UNITED STATES DISTRICT COURT
Southern District of Florida
Miami Division

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

Case No.: 06-20975-CIV-HUCK
Magistrate Judge Simonton

vs.

JACK P. UTSICK,
ROBERT YEAGER,
DONNA YEAGER,
WORLDWIDE ENTERTAINMENT, INC.,
THE ENTERTAINMENT GROUP FUND, INC.,
AMERICAN ENTERPRISES, INC., and
ENTERTAINMENT FUNDS, INC.,

Defendants.
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REPORT OF RECEIVER, MICHAEL I. GOLDBERG, IN CONNECTION WITH STATUS CONFERENCE SCHEDULED FOR NOVEMBER 14, 2007

Michael I. Goldberg, court-appointed receiver (the "Receiver") for The Entertainment Group Fund, Inc. ("TEGFI"), Worldwide Entertainment, Inc. ("Worldwide"), American Enterprises, Inc. ("AEI") and Entertainment Funds, Inc. ("EFI") (collectively "the Receivership Entities") submits this Report in connection with the Court's November 14, 2007 Status Conference in an effort to apprise the Court and creditors of the status of the following: (1) Current status of the Receivership; (2) Review of matters completed by Receiver and status of ongoing matters; (3) Review of estimated potential recoveries; (4) Review of estimated professional fees and costs in completing the administration of the receivership and associated litigation; and (5) Review of potential distribution and timing of projected distribution.

I. CURRENT STATUS OF THE RECEIVERSHIP

The receivership has been pending approximately eighteen months. Currently, the Receiver and his professionals are working diligently to complete the claims process and liquidate identified assets for the highest possible value. The exact status of the claims process, a

list of identifiable assets and the status of Worldwide's various investments are more fully set forth below.

II. MATTERS COMPLETED BY RECEIVER AND STATUS OF ONGOING MATTERS.

A. VENUE OWNERSHIP

1. Keswick Theater (Pennsylvania)

Prior to receivership, Worldwide purchased the Keswick Theater in Glenside, Pennsylvania - - a 1200 seat theater. The Keswick has been profitable and has not required the Receiver to supplement its operations. The Receiver has actively marketed the theater and received several offers, the best of which was proffered by AEG Entertainment for $3 million. The Receiver is attempting to close the transaction and is hopeful it can be concluded shortly. The buyer has recently requested a purchase price adjustment based on alleged structural and electrical problems with the builder and there is a risk that the agreement may fall apart. If that happens, the Receiver will continue to operate the Keswick and remarket it to other potential buyers.

2. Royal Oak (Michigan)

The Royal Oak Music Theatre (the “Royal Oak”) located in Royal Oak, Michigan, was built in the 1920's and opened its doors in 1928. In 2003, Worldwide decided to attempt to enter into a long term lease for the Royal Oak and to purchase the liquor license associated with the lease. Accordingly, WWE-ROMT, LLC ("WWE-ROMT"), a Michigan limited liability company, was formed to act as the lessee and purchaser. However, partly because Worldwide had not filed a current tax return as required to obtain all necessary licenses and consents for finalizing the transaction, Worldwide decided to transfer its interest in WWE-ROMT to Greg Young, who thereafter became the sole member of WWE-ROMT. As part of this transaction,

Worldwide loaned WWE-ROMT $400,000, evidenced by an unsecured note which is to be repaid in accordance with the terms of the note with five percent (5%) interest. In return for the loan, Worldwide was granted the exclusive right to book events at the theater. However, upon information and belief, Worldwide was unable to book the agreed number of acts at the Royal Oak resulting in WWE-ROMT defaulting under the terms of the note. Approximately one year ago, WWE-ROMT entered into an agreement with AEG to assign AEG its lease and liquor license. Under this agreement, the Receiver is to receive $475,000 which is held in trust by WWE-ROMT's attorney. The closing has been delayed due to Michigan's onerous laws regarding the assignment of a liquor license. However, the assignment was completed last week and the Receiver expects to receive these funds shortly.

3. **Wuhlheide Amphitheater (Berlin, Germany)**

The Wuhlheide is an outdoor amphitheater located in what used to be East Berlin, Germany. The Wuhlheide site is approximately 50 years old and is owned by the city government. The Wuhlheide is well known and is on Berlin's list of historic sites. In 1997, the private group that was running the facility (and invested about 10 million dollars into it for upgrades, etc.) went bankrupt. At that time, Bruce Glatman ("Glatman"), an acquaintance of Utsick, introduced Utsick to a local promoter named Wolfgang Kollen ("Kollen"). The three men negotiated a ten-year lease (with a five year option period) with the city to operate the Wuhlheide for 160,000 euros the first year, increasing by 20,000 euros each year thereafter. For the privilege, they paid the prior ownership group's bankruptcy estate approximately $2.7 million, a portion of which TEGFI funded. The original lease term expired in December, 2006 and the Wuhlheide exercised its five year option to extend the lease. The entity that holds the lease is owned seventy-five percent (75%) by TEGFI; fifteen percent (15%) by Kollen; and ten percent (10%) by Glatman. Kollen manages the amphitheater and is paid 5,000 euros a month.

He has one assistant and they use her apartment in Berlin as their office. Kollen lives in Munich and has another job which fills his time when the amphitheater is closed. The theater is shaped in a horseshoe and has a capacity for 17,000 persons – space for 12,000 in the surrounding forum type seating and another 5,000 in the open area in front of the stage. The stage is covered but the rest of the area is exposed to the elements. Because it is an outdoor theater, the Wuhlheide's show season is limited, running from May to September. While its lease with the city allows it to host up to eighteen shows a season, it generally averages around ten.

Pursuant to their agreement, Kollen and Glatman do not participate in any profit distributions until TEGFI's initial investment is repaid. TEGFI was repaid a considerable sum, and to date, only approximately $335,000 of the $2.7 million is still owed.[1] The average ticket price charged by presenters of events at the Wuhlheide is approximately 35 to 40 euros per ticket. The Wuhlheide receives ten percent (10%) of the net income from ticket sales as rent. On average, the rent charged each year is approximately 25,000 to 30,000 euros. In addition, the Wuhlheide receives approximately 1.5 euros on concession sales, per person, per event. A typical show generates approximately 70,000 to 75,000 euros. Additionally, the local brewery, "Kindl-Buhne" is the main sponsor and pays 100,000 euros per season for naming rights. The Wuhlheide netted approximately 300,000 euros in 2005 and approximately 400,000 euros in 2006.

In August 2007, the Wuhlheide purchased the underlying real estate and improvements from Berlin for a price that cannot be disclosed due to competitive reasons. The purchase price was paid from profits. The Receiver and his partners will continue to operate the Wuhlheide while attempting to sell it. Based on the purchase price, the Receiver believes that the estate should make a substantial profit on the sale of the Wuhlheide.

[1] This sum has not yet been verified.

4. **(Quay Park Arena/Vector Arena) – New Zealand Litigation**

Please see the section titled New Zealand Litigation below for a complete description of the status of this venue.

5. **Masquerade Nightclub**

At the commencement of the receivership, the Receivership Entities and a partner in Atlanta, Georgia, though an entity known as Ybor City Masquerade, Inc. ("Masquerade"), owned a club located in Ybor City, Florida (near Tampa) known as the Masquerade Nightclub. The Receivership Entities and the Atlanta Partner each owned fifty percent (50%) of Masquerade. After his appointment, the Receiver discovered that the Masquerade was in arrears on its lease, owed a great deal of money to its creditors and had no future concert bookings. The partner in Atlanta had already funded many of the Masquerade's debts and refused to fund any more money unless the Receivership Entities paid their rightful share. Accordingly, the Receiver was faced with the decision of paying nearly $100,000 in past due bills to keep the Masquerade open or letting it close. After discussing this with his consultants, Utsick and the Receivership Entities' business partner, the Receiver learned that, at best, the Masquerade could be sold for approximately $500,000 to $600,000 in a few years if it could achieve profitability (of which the Receivership Entities would only get fifty percent). The Receiver did not believe that the financial cost of carrying this venue for the next several years in consideration for the identified possible return was a reasonable risk to undertake at this time. Accordingly, the Receiver decided not to burden the Receivership Entities with the past due lease and other payment obligations and determined not to pay the debts.[2] The estate realized no value from this investment.

[2] On or about February 22, 2006, the landlords, Capitano & Garcia, LLC, commenced an eviction proceeding against Ybor City Masquerade, Inc. (the lessee) in the Circuit Court of the Thirteenth Judicial Circuit In and for Hillsborough County, Florida, *to wit, Capitano & Garcia, LLC. v. Ybor City Masquerade, Inc.*, Case No. 06-01557 Div. J.

6. Jacksonville Property

In January 2003, Worldwide purchased 49.6 acres of land just off of I-95 near Route 16 between Jacksonville and St. Augustine, Florida with the intent of building an amphitheater on the property (the "Jacksonville Property"). The Jacksonville Property is highly visible from I-95, the major interstate highway. Towards that end, Worldwide hired attorneys, architects and engineers to rezone the Jacksonville Property and prepare it for the development of an amphitheater. The rezoning efforts were successful. Immediately after his appointment, the Receiver paid a $97,000 fee to the applicable government authority as an impact fee to preserve the traffic concurrency for the site.

The purchase price of the Jacksonville Property was $1.5 million. The Receiver estimates that the current value of the Jacksonville Property is between $3.5 million and $5 million. There is no mortgage on the Jacksonville Property. In addition, Worldwide has spent approximately $350,000 to accomplish the rezoning and preliminary site work necessary to develop the amphitheater. The Receiver has met with several venue developers to inquire about their interest in co-developing this property as an amphitheater. To date, no one has expressed an interest and in fact several large venue operators have affirmatively declined the opportunity. Due to the significant downturn in the market for vacant land in Florida and the low carrying costs, the Receiver has not actively marketed the property but is waiting for the market to trend upward before placing the land for sale. The Receiver believes waiting for a market upturn will maximize the value of this asset for the estate.

7. Life Insurance Policies

As previously reported, Utsick owned several term and universal life insurance policies with a combined death benefit of $54.2 million. To date, all policies which were owned by Utsick individually or in the name of a non-receivership entity have been assigned to the

Receiver as policy owner and Worldwide Entertainment, Inc. as beneficiary. On the advice and direction of the Investor Advisory Panel, the Receiver continues to pay the monthly premiums to keep the policies current. The monthly cost of the premiums is approximately $59,000.

B. CONTENT OWNERSHIP

1. **National Lampoon's Pledge This**

As previously reported, the Receivership Entities also have an interest in a movie entitled National Lampoon's Pledge This, starring Paris Hilton. When the receivership commenced, the estate had already spent over $6 million on this movie, but the movie was not fully completed. Accordingly, the Receiver expended approximately $300,000 to complete the movie. The movie was theatrically released on October 25, 2006 and then released on DVD on December 19, 2006. Paris Hilton was paid $1 million to appear in the movie and to promote it upon its release. However, Paris Hilton has completely refused to support the movie. Accordingly, the Receiver believes the estate was damaged by this breach and is in the process of retaining counsel to commence suit against Ms. Hilton. To date, the estate has recovered approximately $1 million on DVD sales.

2. **Iron Chef**

The Receivership Entities optioned the rights to produce a show based upon the "Iron Chef" concept for $75,000. Essentially, the show involves celebrity chefs competing in front of a live audience in a culinary competition. The Receivership Entities own the rights to produce and exhibit the show in Las Vegas, Atlantic City, San Francisco and Bransom, Missouri. The Receiver attempted to sell the license rights, but could not locate a buyer, in part, because the option required that a production be up and running by December 2006 which was too short of a time frame for any prospective buyer to meet. Accordingly, the estate will not yield any return of on this investment.

3. **Sinatra**

Prior to the receivership, Worldwide invested in "Sinatra", a show that depicts the life of Frank Sinatra through dance and videography ("Sinatra"). On June 5, 2006, the Receiver traveled to London to meet with Sinatra's producer and to discuss the status of Worldwide's investment. At the meeting, the producer stated that Worldwide committed to fund 1.2 million pounds for a twenty five (25%) percent interest in the show, but only funded half of that causing the producer to scramble immediately prior to the show's opening to raise the necessary funds. Accordingly, the producer stated Worldwide's interest in Sinatra is currently approximately thirteen (13%) percent.[3] The producer stated that, even though Worldwide was in breach of its initial funding obligation, he would permit Worldwide to recoup its initial investment as well as a return--albeit smaller based on the aggravation and risk he incurred in having to scramble to raise additional money at the last minute. The Receiver is working with the producer to reach an acceptable resolution as to the extent of Worldwide's interest. The Sinatra show had a 16 week run at the historic Palladium Theater in London. The show made some money in London and the producers are attempting to sell the production rights in other locations. The Receiver believes the estate will recoup part of its investment in Sinatra.

4. Defending The Caveman – Robin Tate

On October 9, 2003, TEGFI filed a Demand for Arbitration (the "Arbitration Action") against Robin Tate and Tate Entertainment, Inc. (jointly, "Tate" or "the Tate Parties") with the American Arbitration Association ("AAA"), based on Tate's purported breach of an out-of-court settlement agreement whereby Tate agreed to repay certain funds to TEGFI for the promotion of the production of a show named "Defending the Caveman". The case was set for trial before the AAA commencing on January 8, 2007, but has been abated by agreement of the parties. Based

[3] The Receiver does not necessarily accept this position and is reviewing the entire transaction to determine the accuracy thereof.

on documents reviewed by the Receiver and his counsel and interviews of various witnesses, it appears that Tate held the exclusive right to promote "Defending the Caveman", a one man play, written, directed and starring Rob Becker ("Becker"). The Receiver understands that Tate had some success promoting the show in the past and offered Jack Utsick ("Utsick") the opportunity to co-promote the show for a limited run at the Town Hall Theater in New York, from October 8, 2002 through November 24, 2002 (the "Caveman NY Production"). On May 17, 2002, Utsick, through Jack Utsick Presents ("JUP"), entered into a Co-Promotion Agreement with Tate whereby the parties agreed to co-promote the Caveman NY Production. Under the Co-Promotion Agreement, JUP would pay 70% of the costs and receive 70% of the net profits, while Tate would pay 30% of the costs and receive 30% of the net profits.[4] Based on other documents in the possession of Utsick's corporate counsel and provided to the Receiver, it appears that Tate and Utsick agreed to pay Becker a "guaranteed" payment of $1 million. At or around the same time, Tate also entered into a license agreement (dated June 20, 2002) with Caveman Productions, Inc. (owned by Becker) whereby Tate obtained the exclusive right for a five year period to market and sell the Defending the Caveman Video/DVD (the "Caveman DVD") in North America (the "License Agreement"). The License Agreement required Tate to spend $600,000 a year promoting the Caveman DVD. Tate was also committed to pay Becker a one time payment of $1 million (which was paid in four $250,000 installments between June and December, 2002), plus a royalty of 30% of the actual gross from retail sales. Tate then entered into a Joint Venture Agreement (dated June 25, 2002) with JUP and TEGFI, whereby they agreed to jointly promote/sell the Caveman DVD. Through the Joint Venture Agreement, JUP and TEGFI agreed to pay an initial cash advance of $250,000, plus advance all other expenses

[4] The Co-Promoter Agreement in the Receiver's possession is unexecuted, other memos and correspondence indicate that JUP would pay 100% of costs, but still split the profits 70/30.

associated with the production, promotion and sale of the Caveman DVD, and reimburse Tate for any previous advances he made under the License Agreement. Tate's "contribution" consisted of the actual marketing and sale of the Caveman DVD. The parties agreed to be 50/50 partners in the Joint Venture Agreement. TEGFI advanced $500,000 as part payment under the License Agreement and paid $72,500 to Above & Beyond, a Missouri based company which agreed to create a marketing website and produce the Caveman DVD in mass quantities (representing $62,500 as a deposit for the first order of 100,000 Caveman DVDs and $10,000 for the creation of the website). After expending significant funds on advertising, it became apparent to the parties based upon poor advance ticket sales that the Caveman NY Production would be an economic disaster. After significant discussions and various proposals related to the parties continued performance of the Caveman NY Production, License Agreement and Joint Venture Agreement, the parties ultimately entered into two settlement agreements as follows:

(a) The Settlement Agreement between Tate, TEGFI and Becker (the "Becker Settlement Agreement"), dated October 2002. Through the Becker Settlement Agreement, the parties agreed that: i) Becker would perform at the Caveman NY Production and reduce his guarantied fee to $600,000; ii) Tate and TEGFI would pay $450,000 towards the advertising and promotion of the Caveman NY Production; iii) the License Agreement for the Caveman DVD was terminated; iv) Becker would accept the $500,000 previously advanced by TEGFI under the License Agreement as a credit or part payment of the $600,000 guaranteed payment; and v) all other agreements between Becker and Tate for Tate to promote future performances of Defending the Caveman were terminated.

(b) The Settlement Agreement between Tate and TEGFI (the "Tate Settlement Agreement"), dated October 2002. Through the Tate Settlement Agreement, the parties agreed that: i) Tate would pay TEGFI for the losses suffered from the Caveman NY Production, plus a

20% promoters fee, and the $10,000 never recouped by TEGFI for the payment of the website fee to Above & Beyond; ii) Tate would assign all profits from future performances of Defending the Caveman (if he promoted or was involved with the production) to TEGFI until TEGFI's losses, plus the 20% promoter fee, were recouped; and iii) Tate would assign to TEGFI any rights it obtained to promote any future Defending the Caveman productions or ventures.

After Tate allegedly defaulted under the Tate Settlement Agreement, TEGFI filed the Arbitration Action. In preparation for the trial in the Arbitration Action, the parties exchanged in discovery. Based upon the documents reviewed by the Receiver and his counsel, TEGFI's damages appear to be calculated as the losses it suffered relating to the Caveman NY Production. It appears that TEGFI advanced the sum of $1,299,275.44 (consisting of $600,000 to Becker, $452,596 for advertising, $188,000 as rent for the venue, and an additional $58,679.44). It also appears from cancelled checks that TEGFI received the sum of $829,714.34 in ticket sales. Accordingly, TEGFI's estimated damages are in the range of $469,561.10. Tate's lawyers claims that the Tate Settlement Agreement is unenforceable due to, among other things, lack of consideration. They claim that Tate was never contractually obligated to repay TEGFI and that while Tate felt he had a moral obligation to "make things right" he had no legal obligation. In order to fully prepare for trial in the Arbitration Action, the Receiver's counsel estimates that he needs to take two to three depositions and serve one additional discovery request on Tate. Upon information and belief, Tate sold his home in St. Louis, Missouri and now resides in Mexico, so counsel may be required to travel to Mexico to depose Tate. Moreover, counsel would need to prepare at least one representative of TEGFI to present testimony on damages.

The Receiver has weighed the cost of the Arbitration Action with the defenses asserted by Tate and the collectability of the Tate Parties. Assuming the Receiver is able to prove

damages in the approximate amount of $450,000, it is not readily apparent that Tate has any tangible assets which could satisfy a judgment. Tate's lawyer also claims that Tate has no money or other assets to satisfy a judgment. In support of this assertion, Tate agreed to provide tax returns and a sworn financial statement (the "Financial Affidavit") to verify his financial condition. Tate provided the Receiver's counsel with a fully executed Financial Affidavit on December 17, 2006. The Financial Affidavit showed that Tate did not have any tangible assets available to satisfy a judgment obtained by the Receiver. Importantly, the Tate Settlement Agreement did not provide for a prevailing party attorney's fee award. Thus, even if the Receiver was successful in prosecuting the AAA Action, it's possible that the Receiver may not recoup his attorney's fees and costs incurred pursing the claim or any post-judgment collection fees and costs.

Accordingly, the Receiver and the Tate Parties have entered into a settlement of their disputes. Pursuant to the terms of the Settlement Agreement, the Tate Parties, jointly and severally, have agreed to pay the Receiver the sum of $55,000.00 in resolution of all claims which were raised or could have been raised in the Arbitration Action. On January 30, 2007, the Court entered an Order approving the Settlement between the parties, and the settlement agreement is being complied with.

5. Little Women

In or about November, 2004, Worldwide invested $250,000 in Little Women, LLC, for 9.5% co-producer interest in the Little Women Broadway Tour. The amount of $250,000 has been recouped as of May 28, 2006 (the “Recoupment Date”). The Recoupment Date was during the 42nd week, out of an estimated 49 projected playing weeks, of the Little Women Broadway Tour. Worldwide received approximately $40,000 from subsidiary income from this investment.

C. WORLDWIDE AFFILIATES

1. Domestic Affiliates

a. Worldwide Miami—Portofino Office

The Receivership Entities own two condominiums in the Portofino Towers on Miami Beach. Utsick resides in one and the other was used as an office prior to the receivership. With the Court's authorization, the Receiver has retained a broker in an attempt to sell the units. Pursuant to Court's order, Utsick is required to vacate the unit he is living in upon the sale of the unit. However, due to the softness of the South Florida condominium market, there has been limited interest in the property at the current asking price. The Receiver will continue to market these properties and believes he should be able to sell the office unit for approximately $1.6 million and the Utsick residential unit for approximately $2.5 million. There is a mortgage on the residential unit of approximately $500,000. Accordingly, the Receiver estimates the estate should net approximately $3.5 million from the sale of these units.

b. Worldwide Miami –Washington Avenue

Worldwide had a second office located at 119 Washington Avenue, Suite 502, Miami Beach, Florida 33139 (the "Washington Avenue Office"). Prior to the receivership, the Washington Avenue Office had eleven employees consisting of the general manager, an executive producer, three booking agents, a production manager, a bookkeeper, two marketing agents and two administrators. This staff was responsible for promoting its own live entertainment events as well as assisting affiliates in their attempt to promote live entertainment events. The Receiver has since closed this office and layed off all employees except the bookkeeper who continues to assist the Receiver. This office was leased, and the lease was terminated.

c. Worldwide Midwest LLC

Worldwide also has a division in Detroit, Michigan operating as Worldwide Midwest LLC. The office is located at 306 S. Washington Ave, Suite 219, Royal Oak, Michigan 48067 (Royal Oak Music Theatre). Since the commencement of the SEC Receivership, all employees in this office have been laid off and this office was closed.

d. Jack Utsick Presents, N.E., Inc.

On or about January 11, 2002, TEGFI and BS Entertainment entered into a Shareholders Agreement (the "Shareholders Agreement") which provided for, among other things, the formation of a Florida corporation known as Jack Utsick Presents, N.E., Inc. ("JUPNE"). Since its formation, JUPNE has been engaged in concert and event promotion primarily in the Northeastern United States. TEGFI and BS Entertainment each own 50% of the issued and outstanding shares of capital stock of JUPNE. According to the Shareholders Agreement, TEGFI and BS Entertainment evenly split all net profits. Rogers and Sidney Payne ("Payne") own 100% of the membership interests in and control of BS Entertainment. Rogers and Payne are officers of JUPNE and control and/or manage the daily business affairs of JUPNE. According to the Shareholders Agreement, Utsick is the CEO of JUPNE. However, Rogers and/or Payne advised the Receiver that Utsick was never involved in the day to day affairs of JUPNE. Upon his appointment, the Receiver monitored and evaluated the business operations of JUPNE to determine whether JUPNE is a viable business enterprise whose continued business operations would benefit the Receivership estate. The Receiver reviewed JUPNE's books and records, its 2005 federal tax returns and other financial documents. The 2005 federal tax returns

demonstrate that JUPNE suffered net losses in the amount of $174,428 during 2005.[5] While the 2006 financial records have not been finalized, the Receiver has been advised that JUPNE will either break even or suffer another net loss for 2006. According to JUPNE and TEGFI's financial records, TEGFI has advanced the sum of $66,000 (approx.) to JUPNE to fund operating cash shortfalls. However, due to cash flow and liquidity issues, this sum has not been repaid to TEGFI and remains due and outstanding. The Receiver has met extensively with Rogers and Payne to discuss the viability of JUPNE's continued operations. Rogers and Payne have advised the Receiver that JUPNE needs a significant equity infusion to become a viable entity in the concert promotion business. Rogers and Payne have also accused Utsick (which accusations Utsick denies), and/or other entities associated with the Receivership estate, of violating certain covenants not to compete and territorial restrictions set forth in the Shareholders Agreement. Based upon his review of JUPNE's financial records, the liquidation value of JUPNE (which appears to be minimal), and the exercise of his business judgment, the Receiver has determined that the continued funding and operation of JUPNE is not in the best interest of the Receivership estate. As such, the Receiver negotiated a Settlement and Wind Down Agreement (the "Wind Down Agreement") with BS Entertainment and Rogers which provides for the dissolution and wind down of JUPNE and resolves some, but not all, of the differences between BS Entertainment, Rogers and the Receiver regarding the parties respective rights under the Shareholders Agreement.

The parties agreed that JUPNE will continue to operate and fulfill all of its business obligations relating to the forty-two (42) remaining events under contract with various artists, venues, advertisers, and other third parties and will not enter into contracts for any additional events. However, commencing on the date of execution of the Wind Down Agreement, Payne

[5] JUPNE's federal tax returns for 2004 showed a net profit of $18,653.00, while the federal tax returns for 2003 indicate a net loss of $12,975.00.

and Rogers, together or independently, may enter into contracts with artists, venues, advertisers and third parties, etc. without restriction or interference from the Receiver. JUPNE shall pay all of its normal and regular operating expenses and liabilities, including regular and normal salaries (excluding bonuses) of JUPNE employees (the "Liabilities") from the proceeds received through the account receivables and otherwise through the liquidation of JUPNE's assets, including the gross proceeds from the Contracted Events. The Wind Down Agreement also provides that Rogers shall provide the Receiver with details of all of JUPNE's expenditures and receipts for the previous month, including, but not limited to, monthly check disbursement records, monthly payable records, bills, other requests for payment, and settlement statements from each of the Contracted Events completed during the previous month. JUPNE shall pay the sum of $100,000 (the "$100,000 Obligation") to the Receiver in full satisfaction of any advances, loans, capital contributions or any other monies provided by the Receivership Entities under the Shareholders Agreement or otherwise (the "Advances"). As a result of TEGFI's unpaid obligations to BS Entertainment (relating to the operation of the Keswick Theatre), JUPNE shall receive a credit of $34,970 against the $100,000 Obligation, resulting in a balance owed to the Receiver in the sum of $65,030 (the "Final Obligation"). On December 4, 2006, the Court entered an Order approving the parties Wind Down Agreement and JUPNE has paid the Final Obligation to the Receiver.

e. Stone City Stone City Productions/ Jack Utsick Presents, Inc.

On or about January 10, 2003, TEGFI and Orbin entered into a Shareholders Agreement (the “Shareholder Agreement”) which provided for, among other things, the formation of a Florida corporation known as Stone City Productions/Jack Utsick Presents, Inc (“SCP/JUP”). Since its formation, SCP/JUP has been engaged in concert and event promotion primarily in the Southwest United States. TEGFI and Orbin each own of record 50% of the issued and

outstanding shares of capital stock of SCP/JUP. According to the Shareholder Agreement, TEGFI and Orbin split all net profits from SCP/JUP on a 50/50 basis. Orbin is an officer and director of SCP/JUP and controls and/or manages the daily business affairs of SCP/JUP. The Receiver understands that while Utsick is identified in the Shareholders Agreement as the CEO of SCP/JUP, he was never actually involved in the day to day affairs of SCP/JUP. Upon his appointment, the Receiver monitored and evaluated the business operations of SCP/JUP to determine whether SCP/JUP is a viable business enterprise whose continued business operations would benefit the Receivership Estate. The Receiver reviewed SCP/JUP's books and records, its 2005 federal income tax returns and other financial documents. The 2005 federal tax returns demonstrate that SCP/JUP suffered net losses in the amount of $44,506 during 2005. The 2004 federal tax returns demonstrate that SCP/JUP suffered net losses in the amount of $295,105.00 during 2005. While the 2006 financial records have not yet been finalized, the Receiver has been advised that SCP/JUP will also suffer losses for 2006. According to the books and records of SCP/JUP provided to the Receiver and the financial records of TEGFI/WWE in the Receiver's possession, it appears that TEGFI/WWE has advanced the sum of $635,426.68 (approx.) to SCP/JUP to fund operating cash shortfalls; however, due to cash flow and liquidity issues, this sum has not been repaid to TEGFI and remains due and outstanding. This sum does not include the sum of $112,500 advanced to SCP/JUP for TEGFI's initial working capital contribution. The Receiver has met extensively with Orbin to discuss the continued operations of SCP/JUP and/or its dissolution. Based upon his review of SCP/JUP's financial records, the liquidation value of SCP/JUP which appears to be minimal, and the exercise of his business judgment, the Receiver has determined that the continuing to fund and operate SCP/JUP is not in the best interest of the Receivership. As such, the Receiver has exercised his business judgment and decided not to advance any additional funds to SCP/JUP and the company ceased operating on September 30,

2006. Thereafter, the Receiver, with the assistance of his counsel, negotiated a Settlement and Wind-Down Agreement (the "Wind-Down Agreement") with Orbin which provides for the dissolution and wind down of SCP/JUP and resolves some, but not all, of the differences between the Receiver and Orbin regarding the party's respective rights under the Shareholder Agreement. On May 21, 2007, the Court entered an Order approving the parties Wind Down Agreement and the settlement is being fulfilled.

f. Worldwide New England, LLC

In February 2005, Worldwide entered into an agreement with 3-D Entertainment, Inc., a Massachusetts corporation ("3-D"), to form Worldwide New England, a Delaware limited liability company ("New England"). The partnership was formed for the purpose of Worldwide sharing in one-half of the profits of The Locobazooka Festival held in Massachusetts, ("Locobazooka"). Worldwide paid $800,000 to purchase a fifty percent (50%) share of New England. 3-D is the managing member of New England.

Locobazooka is a rock festival which has been held annually in the Boston area since 1991. In previous years, Locobazooka attracted more than 15,000 attendees. However, in 2005, Locobazooka only attracted approximately 10,000 attendees, and was accordingly, not as profitable as in previous years. In 2005, Worldwide's fifty percent (50%) share made approximately $80,000 from its investment in New England.

In 2006, New England entered into an agreement with LiveNation to exhibit the Locobazooka festival on August 13, 2006 in the Tweeter Center in Boston. The festival lost money and required Worldwide to invest significant additional money to keep the festival active. Worldwide declined and the Receiver is investigating what, if any, claims he may have against 3-D based on possible mispresentation.

g. Worldwide - BACI

BACI Worldwide LLC ("BACI") was formed in January 2004. Worldwide and BACI Management, Inc. ("BM") each own fifty percent (50%) of BACI. BM's principal is Nick Litrenta ("Litrenta"). BM and Litrenta manage BACI's business from offices located at 300 East Joppa Road, Suite 309, Towson, Maryland, 21286. BACI's primary business is the operation of Broadway and theatrical subscription seasons in four markets: Detroit, Michigan; Washington DC; Norfolk, Virginia; and Richmond, Virginia. The subscription series in each of these markets consists of anywhere from three to six shows per season in theaters with capacities ranging from 2,000 to 5,000 seats. The shows that are presented in these series typically begin either on or off Broadway or are shows such as "Riverdance" and "Stomp". The subscription list usually accounts for anywhere from ten percent (10%) to thirty percent (30%) of the advance ticket sales. The balance of the tickets must be sold through promotional activities. The shows usually play for eight performances over the course of one week.

At inception, BM contributed its existing promotional bookings in each of the four markets and Worldwide contributed $2.5 million to BM which, in turn, upon information and belief, paid the money to BACI. BACI's operating expenses are approximately $600,000 annually. BACI lost approximately $1 million in 2004 and is showing a loss in 2005 through the first three quarters. Gross sales for the prior year, net of admissions tax, were approximately $15 million. According to Litrenta, the cost of promoting these kinds of shows has doubled in the past ten years and today's available product is "top heavy" and limited. As a result, the marketing strategy for these types of performances has changed dramatically. In an effort to achieve profitability, Mr. Litrenta is looking to add shows that have better margins and lower risk. Additionally, Worldwide and BM co-promoted events in 2005 in areas outside of the

subscription markets which lost money. BACI and Litrenta currently owe Worldwide approximately $100,000 in connection with such co-promotions.

Earlier this year, BACI defaulted on its agreements with its various venues and filed bankruptcy. The Receiver is doubtful Worldwide will recoup any of its investment in BACI.

2. International Affiliates

a. Australia Litigation

As discussed in the Receiver's prior reports, the Receivership Entities had two promoting relationships in Australia with well known Australian promoters. The first was with Kevin Jacobsen and the Jacobsen Group. The second was with Michael Chugg and MCE Entertainment. The updated status of these relationships is as follows:

i. Jacobsens (Dirty Dancing)

Worldwide Australia LLC ("WWA") [6] was created in 2003. It became a partner with Kevin Jacobsen ("Jacobsen") and/or his affiliate(s) forming Jacobsen Utsick, Pty, Ltd. ("JJU" or the "JJU Partnership"), as a vehicle for promoting concerts throughout Australia. On or about December 17, 2004, WWA filed a lawsuit (hereinafter referred to as the "Australian Litigation" or the "Australian Case") against nine (9) defendants in The Supreme Court of New South Wales, Sydney Registry, Equity Division, Commercial Division, in a case styled: "*Worldwide Australia, LLC v. Jacobsen Platinum Pty Limited, Kevin George Jacobsen, Time of My Life Pty Limited, Dirty Dancing Investments Pty Limited, Dirty Dancing Asia Pacific, Jacobsen Entertainment Limited, Amber Lucy Jacobsen, Michael Aaron Jacobsen, and Jacobsen-Jack Utsick Pty Limited, No. 50183 of 2004,*" (these nine defendants are hereinafter referred to as the "Australian Case Defendants").

[6] Worldwide is the sole member of WWA. WWA is a Delaware limited liability company having its principal place of business at 300 South Point Drive, Suite 3702, Miami Beach, Florida 33139.

At the time of the Receiver's Initial Report, the parties in the Australian Litigation had obtained, by consent, an adjournment of the proceedings pending WWA's posting of the second half of the $500,000 bond as required under Australian law. WWA was also in the process of amending the complaint that had been filed in the Australian Litigation. Since the Receiver's Initial Report, WWA has posted the second half of the required bond (with the Receivership Court's authorization). In addition, on or about May 18, 2006, WWA filed its amended complaint with The Supreme Court of New South Wales, Sydney Registry, Equity Division, Commercial Division (the "Australian Case Amended Complaint"). In short, the purpose of the Australian Case Amended Complaint was to: (1) clarify the role of the JJU Partnership, the Australian partnership that was formed between WWA (the Plaintiff) and Jacobsen Platinum Pty Limited ("Platinum") (the First Defendant); (2) clarify the JJU Partnership's rights (the "Dirty Dancing Rights") in a musical dramatic work based on the screenplay of the motion picture known as "Dirty Dancing" (the "Dirty Dancing Work"); and (3) add causes of action based on the Fair Trading Act of New South Wales.

Specifically, the Australian Case Amended Complaint alleges that the JJU Partnership was formed to, among other things, exploit and profit from the Dirty Dancing Rights acquired on behalf of, and for the benefit of, the JJU Partnership by the Australian Case Defendants known as Time of My Life Pty Limited ("Third Defendant"), Dirty Dancing Investments Pty Limited ("Fourth Defendant"), and Dirty Dancing Asia Pacific Pty Limited ("Fifth Defendant") and that therefore, any profits derived from the Dirty Dancing Work were obtained for the benefit of, and on behalf of, the JJU Partnership. In addition, the Australian Case Amended Complaint alleges that the Australian Case Defendants violated the New South Wales Fair Trading Act of 1987. Finally, the Australian Case Amended Complaint seeks an order for an account of profits derived

from the exploitation of the Dirty Dancing Rights from any and all of the Australian Case Defendants.

Following the filing of the Australian Case Amended Complaint, the Australian court issued Consent Orders which essentially outline an approximate time frame for the filing of certain documents as follows: (a) the Australian Case Defendants' Request for Particulars is to be filed by May 26, 2006; (b) WWA's Response to the Request for Particulars is to be filed by June 9, 2006; (c) the Australian Case Defendants' defenses and cross claims, if any, are to be filed by July 21, 2006; and (d) WWA's reply and defenses thereto are to be filed by August 18, 2006. These same Consent Orders also provide that the parties are to: (a) exchange documents for discovery by August 25, 2006; (b) serve a verified list of documents by September 22, 2006; and (c) inspect documents by October 6, 2006.

On May 26, 2006, the Australian Case Defendants served WWA with a Request for Particulars which requested that WWA provide more specificity concerning the negotiations and oral agreement surrounding the Dirty Dancing Work. WWA timely filed its Reply to the Defendants' Request for Particulars on or before June 9, 2006. Pursuant to the court's Consent Orders, the Australian Case Defendants have until July 21, 2006 to file defenses and cross claims to the Australian Case Amended Complaint.

On July 17, 2007, the Receiver visited Australia to meet with his solicitors to review the case against the Jacobsens in connection with their various breaches of their partnership with Worldwide, and more particularly, their alleged diversion of the rights to Dirty Dancing from their partnership with Worldwide. While in Australia, the Receiver interviewed and retained a highly regarded senior barrister and junior barrister to represent Worldwide's interests in the case. The Receiver is confident that the estate now has the best possible legal team in Australia representing Worldwide's interests. Recently, the junior barrister and solicitor spent a week in

the United States interviewing witnesses. It is expected that discovery will continue and a trial on the issues will take place sometime late in 2008.

ii. Michael Chugg/ MCE Entertainment

When the Receiver was first appointed he learned that Worldwide invested approximately $5 million of investor funds in a partnership and various ventures with Michael Chugg, an Australian concert promoter. At that time, the Receiver was also informed that Chugg wrongfully diverted funds to his own use and intentionally did not report all of the partnership's revenue to Worldwide and that Worldwide retained a forensic accountant who conducted an analysis of the partnership's books and record and determined that Chugg wrongfully kept millions of dollars in venue rebates properly belonging to the partnership thereby defrauding Worldwide. Prior to the receivership, Utsick confronted Chugg on this and Chugg agreed he owed Worldwide approximately $1.7 million. In fact, when the Receiver met Chugg in February, 2006, he acknowledged this debt, but said he needed time to repay it.

After requesting Mr. Chugg for months to repay the debt, including traveling to Australia to meet with Mr. Chugg last March for a meeting at which he failed to show up, the Receiver sued Chugg's company in Australia for payment. Chugg has since changed his position and now takes the disingenuous position that he was entitled to keep the rebates that he previously acknowledged he diverted from the partnership.

A mediation was set in Australia on July 19, 2007 between Worldwide and Michael Chugg and his company. The day before the Receiver traveled to Australia, he learned that Mr. Chugg did not want to attend the mediation because he believed that Mr. Utsick would be present at the mediation. The Receiver immediately assured Mr. Chugg's counsel that Mr. Utsick would not be present at the mediation and requested Mr. Chugg's attendance. On Monday, July 16, 2007, while the Receiver was in New Zealand, he learned that Mr. Chugg was

not going to attend the mediation because he was allegedly now traveling overseas. Once again, the Receiver demanded that Mr. Chugg face up to his responsibilities and attend the mediation. On the day of the mediation, Mr. Chugg did not appear but instead sent his solicitor to handle the mediation on his behalf. The solicitor informed the Receiver that he instructed Mr. Chugg not to attend. Despite Mr. Chugg's non-attendance at the mediation, the mediation went forward as scheduled, however, no resolution to the Worldwide's claims against Mr. Chugg were reached.

While in Australia, the Receiver met with the accountant who first determined Chugg owed Worldwide $1.7 million in an attempt to get a complete understanding of Worldwide's partnership with Mr. Chugg. The Receiver learned that Worldwide essentially forwarded approximately $5 million dollars of investor funds to Mr. Chugg who proceeded to fraudulently divert much of the funds to his own use. Simply put, Mr. Chugg breached his fiduciary duties to the partnership and Worldwide and currently takes the position that Worldwide's funds were lost. Mr. Chugg failed to maintain separate accounts or even maintain a proper accounting of any funds utilized by the partnership. Mr. Chugg's defalcations appear to be numerous. For example, Mr. Chugg utilized Worldwide's money to invest in three music festivals. Two of the festivals failed and one was successful. Coincidentally, Mr. Chugg takes the position that Worldwide was an investor who lost its money in the two festivals that failed, but takes the position that Worldwide was simply a lender in the festival that turned out to be successful. After questioning Mr. Chugg's representatives in connection with these festivals, the Receiver determined that Mr. Chugg's position is completely disingenuous and is now planning on bringing an additional lawsuit against Mr. Chugg to obtain an ownership interest in the successful festival.

Additionally, based on a review of other evidence, the Receiver believes that Mr. Chugg wrongfully failed to account to Worldwide for numerous cash payments received, but instead diverted such proceeds for his own personal use. Accordingly, the Receiver will request the Australian arbitrator to appoint a forensic accountant to determine the extent of Mr. Chugg's defalcations and the exact amount of money owed to Worldwide. The Receiver will also make reports to the appropriate governmental authorities in the United States and Australia concerning Mr. Chugg's wrongful conduct.

b. New Zealand Litigation (Quay Park Arena)

WWE owns a one hundred percent (100%) interest in Worldwide New Zealand, LLC ("WWNZ"). WWNZ owns a twenty five percent (25%) interest in a New Zealand company known as the Quay Park Arena Management Trust ("QPAM"). QPAM is the legal owner of a valuable lease to manage and operate the Vector Arena in Auckland, New Zealand. The remaining seventy percent (75%) interest in QPAM is held by Jacobsen Venue Management New Zealand, Ltd. and Jacobsen F.T. Pty, Ltd. (the "Jacobsen Parties"). To date WWNZ has invested approximately $3.9 million in QPAM. The Jacobson Parties have refused to provide WWNZ with necessary financial information about WWNZ's investment. Accordingly, WWNZ filed an application with the High Court of New Zealand seeking to enjoin QPAM from holding any board of directors meetings without financial disclosure to WWNZ. This action was necessary to protect the Receivership Entities' investment. During the proceedings in the High Court of New Zealand, WWNZ received notice from the Jacobsen's that they were exercising their right pursuant to the trust agreement, to purchase WWNZ's interest in QPAM. The High Court ultimately held that once the Jacobsen Parties chose to exercise their rights to purchase WWNZ's interest, they became the beneficial owner of QPAM and WWNZ only had a legal interest.

On November 10, 2006 the Court of Appeals dismissed WWNZ's appeal from the High Court, and held that WWNZ has no right to participate in the control, management or voting of QPAM. However, the Court of Appeals held that WWNZ is entitled to reasonable protection and a process which entitles WWNZ to fair value and consideration for its units and shares in QPAM. On December 12, 2006, WWNZ proposed to the Jacobsen Parties a procedure to arbitrate in order to determine the value of WWNZ's units and shares in QPAM. Initially, the Jacobsen's refused this offer stating that they believe they can unilaterally set the value of WWNZ's shares. Accordingly, WWNZ commenced legal proceedings in New Zealand seeking to obtain a fair valuation process to value WWNZ's interest in the arena.

On July 16, 2007, the Receiver traveled to New Zealand and attended meetings with counsel handling the lawsuit against the Jacobsen entities concerning the Vector Arena in New Zealand. The Receiver also attended a case management conference in the High Court of New Zealand. It is expected that the High Court will set forth a procedure to value Worldwide's interest in the Vector Arena as well as a time table for the proceeding. The Receiver believes that this process will lead to the eventual recovery of fair value for Worldwide's interest in the Vector Arena.

c. 3A London

Pursuant to a Shareholders Agreement dated June 26, 2003, WWE made a loan to 3A for working capital purposes in the original principal amount of Two Million pounds sterling (£2,000,000). The Shareholders Agreement also provided that AWS together own approximately forty-nine percent (49%) and WWE owns forty-nine percent (49%) and there is a floating two percent (2%) ownership interest in 3A. During the past three years, 3A extended certain financial accommodations to WWE, resulting in WWE allegedly owing 3A approximately Two Hundred Twelve Thousand pounds sterling (£212,000), approximately equal to Three Hundred

Ninety-Two Thousand US Dollars ($392,000). No distributions have been made to the partners since the inception of the venture. Moreover, 3A owes the British government approximately $685,000 in taxes. In June 2006, the Receiver traveled to London to meet with AWS to learn about the status of WWE's investment in 3A. At the meeting, the Receiver learned that 3A was losing money, that AWS no longer wanted to be partners with WWE in Receivership and were contemplating dissolving 3A. The Receiver informed AWS that such course of action was unacceptable and the Receiver threatened to institute legal action against them if they dissolved 3A. Moreover, the Receiver threatened to enforce non-competition agreements entered when 3A was formed. Thereafter, the parties engaged in settlement negotiations. Pursuant to the terms of the Settlement Agreement, WWE agreed to transfer and convey to AWS all of its right, title and interest in shares in 3A stock. 3A agreed to pay WWE the sum of One Million and 00/100 US Dollars ($1,000,000.00) payable by wire transfer of immediately available funds. 3A also agreed to forgive WWE the indebtedness in the approximate amount of Two Hundred Twelve Thousand pounds sterling (£212,000) arising as a result of certain financial accommodations made to WWE by 3A and indemnify WWE on any tax obligations. On December 4, 2006, the Court entered an Order approving the Settlement Agreement and 3A has since paid all amounts due and owing.

d. Amsterdam - The Alternative BV Holding

On November 22, 2004, Worldwide Entertainment, Inc. entered into an agreement with Big Brother & Holding Company, B.V. pursuant to which the company purchased 90 shares of stock in The Alternative Holding B.V. (the "Alternative") for 500,000 euros and the providing of a credit facility of 350,000 euros to the Alternative. The business of the Alternative is the organization and promotion of live music and related events, including buying and selling of live performances of music bands, theatrical and other events, including festivals. The company is

still operating. The Receiver traveled to Amsterdam in June 2006 and met with the Alternative's principals. At the meeting, the Receiver learned that the Alternative is losing a great deal of money and unless the Receiver forwarded additional money pursuant to the 350,000 euros credit facility, the Alternative would most likely cease operations. The Receiver met with the principals of BB&THC to discuss the continued operations of Alternative and/or its dissolution. In response, BB&THC proposed to bring in TEG to purchase WWE's interest in Alternative. Thereafter, the Receiver, with the assistance of his counsel, negotiated a Purchase and Sale Agreement with TEG and Alternative. Pursuant to the Purchase Agreement, TEG agrees to purchase all of the shares of Alternative owned by WWE, which represents 50% of the total issued and outstanding ordinary shares of Alternative, for a total consideration of One Hundred Twenty-Seven Thousand Five Hundred Euros (€127,500) or $177,752.82 U.S. dollars. On September 4, 2007, the Court entered an Order approving the Purchase and Sale Agreement and all settlement funds have since been paid to the Receiver.

e. China

The Receiver learned that the Receivership Entities had a relationship with certain promoters in China pursuant to which the Receivership Entities invested millions of dollars in promoting, among other things, Rolling Stones' concerts, Nora Jones concerts and a Titanic artifacts exhibition in China. Although the Receiver has not yet had a chance to complete his examination with respect to the Receivership Entities' activities in China, upon information and belief, the Receivership Entities lost more than $2 million with respect to their activities in China. The Receiver is in the process of investigating this relationship and will provide updates in future reports.

D. MISCELLANEOUS INVESTMENTS

1. Joseph Zada and Zada Enterprises, LLC

As discussed in the Receiver's Initial Report, allegedly, Joe Zada ("Zada") was presented to Worldwide as someone who could assist in arranging a $100 million letter of credit which Worldwide allegedly needed to demonstrate Worldwide's financial capacity to promote a Barbra Streisand Tour. According to Utsick, Zada represented to Utsick, among other things, that before Zada could deliver the letter of credit, Worldwide needed to be in a pre-existing business relationship enabling Zada to promote this relationship to a third-party lender and demonstrate Worldwide's financial strength. Ultimately, Worldwide advanced $1.5 million. On September 27, 2005, in consideration for said funds and prior to entry of the Receivership Order, Zada Enterprises, LLC ("Zada Enterprises") executed two separate promissory notes in favor of Worldwide, one in the principal amount of $1,000,000 (the "$1,000,000 Note"), and the other in the principal amount of $500,000 (the "$500,000 Note"). Both promissory notes were guaranteed by Zada ("Zada" and "Zada Enterprises" are hereinafter collectively referred to as the "Zada Parties").

Upon his appointment, the Receiver made demand on the Zada Parties to satisfy their obligations owed under both promissory notes. Recently, the Receiver consensually negotiated a settlement with the Zada Parties whereby the Zada Parties agreed to pay the full $1.5 million obligation owed under both promissory notes and all accrued, unpaid interest. A definitive settlement agreement was executed by the Zada Parties and the Receiver, on behalf of Worldwide, (the "Zada Settlement Agreement") in which the following terms are set forth: i) the Zada Parties are to pay the Receiver the sum of $44,000 as an interest payment on, or before, July 18, 2006; ii) the Zada Parties are to pay the Receiver the sum of $8,800 as an interest payment owed for August, 2006 on, or before, August 18, 2005; and iii) the Zada Parties are to

pay the Receiver a final payment of $1.5 million by no later than September 26, 2006. The Receiver filed a motion with the Receivership Court to approve the Zada Settlement Agreement with the Zada Parties. The Court entered an Order approving the Settlement Agreement on February 22, 2007 and Zada has since made payment in full.

2. Michele Pommier Model Management, LLC

In September, 2004, Utsick invested $850,000 from Worldwide in Michele Pommier Model Management, LLC, ("MPMM"), a company that manages models.[7] The other partners in the deal are Donald Soffer and Michele Pommier. Soffer and Utsick were to receive seventy-five percent (75%) of the profits and Pommier, the managing partner, was to receive twenty-five percent (25%). The investment was made in an effort to foster an entertainment/promotion concept titled "Fashion Rocks". According to Utsick, no profits have been distributed to date. Subsequent to the receivership, MPMM went out of business and an assignment for the benefit of creditors was commenced. The Receiver does not believe any money will be recouped in connection with this investment.

3. Luna Restaurant

In February, 2003, Utsick wired $350,000 from TEGFI to invest in a bar and lounge on the island of St. Barthelemy ("St. Barts") called "Luna". The $350,000 was for twenty percent (20%) of "Marina Partners Ltd", an Antiguan corporation that was to own and operate the property. Other partners in the deal were Jerry Powers, Kevin Brady and Eric Omores. Allegedly, there were undisclosed claims pending against the property that were revealed to the investors post-closing resulting in the club being returned to the seller. On October 7, 2007, Mr. Omores settled with the Receiver and executed a promissory note in the amount of $185,000 and

[7] Although this and other investments are technically in Utsick's individual name, Utsick has stated such investments belong to Worldwide and were made for Worldwide's benefit.

is required to make a partial principal payment of $165,000 by December 28, 2007. If payment is made timely, the Receiver has agreed to waive the additional $20,000 owed thereunder.

4. Colleen Ironside

In September 2002, The Entertainment Group Fund ("TEGFI") entered into a three year joint venture agreement with Live Limited to expand its operations into Asia. Colleen Ironside was the principal of Live Limited. The agreement provided for the co-promotion, co-sponsoring, and underwriting of certain events in China, Hong Kong, Singapore and the Malaysian markets. The joint venture promoted tours such as the Rolling Stones, Santana, and the Red Hot Chilli Peppers. Unfortunately, the joint venture proved unprofitable resulting in significant losses for TEGFI. The internal records of the receivership entities showed approximately a million dollars still being owed to TEGFI by Live Limited. It was also believed that the joint venture's revenues and expenses were not being properly accounted for and that TEGFI still had an interest in certain promotions even after the joint venture ended. However, upon further examination, it was determined that Live Limited repaid the money owed to TEGFI. Also, most of the joint venture shows were independently audited and the accounting records appear to be in order. Additionally, since Colleen Ironside accepted employment with Clear Channel Entertainment after the joint venture ended, there were no promotion of events by Live Limited for the Receiver to pursue. The joint venture appeared to have suffered greatly due to the SARS epidemic in Asia. The Receiver does not believe the estate will recoup any money from this investment.

5. Omega Records

The Receivership Entities own a company called Omega Records. It has agreements with three upstart artists – Zasha, The Goods, and Candice. The Receiver and his counsel have continued to investigate the receivership's ownership in Omega Records. Omega Records is no longer operating. The Receiver is still in the process of verifying the status of all the entities,

artists and bands that Omega Record has had a relationship with in the past. The Receiver's investigation thus far indicates that several if not all of the bands have broken up. Omega's master recordings appear to have been left in the possession of the respective artists making it difficult for the Receiver to gain control and maximize those assets. A possible income source may be from royalties on songs produced by Omega Records. The Receiver is in the process of obtaining a list of all of Omega's recordings and other information from third parties to better understand Omega's assets and how best to maximize it for the benefit of the claimants.

6. Oil & Gas

As has been fully explained in previous correspondence, one of Yeager's personal assets was a 50% interest in the right to drill an oil well in Southwestern Louisiana. The original cost estimate for Yeager's share to drill the well was approximately $1.1 million. Accordingly, Yeager forwarded $1.1 million to the promoter to be held pending drilling of the well. Upon the Receiver's appointment, he traveled to Texas to meet with Browning Oil, the company expected to handle the drilling. The Receiver's goal of meeting with Browning was to obtain the return of the $1.1 million for the benefit of creditors. At the meeting, Browning indicated that it was enthusiastic about the prospect and offered to return the $1.1 million and pay me up to $200,000 as reimbursement for expenses already incurred. Based on Browning's enthusiasm, the Receiver decided to preserve the estate's rights to participate and an agreement was reached with Browning whereby the $1.1 million was returned, but we maintained the option of keeping our interest in the well until further investigation.

Subsequent to the meeting, the Receiver retained two, independent geophysicists to review the prospect to opine on the potential success of the well. The first geophysicist opined that the well had an approximate 50 - 50 chance of success. The second geophysicist was more

optimistic initially placing the chance of success at approximately 75%. This initial estimate was reduced to 55% earlier this year after a neighboring well turned up dry.

Several months ago, the Receiver sent a letter to all known investors essentially taking a vote on whether or not to move forward with the investment in the well. Of the total known claims of approximately $295 million, approximately $181 million, or 1446 of the 2915 Claimants, desired to move forward with the investment in the well. Next, the Receiver analyzed how many investors out of the 1446 claimants who voted in favor of investing in the well actually would not receive anything under the "rising tide" formula - - and therefore were essentially voting to risk other claimants' money in the hope that the well would hit and they would share in the success. Under this new analysis, approximately $107 million, or 1078 of the 2915 claimants, voted in favor of drilling. Notwithstanding this, the Receiver decided to further explore the project with Browning. At this time, Browning informed us that our share of the drilling cost had substantially increased to approximately $2.4 million - - more than double the initial estimate. Accordingly, based upon this huge increase in cost, and the decrease in the chance of success, the Receiver decided to once again explore selling our interest in lieu of investing. Unfortunately, the Receiver has not received any offers for the estate's interest and Browning declined to move forward.

E. OTHER LITIGATION

1. Michael I. Goldberg, Receiver v. Lyn Chong and Kevin Karl Wills, Jr.

The Receiver sued Utsick's former assistant, Lynn Chong and her husband for various causes of action in connection with her wiring $5 million dollars of receivership funds from TEGFI's bank account for her own benefit. On July 11, 2007, the Court entered an order granting us partial summary judgment on our fraudulent transfer claim and unjust enrichment claim essentially determining that the money Chong received was excessive compensation.

Subsequent to the Court's order, the Receiver entered into settlement discussions with Chong and her husband in order to provide for a voluntary turnover of the remaining funds in their possession along with all material assets they purchased with the $5 million. An agreement was reached whereby Chong and her husband turned over substantially all of their assets consisting of approximately $1.45 million held in various bank accounts, a waterfront house purchased for $1.4 million, a BMW automobile, $24,000 in cash and artwork. Additionally, they have agreed to voluntarily apply for tax refunds to recapture the $1.8 million paid to the IRS from the $5 million and deposit all refunds received with the Court for turnover to the estate. The Receiver is currently attempting to sell the house, BMW and artwork. Moreover, the Receiver is in the process of engaging counsel to investigate the bank that handled the wire transfer in order to determine if any claims exist against the bank.

2. Michael I. Goldberg, Receiver v. GunnAllen Financial, Inc.

TEGFI had investment brokerage accounts with GunnAllen Financial, Inc. ("GunnAllen"), where TEGFI engaged in aggressive trading.[8] Much of this trading was on "margin," meaning that funds were borrowed at a very high interest rate, in order to make these investments.

On January 11, 2007, the Receiver filed an action with the National Association of Securities ("NASD") Dealers Dispute Resolution, Inc., against GunnAllen. The allegations of the Receiver's complaint are that GunnAllen, through its agents and employees, violated federal and state securities laws and anti-money laundering regulations, violated NASD rules, breached its contract with TEGFI, breached its fiduciary duties to TEGFI, allowed TEGFI to commit financial suicide, was negligent in its supervision of TEGFI's accounts and engaged in the aiding and abetting of fraud. As a result of GunnAllen's actions, TEGFI's accounts suffered actual

[8] TEGFI was engaged in aggressive trading of mutual and equity funds as well as the trading of options.

losses of approximately $10 million. Accordingly, the Receiver requested that the NASD award compensatory damages in the amount of approximately $10 million, attorneys fees and costs, forum filing fees and punitive damages. GunnAllen filed an motion to dismiss the Receiver's claim, however, the arbitrators denied GunnAllen's motion. The Receiver anticipates that this case will go to trial in 2008.

3. Michael I. Goldberg, Receiver v. Estate of Geraldine DiSalvo, et al.

The Receiver is actively participating in litigation to recover millions of dollars of investor funds misappropriated by Sheri DiSalvo ("DiSalvo"), through her company American National Pension Services ("ANPS") when she served as pension administrator for Individual Retirement Account ("IRA") funds. The IRA funds were to be invested into the Receivership Entities through ANPS.

DiSalvo passed away in August 2005, prior to the Receivership. Probate estates were opened in both Florida and California. Upon learning about her theft of investor funds, the Receiver filed a claim in DiSalvo's Florida and California probate estates. However, DiSalvo's sons, Wayne DiSalvo and Duane DiSalvo, as Co-Personal Representatives of the probate estates, served notice of their objection to the Receiver's claims. As required by probate law, the Receiver filed lawsuits in California and Florida against each of the probate estates to establish the validity and amount of Receivership Entities' claims against the probate estates. The Receiver also sued the DiSalvo sons and their wives to recover investor funds fraudulently transferred to them from the ANPS bank accounts.

The parties are actively litigating the case filed in the Superior Court in California. Currently, the parties are engaged in discovery and it is anticipated that a trial will take place in mid-2008.

The case filed in the Southern District of Florida has not progressed as far as the California litigation. In order to consolidate the cases and preserve assets of the Receivership Entities, the Receiver filed a Motion to Abate the Florida case. On June 27, 2007, the Receiver received notice that the Court granted this motion. As a result, all of the Receiver's probate claims will be resolved by the California Superior Court, which will reduce the costs of the litigation.

Additionally, the Receiver routinely monitors both of the probate estates in order to confirm that no assets or proceeds will be transferred until the Receiver's probate claims are resolved.

4. Michael I. Goldberg, Receiver v. American Express Travel Related Services Co., Inc.

The Receiver initiated a lawsuit against American Express Travel Related Services Company Inc. ("American Express") seeking damages in the amount of $961,055.17. Over the past several years, the Receivership Entities made payments to American Express for personal expenses of individuals, including Jack Utsick and his ex-girlfriend Jennifer Homan. The Receivership Entities received no benefit from such payments. Accordingly, the Receiver, pursuant to Florida's fraudulent transfer statutes, is seeking a return of the payments.

F. SETTLEMENT WITH DEFENDANTS

1. Yeager Settlement

The Securities and Exchange Commission ("SEC") concluded a settlement with Robert and Donna Yeager (the "Yeagers"), the principals of AEI, in which they will return all the profits they received by doing business with WWE, TEGFI and Jack Utsick, and they will pay a fine. It is expected that the Yeagers will turn over to the receivership estate more than $6 million in assets consisting of cash, automobiles, a boat, retirement accounts, several homes in Louisiana

and their share of a house in Sunny Isles Beach, Florida. The Court has approved this settlement and we are in the process of liquidating these assets.

2. Utsick Settlement

The SEC is in the process of attempting to negotiate a settlement with Utsick. It is expected that a settlement will be reached shortly.

III. ESTIMATED POTENTIAL RECOVERIES

Due to the fact that the claims process is not complete and the Receiver does not yet know the final amount of allowed claims, combined with the fact that numerous assets have not been sold and litigation still continues, it is impossible for the Receiver to accurately estimate the potential distribution. Nevertheless, the Receiver currently estimates the following funds will eventually be available for distribution:

Cash on Hand	$13 million
Real Estate	$10 million
Venues	$ 7 million
Miscellaneous	$ 4 million
Litigation	$ 0[9]

Approximately $290 million in claims were filed against the estate and the Receiver believes claims will be reduced to about $225 million. Accordingly, not taking into account potential litigation victories and assuming approximately $225 million in claims, the Receiver estimates the minimum distribution to creditors to be roughly fifteen (15 %) percent. However, the Receiver is hopeful the percentage will increase due to litigation victories or settlements.

[9] Due to the speculative nature of litigation, the Receiver cannot value the various lawsuits at this time and for purposes hereof values are estimated at zero.

IV. ESTIMATED PROFESSIONAL FEES AND COSTS IN COMPLETING THE ADMINISTRATION OF THE RECEIVERSHIP AND ASSOCIATED LITIGATION

Currently, this case involves numerous active matters and litigation pending all over the world. Accordingly, it is very difficult for the Receiver to estimate how much professional fees and costs will be incurred in completing the administration of the receivership and associated litigation. However, the Receiver can state with confidence that the minimal cost will exceed two million dollars. The Receiver is mindful that the cost of administering a complex receivership such as this, involving the administration of numerous investments and active litigation spanning four continents is shocking to creditors. The Receiver believes the best he can do is to actively negotiate fee reductions with professionals, attempt to hire professionals that will work on a contingency basis and keep the court and creditors well informed on a monthly basis of the costs. As for the Receiver's costs, the Receiver points out that his customary rate is $485 per hour (increased to $525 per hour in 2008), yet the Receiver is currently being compensated at $240 per hour -- far below what the Receiver charges his regular clients and equal to the Receiver's billing rate in 1995. Unfortunately, the Receiver knows of no other way to administer a complex receivership such as this at less of an expense.

V. POTENTIAL DISTRIBUTION AND TIMING OF PROJECTED DISTRIBUTION

On September 21, 2006, the Receiver filed his Motion to Establish (i) A Claims Mechanism to Calculate Investors' Claims; (ii) A Claims Procedure to Deal with Disputed Claims; and (iii) A Claims Bar Date (the "Motion") (DE # 103). On October 10, 2006, the Court entered an order (the "Order") (DE # 106) granting the Motion in part and directing the Receiver to make available as soon as practicable by U.S. mail, a copy of the Order and a claim form to the last known address for all investors listed in the Receivership Entities' books and records.

The Order established December 4, 2006 as the date beyond which any claim filed may be deemed to be extinguished (the "Claims Bar Date"). The Order further directed the Receiver to use his best efforts to verify all timely filed claims as soon as possible based on a review of the Receivership Entities' business records. If a claim was filed in accord with the Receivership Entities' books and records (a "Consistent Claim"), the Receiver was authorized to approve and allow such a Consistent Claim. Importantly, the Order deferred ruling on the Receiver's request to develop a claims formula to calculate investors' claims until a future date.

On October 12, 2006, the Receiver mailed a copy of the Order along with a claim form to all known investors at their last known address. Between October 12, 2006 and the Claims Bar Date, the Receiver accepted approximately two thousand, nine hundred (2,900) claim forms from investors located throughout the United States and around the world.[10] As the claim forms arrived at the Receiver's offices, the Receiver's staff, in anticipation of the Court's ruling on the Receiver's request to adopt a claims formula to calculate investors' claims, carefully inputted the considerable data provided by the claimants on their claim forms. After a January 25, 2007 hearing addressing the claims formula issue, the Court entered an order dated February 1, 2007, (DE # 147) directing the Receiver to utilize the "rising tide" method to calculate each investors' claim.

Thereafter, the Receiver and his staff embarked on the sensitive and complicated task of applying the rising tide formulation to the nearly three thousand (3,000) claims in the Receiver's possession.[11] The job of analyzing exactly what amounts are owed to investors has been greatly complicated by the fact that the bookkeeping and corporate practices of Worldwide and TEGFI can best be described as either non-existent or in utter disarray. Given the fact that AEI investor

[10] The Receiver accepted a small number of late filed claims based on his discretion as set forth in the Order.
[11] Concurrent with the claims review process, the Receiver's staff continued to respond to investor inquiries regarding various Receivership issues as well as update investor contact information.

records were vastly superior to the Worldwide and TEGFI investor claims, the Receiver directed his staff to begin verifying this group of claims first.[12]

The process of verifying an AEI investor claim includes, but is not limited to, the following steps: i) confirm the claimants identity via comparison of social security numbers listed on the AEI investor records to the claim form itself; ii) compare the claimants' account information and investment history to the data set forth in the records made available by AEI; iii) initiate communications with the claimant in the event of a significant discrepancy between the two account histories; iv) provide the investor and opportunity to either supply additional supporting documentation backing up their claim or amend their claim in writing to agree with the Receiver's position; v) inquire with AEI's records custodian whether any banking records existed which might resolve the dispute; vi) dispatch via U.S. mail a Claim Objection Notice (as defined in the Order) allowing unresolved or unresponsive claimants thirty (30) days to file with the Court a written objection to the Receiver's claim position; vii) identify and set aside for future action, claims that reflect a overall "profit" subject to avoidance under the Uniform Fraudulent Transfer Act; and viii) identify and set aside for future action, claims reflecting commission payments or referral fees paid to the investor.

Due the dearth of records maintained by Worldwide and TEGFI, the Receiver retained a forensic accountant to recreate, where possible, a database of investor account information that could be relied as a foundation for verifying Worldwide and TEGFI investor claims. In or about September of 2007, the Receiver obtained for the first time an accounting of Worldwide and/or TEGFI investor payments and receipts from his forensic accountant. This database was assembled by reviewing and recording individual bank transactions evidenced by deposit slips and cancelled checks from the various bank accounts utilized by TEGFI and Worldwide between

[12] Although AEI records are much better, AEI investors only make up approximately one third of the entire investor class.

February 1998 and October 2006. Prior to the existence of this database, the Receiver's staff was unable to effectively review and verify Worldwide and TEGFI investor claims.[13]

Notwithstanding the availability of the database created by the Receiver's forensic accountant, the Receiver's staff was also called upon to take additional steps to verify claims, which steps include but are not limited to: i) carefully review the supporting documentation supplied by the TEGFI investors themselves; ii) compare available data and investigate inconsistent information; iii) communicate with investors to corroborate missing transactions and/or explain undisclosed accounts; iv) mail Claim Objection Notices to unresolved or unresponsive claimants; v) identify and set aside for future action, claims that reflect a overall "profit" subject to avoidance under the Uniform Fraudulent Transfer Act; and vi) identify and set aside for future action, claims reflecting commission payments or referral fees paid to the investor.

Between February of 2007 and the beginning of November 2007, the Receiver's staff has expended several thousand man hours reviewing and verifying approximately one thousand, six hundred (1,600) claims. Several hundred more claims have been reviewed but await responses from investors to inquiries initiated by the Receiver's staff. Moreover, a significant number of additional claims have been set aside until such time as the Court endorses a treatment method to reconcile a number of unique investment scenarios which necessitate special handling to safeguard against unequal treatment within the claimant class.[14]

The Receiver estimates that by the end of November of this year, approximately nine hundred of the most complex and involved claims will remain to be verified. It is anticipated that verification of these claims will require special handling and in depth investigation to ensure

[13] Since the advent of the database, the Receiver's staff has been able to review and verify approximately twenty five claims per day.

[14] The Receiver is in the process of preparing a motion to the Court which will outline a number of proposed procedures for dealing with collateral accounts held by investors under separate legal title.

that equity of distribution is achieved. The Receiver anticipates bringing the claims verification process to a close in or around February of 2008, and commencing an initial distribution in Spring, 2008.

DATED: November 13, 2007

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 13th day of November, 2007, I electronically filed the foregoing Report with the Clerk of the Court by using the CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record or pro se parties identified on the attached Service List in the manner specified, either via transmission of Notice of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronic notices.

/s/ Michael I. Goldberg, Receiver

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