

1 ALAN H. MARTIN, Cal. Bar No. 132301
2 NORMA V. GARCIA, Cal. Bar No. 223512
3 MICHAEL A. WALLIN, Cal. Bar. No. 240344
4 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
5 650 Town Center Drive, 4th Floor
6 Costa Mesa, California 92626-1993
7 Telephone: 714-513-5100
8 Facsimile: 714-513-5130
9 amartin@sheppardmullin.com

6 Attorneys for THOMAS A. SEAMAN,
7 RECEIVER

2006 AUG 16 PM 12: 59
U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIF.
SANTA ANA

FILED

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

11 SECURITIES AND EXCHANGE
12 COMMISSION,

13 Plaintiff,

14 v.

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

23 Defendants.

Case No. SACV06-172 AHS(ANx)

**RECEIVER'S FIRST SIX MONTH
ACCOUNTING REPORT**

[Complaint Filed: February 16, 2006]

1 Thomas A. Seaman, duly-appointed receiver herein (“Receiver”)
2 respectfully submits this first Six Month Report. The time period covered by this
3 report is from the time of the Receiver’s appointment, February 16, 2006 through
4 July 31, 2006.¹

6 PROCEDURAL BACKGROUND

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

25 ¹ Within the next two weeks, the Receiver will be filing its Second Interim Fee
26 Application (“Fee Application”). This Fee Application will include a detailed
27 narrative of the Receiver's specific activities over the past several months.
28 Therefore, to avoid redundancy, certain items in this Six Month Report are
explained more fully in the Fee Application. For further explanation of anything
discussed in this Six Month Report, please refer to the Fee Application.

1 Temporary Restraining Order and Preliminary Injunction. On April 7, 2006 this
2 Court expanded the scope of the receivership by implementing a stay on legal
3 actions against the Defendants, and putting additional entities under the control of
4 the Receiver. On the basis of information gained by the Receiver, the Commission
5 is currently in the process of seeking additional expansion of the scope of the
6 receivership.

8 **ACCOUNTING SUMMARY AND EXPLANTORY NARRATIVE**

9 Accounting Summary. Through July 31, 2006 the Receiver has
10 collected funds in the amount of \$8,116,976.73, and expended funds to preserve the
11 assets of the company and other expenses of the estate in the amount of
12 \$3,867,914.51. The Receiver is holding cash in the amount of \$4,249,062.22.
13 Exhibit "A" provides an accounting of all receipts and disbursements of the
14 receivership estate. The Exhibit includes a cash basis profit and loss statement and
15 detailed general ledger since the inception of the receivership.

16 Explanatory Narrative for Accounting Summary. As set forth above,
17 the total amount collected by the Receiver through July 31, 2006 is \$8,111,065.45.
18 A more detailed description of the accounting information, where notable, follows.

19 Defendant Turnover/Seizure. The Receiver has collected
20 \$5,134,589.14 in cash seized from or turned over by defendants. Additional
21 accounts and payments have been identified and frozen efforts are in process which
22 will result in the return of at least \$1.443 million to the estate.

23 Real Estate Escrows. The Receiver has collected funds in the amount
24 of \$2,822,168.98 from escrow holders and real estate lawyers for earnest money
25 deposits made by the company to purchase various pieces of real estate which were
26 pending and later cancelled by the Receiver. Of this amount \$1,500,986.30 was for
27 a pending escrow to purchase a property known as the Lakes of Birds Fort in
28 Arlington, Texas. Company sales literature and communications represented to

1 investors that the Company owned The Lakes of Birds Fort, when the Company was
2 only in escrow to purchase it.

3 The Receiver was also able to recover \$664,363.21 from an escrow for
4 the pending purchase of a property known as River Bend located in Denton County,
5 Texas. The Company had previously authorized release of \$350,000 of an original
6 earnest money deposit of \$1,000,000 to the seller and the remaining \$650,000 had
7 become non-refundable to the Company before the Receiver was appointed.

8 Notwithstanding the foregoing, the Receiver was successful in negotiating a return
9 of the remaining earnest money together with interest earned thereon. The Receiver
10 notes that the Company's sales literature and investor communications clearly
11 represented that the Company had "closed escrow" on the River Bend project when
12 in fact they had only opened escrow and were in fact in default to terms of purchase
13 and sale.

14 \$25,000 was recovered by the Receiver from a property located in
15 Aubrey, Texas.

16 The Receiver recovered total funds in the amount of \$631,819.47 from
17 attorneys acting as escrow holders on behalf the Company for the purchase of
18 various properties located in the village of Pinehurst, North Carolina.

19 Other Asset Recovery. The accounting reflects the amount of
20 \$64,308.59 in this category. Noteworthy receipts include \$24,339.59 for the
21 proceeds of the auction to sell the Company's furniture, fixture and equipment.
22 Also noteworthy is the amount of \$39,850 recovered from an escrow for the
23 purchase of a corporate aircraft by the Company which was pending at the time the
24 Receiver was appointed and cancelled by the Receiver.

25 Interest Income. The Receiver keeps excess cash invested in short term
26 United States Treasury Securities. To date these securities have earned \$35,910.02
27 in interest income.

1 Expenses. The Receiver has disbursed funds in the total amount of
2 \$3,867,884.51; more detailed descriptions of the noteworthy disbursements follow.

3 Appraisal Fees. The Receiver understands that in most circumstances it
4 is often required to obtain 3 separate appraisals before selling real property. In
5 anticipation of selling the Company's real estate assets the Receiver has therefore
6 begun the process of appraising the larger real property assets. The Receiver has
7 paid \$46,500 for appraisals and market studies primarily for the Celina, Texas,
8 Sutter County, California, and Lake Las Vegas properties.

9 Liability Insurance. The Receiver procured liability insurance for the
10 North Carolina land owned by the Company at a cost of \$10,949.17. The Company
11 did not have insurance in place. The Receiver confirmed that there was liability
12 insurance in place at the Celina, Texas property and was named as an additional
13 insured on the policy.

14 Interest and Principal. The Receiver has paid \$1,663,558.24 in interest
15 expense and \$1.5 million in principal in order to preserve the equity in the property
16 by keeping mortgages on the Company's Celina, Texas property current. The
17 Company paid approximately \$30 million for the property. Beal Bank of Dallas
18 funded \$22 million of the purchase price and the seller carried a note in the amount
19 of \$1.5 million. The \$1.5 million note became due after the Receiver's appointment
20 and was paid by the Receiver. The Receiver is near the conclusion of pre-sale due
21 diligence activities and is moving expeditiously to market the property for sale and
22 expects to reach an agreement, subject to Court approval, in the next 90-120 days.

23 Office Rent. The Receiver spent \$55,379.29 for rent on the Company's
24 office space in Irvine. Rent was only paid for the period of time during which the
25 Receiver was in possession. The Receiver terminated the lease after holding an
26 auction for the furniture, fixtures and equipment. The Company's lessor has a
27 potential claim for unpaid rent, but it is the Receiver's expectation that the lessor
28

1 was able to significantly mitigate its loss by re-renting the space at a higher rate and
2 a claim, if any, will be small.

3 Photocopying and Reproduction. The Receiver spent \$6,924.61 in this
4 category, the vast majority of which was for mailing notices and reports to investors.

5 Professional Fees and Expenses. The Receiver sought and was granted
6 Court approval to pay his fees in the amount of \$122,426.00 incurred through
7 April 30, 2006. The Receiver retained Sheppard, Mullin, Richter and Hampton LLP
8 who was awarded fees and expenses of \$140,993.00 for the same time period. The
9 Receiver also needs local counsel in Texas and retained the firm of Coats Rose to
10 advise the Receiver on matters pertaining to, among other things, the Municipal
11 Utility District in place at the Celina, Texas property. Coats Rose was awarded
12 \$35,850. The Receiver also retained information technology consultants who were
13 awarded \$55,941.00. The Receiver and his professionals intend to seek approval to
14 pay professional fees and expenses incurred for the extensive work performed from
15 May 1, 2006 through July 31, 2006 in the next few weeks.

16 Land Use & Development Consultants. The Receiver also found it
17 necessary to retain architects, land development, land use, and other real estate
18 consultants to assist the Receiver with his due diligence as well as to prepare some
19 of the real estate assets of the company. To date the Receiver has paid retainers and
20 fees in the total amount of \$207,955.27 incurred through July 31, 2006. The vast
21 majority of the expenses were related to the Celina, Texas property which is the
22 most valuable of the Company's assets. The property is 771 acres of farm land
23 known as Celina Bridges in Collin County, Texas. In order to preserve the value of
24 the property the Receiver has taken steps to continue the planning process, for the
25 long term development of the property concurrently with efforts to sell the property.
26 These efforts have included addressing the preparation of new conceptual plans for
27 the development of the property that will be acceptable to the City and which
28 prospective buyers of the property will find valuable. The Receiver has also

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT A
[Accounting]

4:06 PM

08/07/06

Cash Basis

Carolina Development Company
General Ledger
 As of July 31, 2006

Type	Date	Num	Name	Memo	Split	Original Amount	Paid Amount	Balance
								0.00
U.S. Treasury Securities								
Transfer	3/13/2006			Funds Transfer	Wells Fargo Sa...	5,698,178.11	5,698,178.11	5,698,178.11
Deposit	3/31/2006			Deposit	Interest	861.59	861.59	5,699,039.70
Transfer	4/26/2006			Funds Transfer	Wells Fargo Sa...	-1,500,000.00	-1,500,000.00	4,199,039.70
Deposit	5/31/2006			Deposit	Interest	2.01	2.01	4,199,041.71
Deposit	6/30/2006			Deposit	Interest	18,008.99	18,008.99	4,217,050.70
Deposit	7/31/2006			Deposit	Interest	5,128.37	5,128.37	4,222,179.07
Total U.S. Treasury Securities							4,222,179.07	4,222,179.07
								0.00
Wells Fargo Checking								
Deposit	2/23/2006			Deposit	Real Estate Es...	1,500,986.30	1,500,986.30	1,500,986.30
Transfer	2/23/2006			Funds Transfer	Wells Fargo Sa...	-1,200,000.00	-1,200,000.00	300,986.30
Check	2/24/2006	Wire	14875 Partners, Ltd	Wire Transfer	Interest	-13,885.42	-13,885.42	287,100.88
Check	2/24/2006	Wire	Beal Bank, S.S.B. - D...	Wire Transfer	Interest	-188,222.50	-188,222.50	98,878.38
Check	2/24/2006	1005	Aames Lock & Safe ...	Inv 45605	Locksmith	-124.27	-124.27	98,754.11
Deposit	2/24/2006			Deposit	Defendant Turn...	4,451,100.58	4,451,100.58	4,549,854.69
Deposit	2/24/2006			Deposit	Other Asset Re...	39,850.00	39,850.00	4,589,704.69
Check	2/24/2006	Fee	Wells Fargo Bank	Outgoing Wire...	Bank Service C...	-30.00	-30.00	4,589,674.69
Check	2/24/2006	Wire	Wells Fargo Bank	Outgoing Wire...	Bank Service C...	-30.00	-30.00	4,589,644.69
Check	2/24/2006		Wells Fargo Bank	Inbound Wire ...	Bank Service C...	-10.00	-10.00	4,589,634.69
Deposit	2/27/2006			Deposit	Recovery of Pro...	60,000.00	60,000.00	4,649,634.69
Transfer	3/2/2006			Funds Transfer	Wells Fargo Sa...	-4,600,000.00	-4,600,000.00	49,634.69
Deposit	3/3/2006			Deposit	-SPLIT-	520,444.46	520,444.46	570,079.15
Check	3/3/2006		Wells Fargo Bank	Inbound Wire ...	Bank Service C...	-10.00	-10.00	570,069.15
Deposit	3/3/2006			Deposit	Real Estate Es...	664,363.21	664,363.21	1,234,432.36
Transfer	3/7/2006			Funds Transfer	Wells Fargo Sa...	-1,000,000.00	-1,000,000.00	234,432.36
Check	3/8/2006		Wells Fargo Bank	Inbound Wire ...	Bank Service C...	-10.00	-10.00	234,422.36
Deposit	3/8/2006			Deposit	Real Estate Es...	25,000.00	25,000.00	259,422.36
Check	3/10/2006	1001	The Irvine Company	March Rent	Office Rent	-27,421.78	-27,421.78	232,000.58
Check	3/10/2006	1002	Irvine Storage	Storage Facility	Storage & Moving	-359.00	-359.00	231,641.58
Check	3/10/2006	1003	Pyles Whatley Corpor...	50% Retainer	Appraisal Fees	-3,750.00	-3,750.00	227,891.58
Check	3/17/2006	1004	Plaza Copy & Imaging	Inv. X219840 ...	-SPLIT-	-350.08	-350.08	227,541.50
Check	3/27/2006		Beal Bank, S.S.B. - D...		Interest	-208,389.19	-208,389.19	19,152.31
Check	3/27/2006		Wells Fargo Bank	Outgoing Wire...	Bank Service C...	-30.00	-30.00	19,122.31
Check	3/28/2006	1006	The Discovery Group	Retainer	Land Use & De...	-20,000.00	-20,000.00	-877.69
Check	3/30/2006		14875 Partners, Ltd	Wire Transfer	Interest	-13,187.49	-13,187.49	-14,065.18
Check	3/30/2006		Wells Fargo Bank	Outbound Wir...	Bank Service C...	-30.00	-30.00	-14,095.18
Check	3/31/2006	1008	Conceptual Continuity	Inv 01TSC06	Telephone	-255.75	-255.75	-14,350.93
Check	3/31/2006	1009	Joseph B. Laski & As...	Inv # 2912 / Fil...	Professional Fe...	-900.00	-900.00	-15,250.93
Transfer	3/31/2006			Funds Transfer	Wells Fargo Sa...	50,000.00	50,000.00	-34,749.07
Check	4/4/2006	1007	The Irvine Company	April Rent	-SPLIT-	-27,977.51	-27,977.51	6,771.56
Check	4/5/2006	Bill Pay	Fed Ex	Online Bill Pay...	Postage and D...	-19.36	-19.36	6,752.20
Check	4/10/2006	1010	Alison Juroe	Expense Reim...	Office & Compu...	-280.13	-280.13	6,472.07
Check	4/10/2006	Debit	American Express	Federal Expre...	Postage and D...	-84.11	-84.11	6,387.96
Check	4/18/2006	1011	Anco-Wessendorff	Directors Insur...	M.U.D. Recover...	-1,794.00	-1,794.00	4,593.96
Check	4/18/2006	1012	Plaza Copy & Imaging	Invoice X220323	Photocopying & ...	-1,640.58	-1,640.58	2,953.38
Check	4/18/2006	1013	Irvine Storage	Invoice 4590	Storage & Moving	-371.93	-371.93	2,581.45
Check	4/18/2006	1014	Marilyn Juroe	Expense Reim...	-SPLIT-	-98.10	-98.10	2,483.35
Check	4/19/2006	1015	John Juroe	Contract Labor...	Outside Services	-150.00	-150.00	2,333.35
Check	4/20/2006	Debit	The Irvine Company	Bill Payment ...	Office Rent	-120.00	-120.00	2,213.35
Deposit	4/21/2006			Deposit	Defendant Turn...	3,748.66	3,748.66	5,962.01
Transfer	4/24/2006			Funds Transfer	Wells Fargo Sa...	265,000.00	265,000.00	270,962.01
Deposit	4/27/2006			Deposit	Real Estate Es...	109,375.01	109,375.01	380,337.02
Transfer	4/27/2006			Funds Transfer	Wells Fargo Sa...	1,515,000.00	1,515,000.00	1,895,337.02
Check	4/27/2006	Wire	Beal Bank, S.S.B. - D...	Wire Transfer	Interest	-206,250.00	-206,250.00	1,689,087.02
Check	4/27/2006	Debit	Wells Fargo Bank	Wire Transfer ...	Bank Service C...	-30.00	-30.00	1,689,057.02
Check	4/28/2006	Wire	Beal Bank, S.S.B. - D...	Loan 1200160...	Interest	-51,421.23	-51,421.23	1,637,635.79
Check	4/28/2006	Wire	14875 Partners, Ltd		-SPLIT-	-1,515,000.00	-1,515,000.00	122,635.79
Deposit	4/28/2006			Deposit	Defendant Turn...	500,000.00	500,000.00	622,635.79
Check	4/28/2006	Debit	Wells Fargo Bank	Wire Transfer ...	Bank Service C...	-30.00	-30.00	622,605.79
Check	4/28/2006	Debit	Wells Fargo Bank	Wire Transfer ...	Bank Service C...	-30.00	-30.00	622,575.79
Check	5/3/2006	1017	Plaza Copy & Imaging	Invoice X221614	Photocopying & ...	-3,544.92	-3,544.92	619,030.87
Check	5/4/2006	1018	Danielian Associates		Land Use & De...	-15,000.00	-15,000.00	604,030.87
Check	5/5/2006	1016	US Postmaster	PO Box - 1yr s...	Outside Services	-140.00	-140.00	603,890.87
Check	5/5/2006	Debit	CitiCards Online Bill ...	English Reser...	Photocopying & ...	-45.80	-45.80	603,845.07
Check	5/5/2006	Debit	CitiCards Online Bill ...	Intuit-Quickbo...	Office & Compu...	-699.95	-699.95	603,145.12
Check	5/5/2006	Debit	American Express	Federal Expre...	Postage and D...	-18.11	-18.11	603,127.01
Deposit	5/8/2006			Deposit	Other Asset Re...	70.00	70.00	603,197.01
Deposit	5/10/2006	1019	Plaza Copy & Imaging	Deposit	Other Asset Re...	24,339.59	24,339.59	627,536.60
Check	5/10/2006	1020	Irvine Storage	Inv. X221763	Photocopying & ...	-50.62	-50.62	627,485.98
Check	5/10/2006			Inv 4918	Storage & Moving	-359.00	-359.00	627,126.98
Deposit	5/10/2006			Deposit	Defendant Turn...	16,005.74	16,005.74	643,132.72
Check	5/11/2006	1021	Carter & Burgess	Project 02070...	-SPLIT-	-6,617.45	-6,617.45	636,515.27
Check	5/12/2006	Debit	CitiCards Online Bill ...	Network Soluti...	Outside Services	-196.48	-196.48	636,318.79
Deposit	5/15/2006			Deposit	Defendant Turn...	88,970.00	88,970.00	725,288.79
Transfer	5/16/2006			Funds Transfer	Wells Fargo Sa...	-300,000.00	-300,000.00	425,288.79
Check	5/17/2006	1022	Alison Juroe	Expense Reim...	Mileage	-75.69	-75.69	425,213.10
Check	5/17/2006	1023	The Discovery Group		-SPLIT-	-17,493.75	-17,493.75	407,719.35
Check	5/18/2006	1024	The Discovery Group		-SPLIT-	-17,812.50	-17,812.50	389,906.85
Check	5/22/2006	1025	Marilyn Juroe	Expense Reim...	-SPLIT-	-232.97	-232.97	389,673.88
Check	5/24/2006	1026	Robert Charles Lesse...	Retainer	Appraisal Fees	-19,000.00	-19,000.00	370,673.88
Check	5/30/2006	Wire	Beal Bank, S.S.B. - D...		Interest	-326,986.31	-326,986.31	43,687.57
Check	5/30/2006	Debit	Wells Fargo Bank	Wire Transfer ...	Bank Service C...	-30.00	-30.00	43,657.57
Check	6/1/2006	1027	The Discovery Group	VOID:	Consulting Fees	0.00	0.00	43,657.57
Check	6/2/2006	1028	Mackenzie S. Butum...	Retainer for C...	Appraisal Fees	-6,000.00	-6,000.00	37,657.57
Transfer	6/2/2006			Funds Transfer	Wells Fargo Sa...	100,000.00	100,000.00	137,657.57
Deposit	6/2/2006			Deposit	Property Taxes	684.33	684.33	138,341.90
Check	6/5/2006	1029	The Discovery Group	Celina, Sutter	Land Use & De...	-69,930.08	-69,930.08	68,411.82
Check	6/5/2006	1030	Irvine Storage	Invoice 5238	Storage & Moving	-359.00	-359.00	68,052.82
Check	6/5/2006	1031	Plaza Copy & Imaging	Copies, Mailings	-SPLIT-	-1,292.61	-1,292.61	66,760.21
Check	6/5/2006	1032	Secretary of State of ...	Customer ID 1...	Outside Services	-10.00	-10.00	66,750.21
Check	6/5/2006	1033	Alison Juroe	Expense Remi...	Office & Compu...	-64.63	-64.63	66,685.58

4:06 PM

08/07/06

Cash Basis

Carolina Development Company
General Ledger
 As of July 31, 2006

Type	Date	Num	Name	Memo	Split	Original Amount	Paid Amount	Balance	
Check	6/14/2006	1034	Moore County Tax De...	Past Due Prop...	-SPLIT-	-843.96	-843.96	65,841.62	
Transfer	6/15/2006			Funds Transfer	Wells Fargo Sa...	356,000.00	356,000.00	421,841.62	
Check	6/15/2006	1035	Thomas Seaman Co...	First Interim F...	Receiver's Fees	-122,426.00	-122,426.00	299,415.62	
Check	6/15/2006	1036	Sheppard, Mullin, Ric...	First Interim F...	-SPLIT-	-140,993.00	-140,993.00	158,422.62	
Check	6/15/2006	1038	Coats, Rose, Yale, R...	First Interim F...	-SPLIT-	-35,850.00	-35,850.00	122,572.62	
Check	6/15/2006	1037	Coats, Rose, Yale, R...	VOID:	Professional Fe...	0.00	0.00	122,572.62	
Check	6/15/2006	1039	Mack Barclay, Inc.	First Interim F...	-SPLIT-	-55,941.00	-55,941.00	66,631.62	
Deposit	6/19/2006			Deposit	Real Estate Es...	1,000.00	1,000.00	67,631.62	
Deposit	6/21/2006			Deposit	-SPLIT-	280.89	280.89	67,912.51	
Check	6/29/2006	1040	Metrostudy	Denton & Colli...	Appraisal Fees	-3,500.00	-3,500.00	64,412.51	
Transfer	6/30/2006			Funds Transfer	Wells Fargo Sa...	300,000.00	300,000.00	364,412.51	
Check	6/30/2006	Wire T...	Beal Bank, S.S.B. - D...	Interest Paym...	Interest	-313,229.72	-313,229.72	51,182.79	
Check	6/30/2006			Wire Transfer ...	Bank Service C...	-30.00	-30.00	51,152.79	
Check	7/5/2006	1041	Thomas Seaman Co...	Expense Reim...	Postage and D...	-406.56	-406.56	50,746.23	
Check	7/5/2006	1042	Irvine Storage	Unit F 115	Storage & Moving	-359.00	-359.00	50,387.23	
Check	7/5/2006	1043	Emily Seaman		Postage and D...	-113.71	-113.71	50,273.52	
Deposit	7/6/2006			Deposit	Defendant Turn...	73,556.72	73,556.72	123,830.24	
Check	7/6/2006	1044	The Discovery Group	Invoice 25	Consultants Ex...	-12,274.97	-12,274.97	111,555.27	
Check	7/11/2006	1045	Danielian Associates	Invoice 2743 - ...	Land Use & De...	-21,101.79	-21,101.79	90,453.48	
Check	7/11/2006	1046	Ace Parking Manage...	Re: Carolina C...	-SPLIT-	-110.00	-110.00	90,343.48	
Deposit	7/11/2006			Deposit	Other Asset Re...	49.00	49.00	90,392.48	
Deposit	7/17/2006			Deposit	Defendant Turn...	1,207.44	1,207.44	91,599.92	
Check	7/18/2006	1047	Delaware Secretary ...	DE File No. 40...	LLC Tax	-309.00	-309.00	91,290.92	
Check	7/18/2006	1048	Progress Energy Car...	VOID: Account...	Gas & Electrical	0.00	0.00	91,290.92	
Check	7/19/2006	1049	Elkins Jones Insuran...		Liability Insuran...	-10,949.17	-10,949.17	80,341.75	
Check	7/21/2006	1050	The Discovery Group	Apply towards ...	Land Use & De...	-40,000.00	-40,000.00	40,341.75	
Deposit	7/25/2006			Deposit	Real Estate Es...	1,000.00	1,000.00	41,341.75	
Check	7/27/2006	1051	Pyles Whatley Corpor...	50% Retainer	-SPLIT-	-14,250.00	-14,250.00	27,091.75	
Check	7/31/2006	1052	The Discovery Group	Invoice 26	Consultants Ex...	-923.17	-923.17	26,168.58	
Transfer	7/31/2006			Funds Transfer	Wells Fargo Sa...	-100.00	-100.00	26,068.58	
Total Wells Fargo Checking								26,068.58	26,068.58
Wells Fargo Savings									0.00
Transfer	2/23/2006			Funds Transfer	Wells Fargo Ch...	1,200,000.00	1,200,000.00	1,200,000.00	
Deposit	2/28/2006			Interest	Interest	333.73	333.73	1,200,333.73	
Transfer	3/2/2006			Funds Transfer	Wells Fargo Ch...	4,600,000.00	4,600,000.00	5,800,333.73	
Transfer	3/7/2006			Funds Transfer	Wells Fargo Ch...	1,000,000.00	1,000,000.00	6,800,333.73	
Transfer	3/13/2006			Funds Transfer	U.S. Treasury S...	-5,698,178.11	-5,698,178.11	1,102,155.62	
Transfer	3/31/2006			Funds Transfer	Wells Fargo Ch...	-50,000.00	-50,000.00	1,052,155.62	
Deposit	3/31/2006			Interest	Interest	5,116.70	5,116.70	1,057,272.32	
Transfer	4/24/2006			Funds Transfer	Wells Fargo Ch...	-265,000.00	-265,000.00	792,272.32	
Transfer	4/26/2006			Funds Transfer	U.S. Treasury S...	1,500,000.00	1,500,000.00	2,292,272.32	
Transfer	4/27/2006			Funds Transfer	Wells Fargo Ch...	-1,515,000.00	-1,515,000.00	777,272.32	
Deposit	4/30/2006			Interest	Interest	1,989.72	1,989.72	779,262.04	
Transfer	5/16/2006			Funds Transfer	Wells Fargo Ch...	300,000.00	300,000.00	1,079,262.04	
Deposit	5/31/2006			Deposit	Interest	1,929.30	1,929.30	1,081,191.34	
Transfer	6/2/2006			Funds Transfer	Wells Fargo Ch...	-100,000.00	-100,000.00	981,191.34	
Transfer	6/15/2006			Funds Transfer	Wells Fargo Ch...	-356,000.00	-356,000.00	625,191.34	
Transfer	6/30/2006			Funds Transfer	Wells Fargo Ch...	-300,000.00	-300,000.00	325,191.34	
Deposit	6/30/2006			Deposit	Interest	1,756.70	1,756.70	326,948.04	
Transfer	7/31/2006			Funds Transfer	Wells Fargo Ch...	100.00	100.00	327,048.04	
Check	7/31/2006	Wire T...	Beal Bank, S.S.B. - D...		Interest	-326,986.38	-326,986.38	61.66	
Check	7/31/2006			Service Charge	Bank Service C...	-30.00	-30.00	31.66	
Deposit	7/31/2006			Interest	Interest	782.91	782.91	814.57	
Total Wells Fargo Savings								814.57	814.57
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									0.00
Total Retained Earnings									0.00
Defendant Turnover/Seizure									0.00
Deposit	2/24/2006		Wells Fargo Bank	The Carolina ...	Wells Fargo Ch...	-4,451,100.58	-4,451,100.58	-4,451,100.58	
Deposit	4/21/2006		Wells Fargo Bank	Transfer From ...	Wells Fargo Ch...	-3,748.66	-3,748.66	-4,454,849.24	
Deposit	4/28/2006	45363...	Jonathan Carman	DC Property In...	Wells Fargo Ch...	-500,000.00	-500,000.00	-4,954,849.24	
Deposit	5/10/2006		Wells Fargo Bank	Transfer from ...	Wells Fargo Ch...	-16,005.74	-16,005.74	-4,970,854.98	
Deposit	5/15/2006	52554...	Washington Mutual	Mid Texas Sur...	Wells Fargo Ch...	-88,970.00	-88,970.00	-5,059,824.98	
Deposit	7/6/2006	67334...	Jonathan Carman	Western Finan...	Wells Fargo Ch...	-73,556.72	-73,556.72	-5,133,381.70	
Deposit	7/17/2006		Wells Fargo Bank	Funds Transfe...	Wells Fargo Ch...	-1,207.44	-1,207.44	-5,134,589.14	
Total Defendant Turnover/Seizure								-5,134,589.14	-5,134,589.14
Interest									0.00
Deposit	2/28/2006			Interest	Wells Fargo Sa...	-333.73	-333.73	-333.73	
Deposit	3/31/2006			Interest	Wells Fargo Sa...	-5,116.70	-5,116.70	-5,450.43	
Deposit	3/31/2006	na	Wells Fargo Bank	March interest ...	U.S. Treasury S...	-861.59	-861.59	-6,312.02	
Deposit	4/30/2006			Interest	Wells Fargo Sa...	-1,989.72	-1,989.72	-8,301.74	
Deposit	5/31/2006		Wells Fargo Bank	Deposit	U.S. Treasury S...	-2.01	-2.01	-8,303.75	
Deposit	5/31/2006			Interest	Wells Fargo Sa...	-1,929.30	-1,929.30	-10,233.05	
Deposit	6/30/2006		Wells Fargo Bank	Deposit	U.S. Treasury S...	-18,008.99	-18,008.99	-28,242.04	
Deposit	6/30/2006			Interest	Wells Fargo Sa...	-1,756.70	-1,756.70	-29,998.74	
Deposit	7/31/2006			Interest	Wells Fargo Sa...	-782.91	-782.91	-30,781.65	

4:06 PM

08/07/06

Cash Basis

Carolina Development Company
General Ledger
As of July 31, 2006

Type	Date	Num	Name	Memo	Split	Original Amount	Paid Amount	Balance
Deposit	7/31/2006		Wells Fargo Bank	Deposit	U.S. Treasury S...	-5,128.37	-5,128.37	-35,910.02
Total Interest							-35,910.02	-35,910.02
Other Asset Recovery								0.00
Deposit	2/24/2006		International Aircraft ...	Escrow for Jet	Wells Fargo Ch...	-39,850.00	-39,850.00	-39,850.00
Deposit	5/8/2006	094653	Jonathan Carman	Rebate check	Wells Fargo Ch...	-70.00	-70.00	-39,920.00
Deposit	5/10/2006	1306	WFS, Inc. dba Tranzo...	Auction Proce...	Wells Fargo Ch...	-24,339.59	-24,339.59	-64,259.59
Deposit	7/11/2006	035959	Freedom Communica...	Refund-OC Re...	Wells Fargo Ch...	-49.00	-49.00	-64,308.59
Total Other Asset Recovery							-64,308.59	-64,308.59
Real Estate Escrows								0.00
Deposit	2/23/2006		Lake Of Birds Fort	Deposit	Wells Fargo Ch...	-1,500,986.30	-1,500,986.30	-1,500,986.30
Deposit	3/3/2006		William H. Cannon, P...	First Citizens T...	Wells Fargo Ch...	-15,707.20	-15,707.20	-1,516,693.50
Deposit	3/3/2006	000565	American Co...	American Co...	Wells Fargo Ch...	-504,737.26	-504,737.26	-2,021,430.76
Deposit	3/3/2006		Bank of America	River Bend De...	Wells Fargo Ch...	-664,363.21	-664,363.21	-2,685,793.97
Deposit	3/8/2006		Chicago Title Insurance	Deposit	Wells Fargo Ch...	-25,000.00	-25,000.00	-2,710,793.97
Deposit	4/27/2006	18446	Garner & Hayes, PLLC	L 2133 MidSo...	Wells Fargo Ch...	-109,375.01	-109,375.01	-2,820,168.98
Deposit	6/19/2006	3862	Realty World - Pinno...	National Lot 1...	Wells Fargo Ch...	-1,000.00	-1,000.00	-2,821,168.98
Deposit	7/25/2006	007116	National Realty	Escrow Depos...	Wells Fargo Ch...	-1,000.00	-1,000.00	-2,822,168.98
Total Real Estate Escrows							-2,822,168.98	-2,822,168.98
Real Estate Sales								0.00
Total Real Estate Sales								0.00
Recovery of Prof. Retainers								0.00
Deposit	2/27/2006	3246	Gary C. Wykidal Clie...	Carolina Retai...	Wells Fargo Ch...	-60,000.00	-60,000.00	-60,000.00
Total Recovery of Prof. Retainers							-60,000.00	-60,000.00
Appraisal Fees								0.00
Check	3/10/2006	1003	Pyles Whatley Corpor...	Collin County ...	Wells Fargo Ch...	3,750.00	3,750.00	3,750.00
Check	5/24/2006	1026	Robert Charles Lesse...	Celina Market ...	Wells Fargo Ch...	19,000.00	19,000.00	22,750.00
Check	6/2/2006	1028	Mackenzie S. Buttum...	Retainer Celin...	Wells Fargo Ch...	6,000.00	6,000.00	28,750.00
Check	6/29/2006	1040	Metrostudy	Denton & Colli...	Wells Fargo Ch...	3,500.00	3,500.00	32,250.00
Check	7/27/2006	1051	Pyles Whatley Corpor...	Sutter County ...	Wells Fargo Ch...	9,375.00	9,375.00	41,625.00
Check	7/27/2006	1051	Pyles Whatley Corpor...	Lake Las Veg...	Wells Fargo Ch...	4,875.00	4,875.00	46,500.00
Total Appraisal Fees							46,500.00	46,500.00
Bank Service Charges Wire Fees								0.00
Check	2/24/2006	Fee	Wells Fargo Bank	Wire Fee	Wells Fargo Ch...	30.00	30.00	30.00
Check	2/24/2006	Wire	Wells Fargo Bank	Wire Fee	Wells Fargo Ch...	30.00	30.00	60.00
Check	2/24/2006		Wells Fargo Bank	Wire transfer fee	Wells Fargo Ch...	10.00	10.00	70.00
Check	3/3/2006		Wells Fargo Bank	Wire Transfer ...	Wells Fargo Ch...	10.00	10.00	80.00
Check	3/8/2006		Wells Fargo Bank	Wire transfer fee	Wells Fargo Ch...	10.00	10.00	90.00
Check	3/27/2006		Wells Fargo Bank	Wire Transfer ...	Wells Fargo Ch...	30.00	30.00	120.00
Check	3/30/2006		Wells Fargo Bank	Wire Fee	Wells Fargo Ch...	30.00	30.00	150.00
Check	4/27/2006	Debit	Wells Fargo Bank	Wire Fee	Wells Fargo Ch...	30.00	30.00	180.00
Check	4/28/2006	Debit	Wells Fargo Bank	Wire Fee	Wells Fargo Ch...	30.00	30.00	210.00
Check	4/28/2006	Debit	Wells Fargo Bank	Wire Fee	Wells Fargo Ch...	30.00	30.00	240.00
Check	5/30/2006	Debit	Wells Fargo Bank	Wire Transfer	Wells Fargo Ch...	30.00	30.00	270.00
Check	6/30/2006	Debit	Wells Fargo Bank	Wire fee	Wells Fargo Ch...	30.00	30.00	300.00
Check	7/31/2006			Service Charge	Wells Fargo Sa...	30.00	30.00	330.00
Total Bank Service Charges Wire Fees							330.00	330.00
Consulting Fees								0.00
Check	6/1/2006	1027	The Discovery Group	Celina, Sutter	Wells Fargo Ch...	0.00	0.00	0.00
Total Consulting Fees							0.00	0.00
Insurance								0.00
Directors and Officers Insuranc								0.00
Total Directors and Officers Insuranc								0.00
Liability Insurance								0.00
Check	7/19/2006	1049	Elkins Jones Insuran...	General Liabili...	Wells Fargo Ch...	10,949.17	10,949.17	10,949.17
Total Liability Insurance							10,949.17	10,949.17
Insurance - Other								0.00
Total Insurance - Other								0.00
Total Insurance							10,949.17	10,949.17
Loan Payments								0.00
Interest								0.00
Check	2/24/2006	Wire	14875 Partners, Ltd	Wire Transfer	Wells Fargo Ch...	13,885.42	13,885.42	13,885.42
Check	2/24/2006	Wire	Beal Bank, S.S.B. - D...	Wire Transfer	Wells Fargo Ch...	188,222.50	188,222.50	202,107.92
Check	3/27/2006		Beal Bank, S.S.B. - D...	Interest Paym...	Wells Fargo Ch...	208,389.19	208,389.19	410,497.11
Check	3/30/2006		14875 Partners, Ltd	Interest Paym...	Wells Fargo Ch...	13,187.49	13,187.49	423,684.60
Check	4/27/2006	Wire	Beal Bank, S.S.B. - D...	Loan # 12001...	Wells Fargo Ch...	206,250.00	206,250.00	629,934.60
Check	4/28/2006	Wire	Beal Bank, S.S.B. - D...	Default amount	Wells Fargo Ch...	51,421.23	51,421.23	681,355.83
Check	4/28/2006	Wire	14875 Partners, Ltd		Wells Fargo Ch...	15,000.00	15,000.00	696,355.83
Check	5/30/2006	Wire	Beal Bank, S.S.B. - D...		Wells Fargo Ch...	326,986.31	326,986.31	1,023,342.14
Check	6/30/2006	Wire T...	Beal Bank, S.S.B. - D...	Interest-Celina...	Wells Fargo Ch...	313,229.72	313,229.72	1,336,571.86
Check	7/31/2006	Wire T...	Beal Bank, S.S.B. - D...	Celina Bridges...	Wells Fargo Sa...	326,986.38	326,986.38	1,663,558.24
Total Interest							1,663,558.24	1,663,558.24
Principal								0.00
Check	4/28/2006	Wire	14875 Partners, Ltd		Wells Fargo Ch...	1,500,000.00	1,500,000.00	1,500,000.00
Total Principal							1,500,000.00	1,500,000.00
Loan Payments - Other								0.00
Total Loan Payments - Other								0.00

4:06 PM

08/07/06

Cash Basis

Carolina Development Company
General Ledger
 As of July 31, 2006

Type	Date	Num	Name	Memo	Split	Original Amount	Paid Amount	Balance
							3,163,558.24	3,163,558.24
Total Loan Payments								
Locksmith								
Check	2/24/2006	1005	Aames Lock & Safe ...	Entry to and R...	Wells Fargo Ch...	124.27	124.27	124.27
Check	4/4/2006	1007	The Irvine Company	After hours ke...	Wells Fargo Ch...	20.00	20.00	144.27
							144.27	144.27
Total Locksmith								
Mileage								
Check	5/17/2006	1022	Alison Juroe	Mileage for April	Wells Fargo Ch...	75.69	75.69	75.69
							75.69	75.69
Total Mileage								
Office & Computer Supplies								
Check	4/10/2006	1010	Alison Juroe	Windows Upgr...	Wells Fargo Ch...	280.13	280.13	280.13
Check	4/18/2006	1014	Marilyn Juroe	Packing Tape	Wells Fargo Ch...	3.29	3.29	283.42
Check	4/18/2006	1014	Marilyn Juroe	Storage Boxes	Wells Fargo Ch...	75.38	75.38	358.80
Check	5/5/2006		CitiCards Online Bill ...	Software for A...	Wells Fargo Ch...	699.95	699.95	1,058.75
Check	5/22/2006	1025	Marilyn Juroe	Investor mailin...	Wells Fargo Ch...	231.47	231.47	1,290.22
Check	6/5/2006	1033	Alison Juroe	2 cases of paper	Wells Fargo Ch...	64.63	64.63	1,354.85
							1,354.85	1,354.85
Total Office & Computer Supplies								
Office Rent								
Check	3/10/2006	1001	The Irvine Company	March Rent St...	Wells Fargo Ch...	27,421.78	27,421.78	27,421.78
Check	4/4/2006	1007	The Irvine Company	Ste. 710	Wells Fargo Ch...	6,178.00	6,178.00	33,599.78
Check	4/4/2006	1007	The Irvine Company	Ste. 780	Wells Fargo Ch...	8,019.00	8,019.00	41,618.78
Check	4/4/2006	1007	The Irvine Company	Ste. 1020 & 10...	Wells Fargo Ch...	13,760.51	13,760.51	55,379.29
Check	4/20/2006	Debit	The Irvine Company	HVAC Afterho...	Wells Fargo Ch...	120.00	120.00	55,499.29
							55,499.29	55,499.29
Total Office Rent								
Outside Services								
Check	4/19/2006	1015	John Juroe	7.5 hours @ \$...	Wells Fargo Ch...	150.00	150.00	150.00
Check	5/5/2006	1016	US Postmaster	PO Box rental ...	Wells Fargo Ch...	140.00	140.00	290.00
Check	5/12/2006	Debit	CitiCards Online Bill ...	Website Set u...	Wells Fargo Ch...	196.48	196.48	486.48
Check	6/5/2006	1032	Secretary of State of ...	Entities search...	Wells Fargo Ch...	10.00	10.00	496.48
							496.48	496.48
Total Outside Services								
Parking Fee								
Check	5/22/2006	1025	Marilyn Juroe	Parking - Shep...	Wells Fargo Ch...	1.50	1.50	1.50
Check	7/11/2006	1046	Ace Parking Manage...	TSC 3 Trans. L...	Wells Fargo Ch...	30.00	30.00	31.50
Check	7/11/2006	1046	Ace Parking Manage...	TSC 3 Trans. ...	Wells Fargo Ch...	30.00	30.00	61.50
Check	7/11/2006	1046	Ace Parking Manage...	TSC 5 Trans. ...	Wells Fargo Ch...	50.00	50.00	111.50
							111.50	111.50
Total Parking Fee								
Photocopying & Reproduction								
Check	3/17/2006	1004	Plaza Copy & Imaging	SEC Orders - ...	Wells Fargo Ch...	194.00	194.00	194.00
Check	3/17/2006	1004	Plaza Copy & Imaging	Duplication ofc...	Wells Fargo Ch...	156.08	156.08	350.08
Check	4/18/2006	1012	Plaza Copy & Imaging	Duplication of ...	Wells Fargo Ch...	1,640.58	1,640.58	1,990.66
Check	5/3/2006	1017	Plaza Copy & Imaging	Initial mailing. ...	Wells Fargo Ch...	3,544.92	3,544.92	5,535.58
Check	5/5/2006	Debit	CitiCards Online Bill ...	Copies of orde...	Wells Fargo Ch...	45.80	45.80	5,581.38
Check	5/10/2006	1019	Plaza Copy & Imaging	Additional inve...	Wells Fargo Ch...	50.62	50.62	5,632.00
Check	6/5/2006	1031	Plaza Copy & Imaging	Inv. X222562 -...	Wells Fargo Ch...	1,260.68	1,260.68	6,892.68
Check	6/5/2006	1031	Plaza Copy & Imaging	Inv. X222310 ...	Wells Fargo Ch...	31.93	31.93	6,924.61
							6,924.61	6,924.61
Total Photocopying & Reproduction								
Postage and Delivery								
Check	4/5/2006	Bill Pay	Fed Ex	Federal Express	Wells Fargo Ch...	19.36	19.36	19.36
Check	4/10/2006	Debit	American Express	Overnight deliv...	Wells Fargo Ch...	84.11	84.11	103.47
Check	4/18/2006	1014	Marilyn Juroe	Postage to ma...	Wells Fargo Ch...	19.43	19.43	122.90
Check	5/5/2006	Debit	American Express	Overnight fee	Wells Fargo Ch...	18.11	18.11	141.01
Check	7/5/2006	1041	Thomas Seaman Co...	Postage cots f...	Wells Fargo Ch...	406.56	406.56	547.57
Check	7/5/2006	1043	Emily Seaman	Fed ex bill pai...	Wells Fargo Ch...	113.71	113.71	661.28
							661.28	661.28
Total Postage and Delivery								
Professional Fees & Expenses								
Consultants Expenses								
Check	7/6/2006	1044	The Discovery Group	Travel Expens...	Wells Fargo Ch...	12,274.97	12,274.97	12,274.97
Check	7/31/2006	1052	The Discovery Group	Celina Bridges...	Wells Fargo Ch...	923.17	923.17	13,198.14
							13,198.14	13,198.14
Total Consultants Expenses								
Receiver's Counsel's Expenses								
Total Receiver's Counsel's Expenses								
Receiver's Fees								
Check	6/15/2006	1035	Thomas Seaman Co...	For Services t...	Wells Fargo Ch...	122,426.00	122,426.00	122,426.00
							122,426.00	122,426.00
Total Receiver's Fees								
Receiver's Legal Counsel								
Check	6/15/2006	1036	Sheppard, Mullin, Ric...	Legal Services...	Wells Fargo Ch...	126,417.00	126,417.00	126,417.00
Check	6/15/2006	1036	Sheppard, Mullin, Ric...	Reimburseme...	Wells Fargo Ch...	14,576.00	14,576.00	140,993.00
Check	6/15/2006	1038	Coats, Rose, Yale, R...	Services Provi...	Wells Fargo Ch...	35,093.00	35,093.00	176,086.00
Check	6/15/2006	1038	Coats, Rose, Yale, R...	Reimburseme...	Wells Fargo Ch...	757.00	757.00	176,843.00
							176,843.00	176,843.00
Total Receiver's Legal Counsel								
Technical Consultants								
Information Technology								
Check	6/15/2006	1039	Mack Barclay, Inc.	Services Provi...	Wells Fargo Ch...	51,042.00	51,042.00	51,042.00
Check	6/15/2006	1039	Mack Barclay, Inc.	Reimburseme...	Wells Fargo Ch...	4,899.00	4,899.00	55,941.00
							55,941.00	55,941.00
Total Information Technology								
Land Use & Development								
Check	3/28/2006	1006	The Discovery Group	Retainer	Wells Fargo Ch...	20,000.00	20,000.00	20,000.00
Check	5/4/2006	1018	Danielian Associates	Celina Bridges...	Wells Fargo Ch...	15,000.00	15,000.00	35,000.00

4:06 PM
 08/07/06
 Cash Basis

**Carolina Development Company
 General Ledger
 As of July 31, 2006**

Type	Date	Num	Name	Memo	Split	Original Amount	Paid Amount	Balance
Check	5/11/2006	1021	Carter & Burgess	Inv 2515180	Wells Fargo Ch...	2,343.86	2,343.86	37,343.86
Check	5/11/2006	1021	Carter & Burgess	Inv 2489168	Wells Fargo Ch...	1,633.86	1,633.86	38,977.72
Check	5/11/2006	1021	Carter & Burgess	Inv 2467545	Wells Fargo Ch...	2,639.73	2,639.73	41,617.45
Check	5/17/2006	1023	The Discovery Group	Invoice # 19 - ...	Wells Fargo Ch...	7,706.25	7,706.25	49,323.70
Check	5/17/2006	1023	The Discovery Group	Invoice # 16 - ...	Wells Fargo Ch...	9,787.50	9,787.50	59,111.20
Check	5/18/2006	1024	The Discovery Group	Invoice 17 - Su...	Wells Fargo Ch...	10,443.75	10,443.75	69,554.95
Check	5/18/2006	1024	The Discovery Group	Invoice 18 - Ce...	Wells Fargo Ch...	7,368.75	7,368.75	76,923.70
Check	6/5/2006	1029	The Discovery Group	Celina, Sutter	Wells Fargo Ch...	69,930.08	69,930.08	146,853.78
Check	7/11/2006	1045	Danielian Associates	Celina Bridges...	Wells Fargo Ch...	21,101.79	21,101.79	167,955.57
Check	7/21/2006	1050	The Discovery Group	Celina Bridges	Wells Fargo Ch...	40,000.00	40,000.00	207,955.57
Total Land Use & Development							207,955.57	207,955.57
M.U.D. Attorney								
Total M.U.D. Attorney								0.00
Technical Consultants - Other								
Total Technical Consultants - Other								0.00
Total Technical Consultants							263,896.57	263,896.57
Professional Fees & Expenses - Other								
Check	3/31/2006	1009	Joseph B. Laski & As...	Asset Searche...	Wells Fargo Ch...	900.00	900.00	900.00
Check	6/15/2006	1037	Coats, Rose, Yale, R...	VOID:	Wells Fargo Ch...	0.00	0.00	900.00
Total Professional Fees & Expenses - Other							900.00	900.00
Total Professional Fees & Expenses							577,263.71	577,263.71
Property Expenses								
Celina Bridges								
M.U.D. Recoverable Expenses								
Check	4/18/2006	1011	Anco-Wessendorff	Collin County ...	Wells Fargo Ch...	1,794.00	1,794.00	1,794.00
Total M.U.D. Recoverable Expenses							1,794.00	1,794.00
Celina Bridges - Other								
Total Celina Bridges - Other								0.00
Total Celina Bridges							1,794.00	1,794.00
Property Expenses - Other								
Total Property Expenses - Other								0.00
Total Property Expenses							1,794.00	1,794.00
Storage & Moving								
Check	3/10/2006	1002	Irvine Storage	Storage Facility	Wells Fargo Ch...	359.00	359.00	0.00
Check	4/18/2006	1013	Irvine Storage	Rent Storage ...	Wells Fargo Ch...	371.93	371.93	730.93
Check	5/10/2006	1020	Irvine Storage	Unit # F115	Wells Fargo Ch...	359.00	359.00	1,089.93
Check	6/5/2006	1030	Irvine Storage	Unit F115	Wells Fargo Ch...	359.00	359.00	1,448.93
Check	7/5/2006	1042	Irvine Storage	Invoice 5554	Wells Fargo Ch...	359.00	359.00	1,807.93
Total Storage & Moving							1,807.93	1,807.93
Taxes								
LLC Tax								
Check	7/18/2006	1047	Delaware Secretary ...	WPM 1900, LLC	Wells Fargo Ch...	309.00	309.00	309.00
Total LLC Tax							309.00	309.00
Property Taxes								
Deposit	6/2/2006	222933	County of Moore	Lot 166 Sec 6 ...	Wells Fargo Ch...	-684.33	-684.33	-684.33
Check	6/14/2006	1034	Moore County Tax De...	Bill No. 20050...	Wells Fargo Ch...	491.64	491.64	-192.69
Check	6/14/2006	1034	Moore County Tax De...	Bill No. 20050...	Wells Fargo Ch...	314.28	314.28	121.59
Check	6/14/2006	1034	Moore County Tax De...	Bill No. 20050...	Wells Fargo Ch...	12.68	12.68	134.27
Check	6/14/2006	1034	Moore County Tax De...	Bill No. 20050...	Wells Fargo Ch...	12.68	12.68	146.95
Check	6/14/2006	1034	Moore County Tax De...	Bill No. 20050...	Wells Fargo Ch...	12.68	12.68	159.63
Deposit	6/21/2006	225873	Moore County Tax De...	Re: Carolina Li...	Wells Fargo Ch...	-4.03	-4.03	155.60
Deposit	6/21/2006	225901	Moore County Tax De...	Re: Denise Ne...	Wells Fargo Ch...	-276.86	-276.86	-121.26
Total Property Taxes							-121.26	-121.26
Taxes - Other								
Total Taxes - Other								0.00
Total Taxes							187.74	187.74
Telephone								
Check	3/31/2006	1008	Conceptual Continuity	Line & VM Set...	Wells Fargo Ch...	255.75	255.75	0.00
Total Telephone							255.75	255.75
Utilities								
Gas & Electrical								
Check	7/18/2006	1048	Progress Energy Car...	Carolina Gate...	Wells Fargo Ch...	0.00	0.00	0.00
Total Gas & Electrical							0.00	0.00
Utilities - Other								
Total Utilities - Other								0.00
Total Utilities							0.00	0.00
No acct								
Total no acct								0.00
TOTAL							0.00	0.00

4:05 PM
 08/07/06
 Cash Basis

Carolina Development Company
Profit & Loss
 February through July 2006

	Feb - Jul 06
Income	
Defendant Turnover/Seizure	5,134,589.14
Interest	35,910.02
Other Asset Recovery	64,308.59
Real Estate Escrows	2,822,168.98
Recovery of Prof. Retainers	60,000.00
Total Income	8,116,976.73
Expense	
Appraisal Fees	46,500.00
Bank Service Charges Wire Fees	330.00
Consulting Fees	0.00
Insurance	
Liability Insurance	10,949.17
Total Insurance	10,949.17
Loan Payments	
Interest	1,663,558.24
Principal	1,500,000.00
Total Loan Payments	3,163,558.24
Locksmith	144.27
Mileage	75.69
Office & Computer Supplies	1,354.85
Office Rent	55,499.29
Outside Services	496.48
Parking Fee	111.50
Photocopying & Reproduction	6,924.61
Postage and Delivery	661.28
Professional Fees & Expenses	
Consultants Expenses	13,198.14
Receiver's Fees	122,426.00
Receiver's Legal Counsel	176,843.00
Technical Consultants	
Information Technology	55,941.00
Land Use & Development	207,955.57
Total Technical Consultants	263,896.57
Professional Fees & Expenses - Other	900.00
Total Professional Fees & Expenses	577,263.71
Property Expenses	
Celina Bridges	
M.U.D. Recoverable Expenses	1,794.00
Total Celina Bridges	1,794.00
Total Property Expenses	1,794.00
Storage & Moving	1,807.93
Taxes	
LLC Tax	309.00
Property Taxes	-121.26
Total Taxes	187.74
Telephone	255.75
Utilities	
Gas & Electrical	0.00
Total Utilities	0.00
Total Expense	3,867,914.51
Net Income	4,249,062.22

1 PROOF OF SERVICE

2 Case No. SACV06-172 AHS(ANx)

3 I, the undersigned, declare that I am, and was at the time of service of
4 the papers herein referred to, employed in the County of Orange; over the age of
5 eighteen years and not a party to the within entitled action or proceeding. My
6 business address is 650 Town Center Drive, 4th Floor, Costa Mesa, California
7 92626-1993.

8 On August 16, 2006, I served the following document described as:

9 **RECEIVER'S FIRST SIX MONTH ACCOUNTING REPORT**

10 on the interested party(ies) in this action by placing true copies/ originals
11 thereof enclosed in sealed envelopes and/or packages addressed as follows:

12 See Attached Service List


13 **BY MAIL:** I am "readily familiar" with the firm's practice of collection and
14 processing correspondence for mailing. Under that practice it would be
15 deposited with the U.S. postal service on that same day with postage thereon
16 fully prepaid at Costa Mesa, California in the ordinary course of business. I
17 am aware that on motion of the party served, service is presumed invalid if
18 postal cancellation date or postage meter date is more than one day after date
19 of deposit for mailing in affidavit.

20 **BY FACSIMILE:** I served said document(s) to be transmitted by facsimile
21 pursuant to Rule 2008 of the California Rules of Court. The telephone
22 number of the sending facsimile machine was 714-513-5130. The name(s)
23 and facsimile machine telephone number(s) of the person(s) served are set
24 forth in the service list. The sending facsimile machine (or the machine used
25 to forward the facsimile) issued a transmission report confirming that the
26 transmission was complete and without error. Pursuant to Rule 2008(e), a
27 copy of that report is attached to this declaration.

28 **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 August 16, 2006, at Costa Mesa, California.

25
26 
27 Margaret N. Manns

1 **SERVICE LIST**

2 **SACV06-00172 AHS (ANx)**

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

Thomas M. Melton, Esq. Karen L. Martinez, Esq. Cheryl M. Mori, Esq. Securities and Exchange Commission 15 West South Temple, Suite 1800 Salt Lake City, Utah 84101 Telephone: (801) 524-5796 Facsimile: (801) 524-3558	Attorney for Plaintiff Securities and Exchange Commission
Karen Matteson, Esq. Securities and Exchange Commission 5670 Wilshire Boulevard, 11 th Floor Los Angeles, California 90036-3648 Telephone: (323) 965-3840 Facsimile: (323) 965-3908	Attorney for Plaintiff Securities and Exchange Commission
Matthew R. Rutherford, Esq. Law Offices of Matthew R. Rutherford 3434 Grove Street Lemon Grove, California 91945 Telephone: (619) 337-2950 Facsimile: (619) 337-2469	Attorney for Defendant Jonathan Carman
Ira Lee Sorkin, Esq. Daniel J. Horwitz, Esq. Nicole Pappas Wroblewski, Esq. Dickstein, Shapiro, Morin & Oshinsky LLP 1177 Avenue of the Americas New York, New York 10036-2714 Telephone: (212) 835-1400 Facsimile: (212) 997-9880	Attorney for Defendant Lambert Vander Tuig
Steven M. Goldsobel, Esquire 1900 Avenue of Stars, Suite 1800 Los Angeles, California 90067 Telephone: (310) 552-4848 Facsimile: (310) 552-9291 steve@sgoldsobel.com	Attorney for Defendant Lambert Vander Tuig (California Local Counsel)
James Bastian, Esq. Shulman, Hodges & Bastian 26632 Town Center Drive, Suite 300 Foothill Ranch, California 92610 Telephone: (949) 340-3400 Facsimile: (949) 340-3000	Attorneys for Certain Investors

25

26

27

28