7, 2011

16

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SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

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19

/s/ Michael A. Wallin

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By _____

MICHAEL A. WALLIN

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Attorneys for

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THOMAS A. SEAMAN, RECEIVER

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Exhibit A

**Carolina Development Company
Profit & Loss**

August 2010 through January 2011

Cash Basis

	<u>Aug '10 - Jan 11</u>
Income	
Interest	117.29
Real Estate Sales	39,379.23
Total Income	<u>39,496.52</u>
Expense	
Bank Service Charges	222.00
Photocopying & Reproduction	1,915.94
Postage and Delivery	33.29
Professional Fees & Expenses	
Receiver's Counsel's Expenses	14,270.84
Receiver's Expenses	951.21
Receiver's Fees	74,598.50
Receiver's Legal Counsel	110,927.50
Receiver's tax accountants	10,324.13
Total Professional Fees & Expenses	<u>211,072.18</u>
Property Expenses	
HOA Dues	1,110.00
Total Property Expenses	<u>1,110.00</u>
Storage & Moving	2,613.00
Taxes	
Property Taxes	17,666.56
Total Taxes	<u>17,666.56</u>
Total Expense	<u>234,632.97</u>
Net Income	<u><u>-195,136.45</u></u>

Carolina Development Company
Profit & Loss
 As of January 31, 2011

Cash Basis

	Jan 31, 11
Income	
Defendant Turnover/Seizure	7,241,079.36
Disgorgement Proceeds	304,930.00
Interest	662,710.28
Litigation Proceeds	435,750.00
Other Asset Recovery	64,199.59
Real Estate Escrows	2,202,349.51
Real Estate Sales	8,492,138.84
Recovery of Prof. Retainers	60,000.00
Return of Dividends Paid	173,911.88
Total Income	19,637,069.46
Expense	
Bank Service Charges	2,004.87
Distribution to Investors	7,680,363.69
Insurance	
Liability Insurance	53,428.46
Total Insurance	53,428.46
Investor Relations	1,728.17
Judgements	45,357.42
Loan Payments	
Interest	3,612,788.12
Principal	1,500,000.00
Total Loan Payments	5,112,788.12
Locksmith	385.95
Mileage	137.35
Office & Computer Supplies	1,369.55
Office Rent	63,977.76
Outside Services	1,388.92
Photocopying & Reproduction	41,050.11
Postage and Delivery	6,194.10
Professional Fees & Expenses	
Consulting Fees	2,500.00
Litigation Expenses	56,314.33
Notary Fees	10.00
Private Investigator	37,739.61
Receiver's Counsel's Expenses	124,024.79
Receiver's Expenses	2,847.32
Receiver's Fees	1,224,703.50
Receiver's Legal Counsel	2,426,110.34
Receiver's tax accountants	164,371.65
Receiver's Travel Expenses	8,918.55
Technical Consultants	
Appraisal Fees	146,500.00
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
Total Technical Consultants	800,224.61
Title Research	41,700.00
Total Professional Fees & Expenses	4,889,464.70
Property Expenses	
Carman Residence 19 Skygate	32,353.67
Celina Bridges	
M.U.D. Recoverable Expenses	1,794.00
Total Celina Bridges	1,794.00
HOA Dues	5,303.27
Total Property Expenses	39,450.94
Return of 11th Hour Investments	1,087,268.02
Selling Expenses	84,001.35

Carolina Development Company
Profit & Loss
As of January 31, 2011

Cash Basis

	<u>Jan 31, 11</u>
Storage & Moving	21,872.41
Taxes	
EDD, Pre-receiver settlement	4,829.97
FTB, Pre-receiver - Settlement	10,440.22
IRS - Pre-receiver settlement	36,863.94
LLC Tax	2,758.00
Property Taxes	98,504.28
Total Taxes	<u>153,396.41</u>
Telephone	255.75
Utilities	
Gas & Electrical	<u>0.00</u>
Total Utilities	<u>0.00</u>
Total Expense	<u>19,285,884.05</u>
Net Income	<u><u>351,185.41</u></u>

Carolina Development Company
Balance Sheet
As of January 31, 2011

	<u>Jan 31, 11</u>
ASSETS	
Current Assets	
Checking/Savings	
U.S. Treasury Securities #0817	338,844.84
Wells Fargo Checking	9,627.33
Wells Fargo Savings	2,713.24
Total Checking/Savings	<u>351,185.41</u>
Total Current Assets	<u>351,185.41</u>
TOTAL ASSETS	<u>351,185.41</u>
LIABILITIES & EQUITY	
Equity	
Retained Earnings	352,710.20
Net Income	-1,524.79
Total Equity	<u>351,185.41</u>
TOTAL LIABILITIES & EQUITY	<u>351,185.41</u>

Carolina Development Company
General Ledger

As of January 31, 2011

Cash Basis

Type	Date	Num	Adj	Name	Memo	Debit	Credit	Original Am...	Balance
Carman Turnover Account #8989									0.00
Total Carman Turnover Account #8989									0.00
Celina Escrow Savings									0.00
Total Celina Escrow Savings									0.00
Jill Kraus Turnover Acct Chckng									0.00
Total Jill Kraus Turnover Acct Chckng									0.00
Jill Kraus Turnover Treas. Sec.									0.00
Total Jill Kraus Turnover Treas. Sec									0.00
U.S. Treasury Securities #0817									538,805.97
Deposit	8/31/2010				Deposit	4.58		4.58	538,810.55
Deposit	9/30/2010				Deposit	4.43		4.43	538,814.98
Deposit	10/31/2010				Deposit	4.58		4.58	538,819.56
Deposit	11/30/2010				Deposit	4.43		4.43	538,823.99
Transfer	12/17/2010				Funds Transfer		200,000.00	-200,000.00	338,823.99
Deposit	12/31/2010				Deposit	17.97		17.97	338,841.96
Deposit	1/15/2011				Deposit	1.21		1.21	338,843.17
Deposit	1/31/2011				Deposit	1.67		1.67	338,844.84
Total U.S. Treasury Securities #0817						38.87	200,000.00		338,844.84
Wells Fargo Checking									4,672.05
Deposit	8/1/2010				Interest	11.77		11.77	4,683.82
Deposit	8/2/2010				VOID: Deposit	0.00		0.00	4,683.82
Check	8/13/2010	2394		Irvine Storage	Unit # F115; Tenant # 8892		370.00	-370.00	4,313.82
Deposit	8/17/2010				Deposit	39,379.23		39,379.23	43,693.05
Check	8/27/2010	2395		Nelson Mullins Riley & Scarboro	Inv # 1014267		400.00	-400.00	43,293.05
Check	8/27/2010	2396		Moore County Tax Department	Multiple LRK #'s		14,677.89	-14,677.89	28,615.16
Check	8/27/2010	2397		Moore County Tax Department	Multiple LRK #'s		2,988.67	-2,988.67	25,626.49
Check	8/31/2010				Service Charge		25.00	-25.00	25,601.49
Deposit	9/1/2010				Interest	14.71		14.71	25,616.20
Check	9/30/2010				Service Charge		5.00	-5.00	25,611.20
Deposit	10/1/2010				Interest	15.72		15.72	25,626.92
Check	10/12/2010	2398		Irvine Storage	Unit # F115		740.00	-740.00	24,886.92
Check	10/31/2010				Service Charge		15.00	-15.00	24,871.92
Deposit	11/1/2010				Interest	16.90		16.90	24,888.82
Check	11/3/2010	2399		Irvine Storage	Unit # F115; Tenant # 8892		371.00	-371.00	24,517.82
Check	11/23/2010	2400		Advanced Discovery, LLC	Inv # B11318		1,915.94	-1,915.94	22,601.88
Check	11/23/2010	2401		Irvine Storage	Unit # F115; Tenant # 8892		371.00	-371.00	22,230.88
Check	11/30/2010				Service Charge		15.00	-15.00	22,215.88
Deposit	12/1/2010				Interest	8.82		8.82	22,224.70
Check	12/20/2010	2405		Thomas Seaman Company	Fed Ex reimbursement		33.29	-33.29	22,191.41
Transfer	12/20/2010				Funds Transfer	200,000.00		200,000.00	222,191.41
Check	12/20/2010	2402		Thomas Seaman Company	Eleventh Interim Fee App		74,598.50	-74,598.50	147,592.91
Check	12/20/2010	2403		Crowe Horwath, LLP	Eleventh Interim Fee App		10,324.13	-10,324.13	137,268.78
Check	12/20/2010	2404		Sheppard, Mullin, Richter & Ha	Eleventh Interim Fee App		124,798.34	-124,798.34	12,470.44
Check	12/28/2010	2406		Thomas Seaman Company	Expense reimbursements		951.21	-951.21	11,519.23
Check	12/28/2010	2407		Irvine Storage	Unit # F115; Tenant # 8892		371.00	-371.00	11,148.23
Check	12/31/2010				Service Charge		15.00	-15.00	11,133.23
Deposit	1/1/2011				Interest	9.10		9.10	11,142.33
Check	1/19/2011	2408		Irvine Storage	Inv # 25480; Unit # C196		390.00	-390.00	10,752.33
Check	1/19/2011	2409		National Property Owners Assoc	Inv # 1747, Lot # 24		1,110.00	-1,110.00	9,642.33
Check	1/31/2011				Service Charge		15.00	-15.00	9,627.33
Total Wells Fargo Checking						239,456.25	234,500.97		9,627.33
Wells Fargo Savings									2,843.84
Check	8/31/2010				Service Charge		22.00	-22.00	2,821.84
Deposit	8/31/2010				Interest	0.24		0.24	2,822.08
Check	9/30/2010				Service Charge		22.00	-22.00	2,800.08
Deposit	9/30/2010				Interest	0.23		0.23	2,800.31
Check	10/31/2010				Service Charge		22.00	-22.00	2,778.31
Deposit	10/31/2010				Interest	0.24		0.24	2,778.55
Check	11/30/2010				Service Charge		22.00	-22.00	2,756.55
Deposit	11/30/2010				Interest	0.22		0.22	2,756.77
Transfer	12/17/2010				Funds Transfer	200,000.00		200,000.00	202,756.77
Transfer	12/20/2010				Funds Transfer		200,000.00	-200,000.00	2,756.77
Check	12/31/2010				Service Charge		22.00	-22.00	2,734.77
Deposit	12/31/2010				Interest	0.24		0.24	2,735.01
Check	1/31/2011				Service Charge		22.00	-22.00	2,713.01
Deposit	1/31/2011				Interest	0.23		0.23	2,713.24
Total Wells Fargo Savings						200,001.40	200,132.00		2,713.24
Accounts Receivable									0.00
Total Accounts Receivable									0.00
Undeposited Funds									0.00
Total Undeposited Funds									0.00
Accounts Payable									0.00
Total Accounts Payable									0.00
Opening Bal Equity									0.00
Total Opening Bal Equity									0.00
Retained Earnings									-546,321.86
Closing Entry	12/31/2010					193,611.66			-352,710.20
Total Retained Earnings						193,611.66	0.00		-352,710.20

Carolina Development Company
General Ledger
 As of January 31, 2011

Cash Basis

Type	Date	Num	Adj	Name	Memo	Debit	Credit	Original Am...	Balance
Defendant Turnover/Seizure									0.00
Total Defendant Turnover/Seizure									0.00
Disgorgement Proceeds									0.00
Total Disgorgement Proceeds									0.00
Interest									0.00
Deposit	1/1/2011			Interest			9.10	-9.10	-9.10
Deposit	1/15/2011			Interest Income			1.21	-1.21	-10.31
Deposit	1/31/2011			Interest			0.23	-0.23	-10.54
Deposit	1/31/2011			Interest Income			1.67	-1.67	-12.21
Total Interest						0.00	12.21		-12.21
Litigation Proceeds									0.00
Total Litigation Proceeds									0.00
Other Asset Recovery									0.00
Total Other Asset Recovery									0.00
Real Estate Escrows									0.00
Total Real Estate Escrows									0.00
Real Estate Sales									0.00
Total Real Estate Sales									0.00
Recovery of Prof. Retainers									0.00
Total Recovery of Prof. Retainers									0.00
Return of Dividends Paid									0.00
Total Return of Dividends Paid									0.00
Bank Service Charges									0.00
Check	1/31/2011			Service Charge		15.00		15.00	15.00
Check	1/31/2011			Service Charge		22.00		22.00	37.00
Total Bank Service Charges						37.00	0.00		37.00
Distribution to Investor									0.00
Total Distribution to Investor									0.00
Distribution to Investors									0.00
Total Distribution to Investors									0.00
Insurance									0.00
Directors and Officers Insurance									0.00
Total Directors and Officers Insurance									0.00
Liability Insurance									0.00
Total Liability Insurance									0.00
Insurance - Other									0.00
Total Insurance - Other									0.00
Total Insurance									0.00
Investor Relations									0.00
Total Investor Relations									0.00
Judgements									0.00
Total Judgements									0.00
Loan Payments									0.00
Interest									0.00
Total Interest									0.00
Principal									0.00
Total Principal									0.00
Loan Payments - Other									0.00
Total Loan Payments - Other									0.00
Total Loan Payments									0.00
Locksmith									0.00
Total Locksmith									0.00
Mileage									0.00
Total Mileage									0.00
Office & Computer Supplies									0.00
Total Office & Computer Supplies									0.00
Office Rent									0.00
Total Office Rent									0.00
Outside Services									0.00
Total Outside Services									0.00
Parking Fee									0.00

Carolina Development Company
General Ledger
 As of January 31, 2011

Cash Basis

Type	Date	Num	Adj	Name	Memo	Debit	Credit	Original Am...	Balance
Total Parking Fee									0.00
Photocopying & Reproduction									0.00
Total Photocopying & Reproduction									0.00
Postage and Delivery									0.00
Total Postage and Delivery									0.00
Professional Fees & Expenses									0.00
Consulting Fees									0.00
Total Consulting Fees									0.00
Litigation Expenses									0.00
Total Litigation Expenses									0.00
Notary Fees									0.00
Total Notary Fees									0.00
Private Investigator									0.00
Total Private Investigator									0.00
Receiver's Counsel's Expenses									0.00
Total Receiver's Counsel's Expenses									0.00
Receiver's Expenses									0.00
Total Receiver's Expenses									0.00
Receiver's Fees									0.00
Total Receiver's Fees									0.00
Receiver's Legal Counsel									0.00
Total Receiver's Legal Counsel									0.00
Receiver's tax accountants									0.00
Total Receiver's tax accountants									0.00
Receiver's Travel Expenses									0.00
Total Receiver's Travel Expenses									0.00
Technical Consultants									0.00
Appraisal Fees									0.00
Total Appraisal Fees									0.00
Consultants Expenses									0.00
Total Consultants Expenses									0.00
Information Technology									0.00
Total Information Technology									0.00
Land Use & Development									0.00
Total Land Use & Development									0.00
M.U.D. Attorney/Local Counsel									0.00
Total M.U.D. Attorney/Local Counsel									0.00
Technical Consultants - Other									0.00
Total Technical Consultants - Other									0.00
Total Technical Consultants									0.00
Title Research									0.00
Total Title Research									0.00
Professional Fees & Expenses - Other									0.00
Total Professional Fees & Expenses - Other									0.00
Total Professional Fees & Expenses									0.00
Property Expenses									0.00
Carman Residence 19 Skygate									0.00
Total Carman Residence 19 Skygate									0.00
Celina Bridges									0.00
M.U.D. Recoverable Expenses									0.00
Total M.U.D. Recoverable Expenses									0.00
Celina Bridges - Other									0.00
Total Celina Bridges - Other									0.00
Total Celina Bridges									0.00
HOA Dues									0.00
Check 1/19/2011 2409 National Property Owners Assoc Inv # 1747, Lot # 24 HOA d						1,110.00		1,110.00	1,110.00
Total HOA Dues						1,110.00	0.00		1,110.00
Property Expenses - Other									0.00
Total Property Expenses - Other									0.00

Carolina Development Company
General Ledger
 As of January 31, 2011

Cash Basis

Type	Date	Num	Adj	Name	Memo	Debit	Credit	Original Am...	Balance
Total Property Expenses						1,110.00	0.00		1,110.00
Return of 11th Hour Investments									0.00
Total Return of 11th Hour Investments									0.00
Selling Expenses									0.00
Total Selling Expenses									0.00
Storage & Moving									0.00
Check	1/19/2011	2408		Irvine Storage	Inv # 25480; Unit # C196	390.00		390.00	390.00
Total Storage & Moving						390.00	0.00		390.00
Taxes									0.00
EDD, Pre-receiver settlement									0.00
Total EDD, Pre-receiver settlement									0.00
FTB, Pre-receiver - Settlement									0.00
Total FTB, Pre-receiver - Settlement									0.00
IRS - Pre-receiver settlement									0.00
Total IRS - Pre-receiver settlement									0.00
LLC Tax									0.00
Total LLC Tax									0.00
Property Taxes									0.00
Total Property Taxes									0.00
Taxes - Other									0.00
Total Taxes - Other									0.00
Total Taxes									0.00
Telephone									0.00
Total Telephone									0.00
Utilities									0.00
Gas & Electrical									0.00
Total Gas & Electrical									0.00
Utilities - Other									0.00
Total Utilities - Other									0.00
Total Utilities									0.00
No acct									0.00
Total no acct									0.00
TOTAL						<u>634,645.18</u>	<u>634,645.18</u>		<u>0.00</u>

PROOF OF SERVICE

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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 7, 2011**, I served the following document described as **RECEIVER'S TENTH SIX-MONTH ACCOUNTING REPORT FOR THE PERIOD ENDING JANUARY 31, 2011** 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 7, 2011**, at Costa Mesa, California.

/s/ Margaret N. Manns
Margaret N. Manns

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SERVICE LIST
SACV06-172AHS(MLGx)

Lambert Vander Tuig 37 Shea Ridge Rancho Santa Margarita, CA 92688	In Pro Per
Jonathan Charles Carman 22335 Carminto Arroyo Seco Laguna Hills, CA 92653 Telephone: (714) 742-4272	In Pro Per
James Bastian, Esq. Marshack, Shulman, Hodges & Bastian 26632 Town Center Dr., Ste. 300 Foothill Ranch, CA 92610 Telephone: (949) 340-3400 Facsimile: (949) 340-3000	Attorneys for Certain Investors