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.

ii. Michael Chugg/ MCE Entertainment

Prior to commencement of the receivership, Worldwide had a co-promotional relationship with Michael Chugg ("Chugg") and Michael Chugg Entertainment Pty Limited ("MCE") pursuant to which the parties were to co-promote live entertainment events throughout Australia. In connection with this, Worldwide invested several million dollars with MCE to co-promote various events. After a period of a couple of years, MCE reported that Worldwide's investment was worthless. Worldwide retained an auditor to audit MCE's books and records and discovered that MCE over reported expenses, which resulted in Worldwide being shorted approximately $8,000 to $10,000 per show. A settlement was subsequently reached whereby Chugg recognized that MCE owed Worldwide approximately $2 million Australian dollars. In Las Vegas in February,

2006, during his initial conversation with the Receiver, Chugg acknowledged this obligation and stated that it was his intention to repay the debt through funds generated from a Cold Play tour scheduled to take place in June and July, 2006.

On or about October 12, 2005, Worldwide Downunder Pty Ltd. ("WWDU') was incorporated in New South Wales, Sydney, Australia. Serge Bolzonello was listed as the only director of WWDU. On this same day, a Declaration of Trust was purportedly executed by WWDU (although the signature on the document is illegible), which seemingly acknowledges that Diego Matamoros ("Matamoros") acquired 100 ordinary shares of WWDU. Matamoros is, upon information and belief, a lawyer practicing in Costa Rica.

Between October 24 and 31, 2005, the sum of approximately $3 million was transferred to the WWDU account. However, the source of these funds is far from clear. In October and November 2005, a total of $2 million was transferred out of the WWDU account purportedly by Utsick upon Matamoros' instructions. Pursuant to Matamoros' instructions, some of the money was applied to the "Robbi Williams Show". In addition, Chugg acknowledged receiving some of the monies from the WWDU account for use toward the "Cold Play Tour", which was the original purpose for which WWDU was established. Moreover, in conversations with the Receiver and his professionals, Chugg has intimated that the "Cold Play Tour" -- the purpose for which WWDU was created -- is a project that belongs, at least in part, to TEGFI and/or Worldwide.

In March, 2006, the Receiver traveled to Sydney, Australia to meet with Chugg in an effort to memorialize a debt repayment plan and to finalize the details surrounding the Cold Play tour. While in Sydney, the Receiver learned that Utsick took the position that

Worldwide had no interest whatsoever in the Cold Play tour but rather such interest belonged to Matamoros.

Recently, the Receiver and Chugg have engaged in settlement discussions pursuant to which the Receiver expects that Chugg and MCE will memorialize a repayment plan pursuant to which they will repay their debt to Worldwide. If such an arrangement is not concluded shortly, the Receiver will commence litigation against Chugg and MCE to collect this debt. The Receiver and his professionals are in the process of investigating what, if any, interests the Receiver has on behalf of the Receivership Entities in WWDU and what, if any, rights the Receiver has against Matamoros.

b. New Zealand

As set forth in the Receiver's Initial Report, Worldwide owns a one hundred percent (100%) interest in a Delaware limited liability company known as Worldwide New Zealand, LLC ("WWNZ"). WWNZ owns a twenty five percent (25%) interest in a New Zealand company known as QPAM, Ltd. ("QPAM"). The remaining seventy five percent (75%) interest in QPAM is held by Jacobsen Venue Management New Zealand, Ltd. ("JVM") and Jacobsen F.T. Pty, Ltd. ("JFT") (collectively the "Jacobsen Parties"). QPAM holds a valuable lease to manage and operate a large concert venue in Auckland, New Zealand known as the "Vector Arena". The Vector Arena is still under construction with an anticipated opening date of sometime after August, 2006. To date, WWNZ has invested approximately $3,972,400 in QPAM with the funds used primarily for the construction of the Vector Arena. This investment in QPAM constitutes a significant investment of the receivership.

On March 13, 2006, the Receiver traveled to New Zealand to participate in negotiations with the Jacobsen Parties in an attempt to amicably settle certain controversies which existed prior to the appointment of the Receiver between WWNZ, QPAM and the Jacobsen Parties. In addition, the Receiver sought financial information on QPAM and other information on construction-related issues which could effect the opening of the Vector Arena and the value of WWNZ's interest in QPAM. Unfortunately, the Receiver's efforts to amicably resolve WWNZ's disputes with the Jacobsen Parties were unsuccessful. Moreover, the Jacobsen Parties, who control the board of directors of QPAM, refused to provide the Receiver, or his designated representatives in New Zealand, crucial financial information which would assist the Receiver in fulfilling his fiduciary obligations with respect to the maintenance and operation of the business interest. As such, the Receiver was forced to seek appropriate relief in the High Court of New Zealand to protect the receivership's interest in QPAM.

At the beginning of April, 2006, WWNZ, through the Receiver, filed an application with the High Court of New Zealand to restrain QPAM from conducting a directors' meeting until such time as QPAM provided the Receiver and his designated representative, current financial information on the business affairs of QPAM. Subsequent to the application, the Jacobsen Parties sent correspondence to the Receiver in which it advised that the appointment of the Receiver constituted a "change of control" in the ownership of QPAM which purportedly provided the Jacobsen Parties the right to purchase WWNZ's twenty five percent (25%) interest in QPAM. On May 9, 2006, WWNZ, through the Receiver, sought further injunctive relief in the High Court of New Zealand to preserve the status quo and require QPAM to disclose to the Receiver

financial information on QPAM's business operations. WWNZ, through the Receiver also sought a determination of whether the Jacobsen Parties were entitled to exercise their purported preemptive rights to purchase WWNZ's twenty five percent (25%) interest for no consideration.

Through a series of hearings and orders entered in May, 2006, the High Court of New Zealand considered WWNZ's various applications and ultimately entered a judgment against WWNZ and in favor of QPAM and the Jacobsen Parties. The High Court of New Zealand found that once the Jacobsen Parties exercised their preemptive rights to purchase WWNZ's twenty five percent (25%) interest in QPAM, they then became the beneficial owner of the stock interest and WWNZ held a mere legal interest in QPAM with no voting rights as a director or shareholder. However, the High Court of New Zealand found that the issue of the value of WWNZ's twenty five percent (25%) interest payable by the Jacobsen Parties was still an open question. WWNZ, through the Receiver, has appealed these orders and a hearing with the appellate court is currently scheduled for August 21, 2006 in Wellington, New Zealand.

In addition to the above, prior to the appointment of the Receiver, in September, 2005, WWNZ and Utsick filed a Statement of Claim in a case styled: *Worldwide NZ, LLC and John Paul Utsick v. Quay Park Arena Management Ltd., Kevin George Jacobsen, Michael Aaron Jacobsen and Amber Lucy Jacobsen, In the High Court of New Zealand, Auckland Registry, CIV-2005-404-5093* (Quay Park Arena Management Ltd., Kevin George Jacobsen, Michael Aaron Jacobsen and Amber Lucy Jacobsen are collectively referred to as the "New Zealand Defendants" and this case is hereinafter referred to as the "Ticketmaster7 Litigation"). WWNZ and Utsick filed an Amended

Statement of Claim on December 12, 2005. Through the Amended Statement of Claim, WWNZ and Utsick filed a derivative suit seeking leave of the court to bring an action for damages on behalf of QPAM against the three other directors of QPAM (i.e. the Jacobsen Parties) for various breaches of their fiduciary duties owed to QPAM and WWNZ/Utsick (the "Amended Statement of Claim").

Through the Amended Statement of Claim, WWNZ alleged that the Jacobsen Parties, through JVM (their related entity), improperly entered into a ticketing agreement with a company called Ticketmaster7 Pty Ltd. ("Ticketmaster7") on very favorable terms provided that Ticketmaster7 agreed to lend JVM $5 million to enable it to contribute the required debt funding and purchase its interest in QPAM. As consideration, JVM granted to Ticketmaster7 the right to act as the exclusive ticket selling agent at the Vector Arena. As also alleged in the Amended Statement of Claim, the Jacobsen Parties wrongfully entered into the ticketing agreement with Ticketmaster7 because: (1) the New Zealand Defendants did not disclose to WWNZ/Utsick the terms of the ticketing agreement or the condition under which Ticketmaster7 agreed to make available the sum of $5 million to JVM; (2) the New Zealand Defendants, through their private dealings with Ticketmaster7, foreclosed any negotiations with a competitor called Ticketek Pty Limited ("Ticketek"), with whom QPAM could very well have obtained a more favorable deal; and (3) the New Zealand Defendants represented to Utsick that they would not enter into any agreements, including a ticketing services agreement, without Utsick's approval. The Amended Statement of Claim alleged that, as a result of the foregoing, the New Zealand Defendants (i.e. the Jacobsen Parties as directors of QPAM), breached their fiduciary duties to QPAM and WWNZ/Utsick by, among other things, preferring the Jacobsen

Parties' own interests over the interests of QPAM. According to the Amended Statement of Claim, the measure of possible damages to QPAM is the difference between the benefit QPAM obtained from the ticketing agreement with Ticketmaster7 and the benefit they would have received if the ticketing agreement was negotiated with Ticketek. It is currently estimated that the loss totals $3.5 million.

Trial of the Tickmaster7 Litigation was scheduled in New Zealand for July 24, 2006. On May 1, 2006, the Jacobsen Parties filed a memorandum with the High Court of New Zealand arguing that WWNZ had no further standing to proceed with the derivative suit because the Jacobsen Parties contended that the appointment of a Receiver over WWNZ's business affairs constituted a "change of control" in the ownership of QPAM, which then purportedly provided the Jacobsen Parties the right to purchase WWNZ's twenty five percent (25%) interest in QPAM for $0.00. Thus, the Jacobsen Parties argued that WWNZ has no further interest in QPAM and cannot act on behalf of shareholders of QPAM. On June 30, 2006, the Jacobsen Parties filed a motion for summary judgment in the High Court of New Zealand to have the Ticketmaster7 Litigation dismissed. In addition, on July 3, 2006, QPAM and the Jacobsen Parties filed an application in the Ticketmaster7 Litigation for a determination as to whether the WWNZ has standing to bring the claim. A hearing has been scheduled for July 26, 2006 in New Zealand to consider these issues. WWNZ, through the Receiver, is opposing the application and summary judgment motion of QPAM and the Jacobsen Parties.

c. 3A London

3A is a partnership based in London, England. The four partners are Dennis Arnold ("Arnold"), Martyn Stanger ("Stanger"), Pete Wilson ("Wilson") and Jack Utsick Presents ("JUP"). Arnold, Stanger and Wilson together own approximately forty-nine

percent (49%) and JUP owns forty-nine percent (49%) and there is a floating two percent (2%) ownership interest. Prior to forming 3A, Arnold, Stanger and Wilson had a combined 60 years experience in the entertainment and promotion business. Arnold, Stanger and Wilson are the managing partners of the venture. Arnold concentrates on productions. His role with the company is primarily that of the producer overseeing the production of every tour event, controlling budgets, securing and implementing licensing agreements and generally insuring the smooth running of the events. Stanger concentrates on the financial issues. Prior to his involvement with the company, he served as financial controller for Harvey Goldsmith Entertainments, LTD, managing the company's investments and negotiating transactions at all levels of the business. Wilson also spent many years with Harvey Goldsmith, initially as a touring manager and eventually becoming an expert in all aspects of the promotion business.

3A is active in the entertainment promoting, servicing and producing fields. The acts which have aligned themselves with 3A include Eric Clapton, Westlife, Paul Weller, Blondie, Yes, Jeff Beck, Daniel Bedingfield, The Doors and Bjorn Again. At the time the business was formed it assumed 1.5 million pounds sterling of debt from AAA Entertainment, a company operated by Arnold, Stanger and Wilson for the six years preceding the formation of 3A. The Receivership Entities invested/loaned approximately 2.5 million pounds sterling (roughly $5 million) in 3A Entertainment at the time of its formation in June of 2003.

Arnold, Stanger and Wilson have drawn reduced salaries since the inception of 3A. During this time, the company successfully retired the original 1.5 million pounds of debt. As a result of financial accommodations extended to JUP by 3A, JUP allegedly

owes 3A approximately 212,000 pounds sterling. No dividends 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 Wilson, Stanger and Arnold to learn about the status of Worldwide's investment in 3A. At the meeting, the Receiver learned that 3A was losing money and that Wilson, Stanger and Arnold no longer wanted to be partners with Worldwide and were contemplating dissolving 3A. The Receiver informed Wilson, Stanger and Arnold 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 and have recently agreed on a settlement, subject to the Court's approval, whereby Wilson, Stanger and Arnold shall repay loans and/or buy Worldwide's interest in 3A for $1 million (paid $800,000 immediately and $200,000 on or before April 1, 2007). Additionally, 3A shall be fully responsible to pay the British government any taxes owed and Worldwide's alleged debt of 212,000 pounds sterling shall be forgiven. Finally, to the extent 3A is sold within the next year, Worldwide shall share in fifty percent (50%) of any profit. The Receiver shall file a motion to approve this settlement shortly.

d. Amsterdam

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 does not intend on forwarding any funds to the Alternative as the Receiver believes that such an action would further compound Worldwide's losses in Amsterdam. The Receiver will further investigate the Alternative's business dealings over the next few months to determine if Worldwide has any claims against the Alternative or its principals.

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.

E. Miscellaneous Investments

1. Real Estate

In addition to the Jacksonville Property that was more fully discussed above, the Receivership Entities own two condominium units in the Portofino Towers (Unit Nos. 3702 and 3503) located in Miami Beach, Florida. Utsick resides in Unit No. 3503 and

Unit No. 3702 is utilized by the Receivership Entities as an office. Each unit has an approximate fair market value of $2 million. Upon information and belief, Unit 3702 is owned free and clear and Unit 3503 has a mortgage on it in the approximate amount of $450,000. Unit 3702 is being placed on the market this month. Currently, Utsick is being permitted to reside in Unit 3503 under the terms of his living expense agreement with the SEC. In time, however, the Receiver expects to sell this unit as well.

2. Joe Zada

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.[14] In the event of default of any payment owed under the Zada Settlement Agreement, the Zada Parties have consented to the entry of a judgment in favor of the Receiver for the full $1.5 million, including interest, reasonable attorneys' fees and costs, or other litigation expenses, less any payments received from the Zada Parties. Furthermore, in the event of default, the Zada Parties shall waive any defenses it may have to the enforcement of this Zada Settlement Agreement. The Receiver filed a motion with the Receivership Court to approve the Zada Settlement Agreement with the Zada Parties and awaits the Receivership Court's ruling on the motion to approve the Zada Settlement Agreement.

3. Michele Pommier Model Management , LLC

As discussed in the Receiver's Initial Report, in September, 2004, Utsick invested $850,000 from Worldwide in Michele Pommier Model Management, LLC, ("MPMM"), a company that manages models.[15] The other partners in the deal are Donald Soffer and Michele Pommier. Soffer and Utsick were to receive seventy-five percent (75%) of the

[14] There is a three (3) day grace period for all payments due under the Zada Settlement Agreement with the Zada Parties.

[15] 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.

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.

Since the filing of the Receiver's Initial Report, the Receiver has continued to monitor the business operations of MPMM through reviewing tax returns and other financial information produced by MPMM, and meeting with representatives of MPMM to learn more about Utsick's $850,000 investment in that company. Just prior to filing this Report, the Receiver received MPMM's final 2005 U.S. and state tax returns as well as its final 2005 financial statements. The Receiver just received MPMM's updated 2006 financial statements. The Receiver and his counsel are continuing to evaluate this investment and determine how to proceed in the best interest of the receivership.

4. Marvana Day Spa

As discussed in the Receiver's Initial Report, in May, 2005, Utsick invested $25,000 into Marvana Day Spa ("Marvana"), a 780 square foot storefront located at 2263 NW 2nd Ave., Suite 104 (Heritage Place) Boca Raton, Florida. Utsick owns fifty percent (50%) of the business. Marvana is a "day spa" offering nail, skin, body, massage and meditation/wellness treatments to its clientele ranging from $5 to $200 a treatment. Customers are booked by appointment and the business operates six days a week. Combs is the only full time employee and, from time to time, she brings in temporary contract employees to assist. The business has a three year lease and rent is approximately $1,390 per month. The business has not made any substantial money and no dividends and/or profits have been paid to the shareholders to date. Since the filing of the Receiver's Initial Report, the Receiver has continued to monitor the business operations of Marvana.

The Receiver is continuing to evaluate this investment and determine how to proceed in the best interest of the receivership.

5. Luna Restaurant

As discussed in the Receiver's Initial Report, 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. Notwithstanding email correspondence of September 20, 2003 from Eric Omores that the $350,000 would be repaid, no portion of the investment has been recovered to date. The Receiver will further investigate this matter and commence all appropriate legal actions required to attempt to recoup this money.

6. Omega Records

The Receivership Entities own a company called Omega Records. It has agreements with three upstart artists – Zasha, The Goods, and Candice. Since the filing of the Receiver's Initial Report, the Receiver and his counsel have continued to investigate the receivership's ownership in Omega Records. To date, the records produced by Worldwide and/or Utsick have been incomplete and do not assist the Receiver in determining how to administer this potential asset. Thus, the Receiver is seeking additional records and information from third parties through discovery and

should be prepared shortly to make a determination as to how best to maximize this asset for the benefit of the receivership's creditors and/or investors.

IV. Utsick

Utsick has generally been available to assist the Receiver. However, because Worldwide's concert promotion operations have been substantially reduced, the widespread assistance of Utsick has not been needed. Utsick has assisted the Receiver in attempting to finalize the film "Pledge This" by working with editors to finish its score.

Utsick provided an accounting to the SEC which indicates that his personal assets consists of approximately $85,000 in unrestricted bank accounts, $23,000 in IRAs, a $500,000 prepayment to the IRS, a small monthly pension benefit and diminimis personal property. The Receiver has frozen Utsick's bank accounts and will attempt to verify the accuracy of this accounting over the next few months. Moreover, the Receiver is researching whether he can recover the prepayment to the IRS.

In addition to his bank accounts, Utsick also reported that he owns seven term insurance policies with a combined death benefits of $54.2 million. Three of these policies totaling $27 million in death benefits list TEGFI as the beneficiary (the "TEGFI Policies"). Three of the policies totaling $27 million in death benefits list Jennifer Homan and/or Utsick's personal trust or his estate as the beneficiary (the "Homan Policies"). One policy with $200,000 in death benefits lists Utsick's ex-wife as beneficiary. The annual premium for the Homan Policies is approximately $292,000 and for the TEGFI Policies is approximately $222,000. The Receiver has paid approximately $20,000 to keep the TEGFI Policies current since the commencement of the receivership providing him ample time to decide whether it is in the estate's best interest to pay the

high premiums. To that extent, the Receiver requested Utsick to voluntarily sit for a physical examination enabling the Receiver to make an educated decision based on Utsick's current health. However, Utsick has declined this request based on his belief that it is unnecessary. The Receiver disagrees with Utsick's position. Accordingly, the Receiver intends on permitting the Homan Policies to lapse and is filing a motion seeking direction from the Receivership Court on whether to let the TEGFI policies lapse.

Pursuant to the Permanent Injunctions which froze Utsick's assets, Utsick is entitled to a monthly living expense until such time as the Receivership Court rules otherwise. To that extent, Utsick provided a monthly budget to the SEC indicating that his monthly expenses are approximately $15,000. The SEC, however, has only agreed to permit the estate to pay Utsick $10,000 per month and to allow Utsick to reside in his condominium for the time being.

V. American Enterprises

AEI is a Florida company. AEI served as the manager of numerous limited liability corporations that were created in connection with financing the business operations of Utsick, either through Worldwide and/or TEGFI. Robert Yeager is the sole owner of AEI. Since 1998, Yeager, as a principal of AEI, served as a consultant to Worldwide. According to a private placement memorandum of November 5, 2004, AEI served as a consultant to Worldwide for approximately $207 million worth of funding for entertainment projects. It is believed that approximately 2,000 investors invested money in the Receivership Entities through AEI and its affiliates. Donna Yeager, the wife of Yeager, is the president of AEI and carries out various administrative functions for AEI.

AEI was instrumental in raising money for various Receivership Entities' entertainment projects. Typically, limited liability companies ("LLC" or "LLCs") were formed by AEI for a particular project or types of projects with AEI serving as the manager of the newly formed LLC. Funds were raised by offering unit-holders significant rates of return on investments. The terms varied from program to program but a typical arrangement provided that the LLC would enter into a business loan agreement with Worldwide for a specific project. Under the terms of the loan agreement, the LLC received eighteen percent (18%) interest on its loan plus an additional three percent (3%) of the "profits" generated on the project. The loan agreement further required Worldwide to reimburse the LLC for operating expenses up to a certain amount based on the profits made by Worldwide. Typically, LLC's sold units to purported qualified investors pursuant to a private placement of securities. It is the Receiver's current understanding that the programs were offered and sold in many different states, including but not limited to, California, Washington, Pennsylvania, Missouri, Montana and Georgia. AEI's principal office is located in Hahnville, Louisiana, which is near New Orleans.

Immediately after AEI was placed into receivership, the Receiver traveled to New Orleans to meet with the Yeagers and AEI's employees. At the meeting, the Yeagers were extremely forthcoming and spent hours with the Receiver answering all of his questions. AEI's records appear to be organized and well maintained. The Yeagers and AEI's employees continue to fully cooperate with the Receiver through the date of this report and are assisting the Receiver in compiling data that will be used to verify investors' claims. AEI's database indicates the existence of over 4,500 investors

representing approximately $135 million in net invested capital (inclusive of rollover balances brought forward). This data must be verified.

VI. Yeagers

The Yeagers have been extremely cooperative in assisting the Receiver and his professionals. They have traveled from their home in New Orleans to South Florida on numerous occasions to meet with the Receiver to answer questions and assist in his investigation. The Yeagers provided the Receiver with thousands of personal and business documents and assisted the Receiver and his professionals in understanding the Receivership Entities' pre-receivership affairs--including the facts surrounding various oil and gas investments and a potentially large claim against the estate of Shari DiSalvo, the deceased former president of American National Pension Services. Simply put, the cooperation of the Yeagers is significantly benefiting the receivership estate.

Pursuant to the terms of the Permanent Injunctions which froze their assets, the Yeagers provided a detailed accounting of their personal assets to the SEC, the highlights of which are as follows:[16]

1. Automobiles: The Yeagers reported owning many automobiles including a Ferrari, Aston Martin DB7, Mercedes Benz SL500, Lexus SC430, a Range Rover, a Porsche Boxster, an antique Buick, a Morgan and a Hummer. Most of these automobiles were delivered to the Receiver and are in the process of being sold for the benefit of the estate. Moreover, the Yeagers, with the Receiver's permission, sold a Toyota that was located in Saint Croix at market value and turned the funds over to the Receiver;

[16] The Yeagers provided separate accountings which have been consolidated for this report.

2. Motorcycles: The Yeagers reported owning several Harley Davidson motorcycles and two Yamaha dirt bikes that will be turned over to the Receiver and sold for the benefit of creditors;

3. Boat: The Yeagers disclosed to the Receiver that they were in the process of building a 38' Strike Boat Walkaround with the approximate value of $300,000. The boat is in the final stages of construction and will be sold within the next few months. The proceeds of the boat will be distributed to creditors;

4. Bank Accounts: The Yeagers reported that they and their companies had bank and brokerage accounts totaling approximately $2 million. The Receiver has frozen these accounts;

5. Real Estate: The Yeagers reported that they owned the following real estate as of the commencement of the receivership (the Yeagers also disclosed that they owned a condominium in St. Croix, USVI that was sold prior to the commencement of the receivership and the proceeds are in their bank accounts);

a) Three homes outside of New Orleans. The Yeagers live in one of the homes, Donna Yeager's mother lives in one and the third home is used by AEI as its offices;

b) A condominium in Sunny Isles, Florida. This condominium was recently sold and after payment of the mortgages the estate realized approximately $120,000; and

c) An investment property purchased with Shari DiSalvo in Sunny Isles, Florida. This home is in the process of being rebuilt and the Yeagers and DiSalvo each contributed $1.2 million into the project. The Receiver

is making claim to the entire project and it is believed that the property, in its current state, can be sold for between $2.5 and $3.5 million.

6. Personal Injury Lawsuits: Both Robert and Donna Yeager are parties to personal injury lawsuits based on automobile accidents. Donna Yeager recently settled one of the lawsuits for $100,000 and she has turned these funds over to the Receiver. The Receiver is unsure what, if any, is the value of the remaining lawsuits; and

7. Miscellaneous: The Yeagers also reported owning numerous other assets, including but not limited to, artwork, a stamp collection and furnishings. Robert Yeager also disclosed a TWA monthly pension payment.

Subsequent to his appointment, the Receiver learned that Yeager, or entities owned or controlled by Yeager, hold a significant investment in a certain oil drilling venture in Louisiana known as the "EP-3 Project". After researching the matter, conducting several witness interviews, and reviewing documents concerning the EP-3 Project, the Receiver understood that, through a series of transactions involving entities known as "LA-3 Lease Acquisition Group, LLC" ("LA-3") and its predecessor, "One America Energy Exploration, LLC" ("Exploration"), both owned or controlled by Yeager, LA-3 was about to enter into a joint venture agreement with a Texas corporation known as Browning Oil Co. ("Browning") to drill the EP-3 Project. Under the proposed agreement, Browning, LA-3 and some other parties will drill EP-3 and split the expenses and profits on an approximate 50/50 basis. The Receiver understands that the total cost to drill the well will approximate $3.6 million, with LA-3's share of expenses coming to approximately $1.6 million. The Receiver understands that the deal with Browning

depended in part upon the retention of certain necessary land leases from landowners who owned property where the EP-3 Project would be drilled.

The Receiver also learned that in furtherance of the EP-3 Project, Yeager caused the sum $1,097,774.14 to be transferred to an individual named Robert Verret in Louisiana to be held until LA-3 (controlled by Yeager) executed the agreement with Browning and drilling was to commence. The Receiver then learned that LA-3 obtained the funds to send to Mr. Verret from two entities related to Yeager known as RF Yeager, LLC and RFY Company, LLC.

Over the last month, the Receiver has taken steps to retrieve and safeguard the $1,097,774.14 which was sent to Mr. Verret. Specifically, the Receiver made demand on Mr. Verret for return of the funds and ultimately was successful in having all of the funds returned to the Receiver's control without having to expend significant funds on litigation. The Receiver also met with Browning and retained certain professionals including geophysicists to assist him in determining whether the continuation and funding of this investment is in the best interest of the creditors. As of the date of this Second Report, the Receiver has not made a decision whether to continue with the investment in the EP-3 Project.

VII. Pension Custodians

A. American National Pension Services

As part of his investigation, on April 25, 2006, the Receiver interviewed the Yeagers in New Orleans, Louisiana. At that meeting, Yeager first advised the Receiver of his and his wife's many business transactions with Sheri DiSalvo ("DiSalvo") and her company American National Pension Services ("ANPS") and of his suspicion that

DiSalvo and ANPS had misappropriated Individual Retirement Account ("IRA") funds that were to be invested into the Receivership Entities through ANPS.

Yeager informed the Receiver that, from approximately 1990 to 2004, DiSalvo owned and operated a company called Group Benefit Specialists, Inc. ("GBS"), where she served as a pension administrator. Yeager stated that he and Utsick were looking for a way to facilitate investments by a growing number of investors who wanted to invest their IRA funds or 401K monies (jointly the "Investor Funds") with the Receivership Entities. Yeager said that they were introduced to DiSalvo through a mutual friend while she was managing GBS.

Originally, DiSalvo, in her role as pension administrator with GBS, would receive referrals from Utsick and Yeager and she would arrange for those investors to forward their IRA accounts to her company's account. She would then, at the direction of Utsick or Yeager, transfer the Investor Funds to either a Worldwide or TEGFI account, or to a limited liability company established by the Yeagers, in order to make investments in the Receivership Entities. DiSalvo later incorporated ANPS in both California and Florida, as a successor entity to GBS. According to the records of the Florida Secretary of State, DiSalvo was president of ANPS. Those records also indicate that her two sons, Duane DiSalvo and Wayne DiSalvo, were the officers and shareholders of ANPS. It appears that shortly after the creation of ANPS, DiSalvo transferred all of the accounts and funds of GBS to ANPS and sold her interest in GBS. DiSalvo continued to administer the Investor Funds until shortly before her death in August of 2005.

The Yeagers informed the Receiver that they believed DiSalvo may have been skimming money from ANPS, TEGFI, and Worldwide because her wealth seemed to

have grown dramatically during the time that they had known her. In 2005, she entered into a joint venture agreement with the Yeagers and invested as a partner with the Yeagers in a piece of real property located at 279 Atlantic Isle, Sunny Isles Beach, Florida, 33160 (the "Sunny Isles Property"). According to the joint venture agreement, the Yeagers and DiSalvo, respectively owned a fifty percent (50%) interest in the Sunny Isles Property. Although the Yeagers obtained financing for their interest in the property, they said that DiSalvo paid for her half of that investment with a $1.4 million check drawn from her bank account.

The Yeagers informed the Receiver that they observed DiSalvo make other cash purchases for real estate, and they estimated her total cash purchases for real estate at $5 million (including her share of the joint investment in the Sunny Isles Property). The Yeagers estimated that DiSalvo's assets had grown to $20 to $30 million in the last few years. The Yeagers further informed the Receiver that a friend of DiSalvo's, Sarah Simmons ("Simmons"), had additional knowledge of DiSalvo's activities and that she might have documentation in the form of computer data.

When he returned to South Florida, the Receiver immediately contacted Simmons, who agreed to meet with him and his staff. Simmons informed the Receiver that she originally met DiSalvo when they were both residing in California. At that time, DiSalvo was administering pensions through GBS. Simmons said that DiSalvo later relocated to South Florida at Utsick's request to operate ANPS from Florida where Worldwide's main office and Utsick's residence are located. Simmons further stated that DiSalvo told her that she was making a great deal of money operating ANPS and requested that Simmons join her in Florida and help her administer ANPS. Simmons

agreed, and they worked together in an office located in a cabana room at DiSalvo's high-rise condominium residence in Miami Beach, Florida.

Simmons stated that while working at ANPS, she observed several events which made her skeptical of DiSalvo's wealth and was concerned that DiSalvo was embezzling funds from Worldwide and TEGFI and their investors. Simmons explained that she routinely handled wire transfers of Investor Funds from ANPS to Worldwide and TEGFI, and on one occasion, Simmons had just completed a $3 million wire transfer, when she overheard a telephone call wherein DiSalvo told Jennifer Homan ("Homan"), Utsick's long-time girlfriend and a Worldwide employee, that she had just wired $5 million to the bank, and she requested that Homan send her loan agreements for $5 million of investments.

Simmons stated that she witnessed DiSalvo purchase millions of dollars in real estate, cars, and jewelry for herself, her children and third parties. Simmons said that she did not know how DiSalvo could afford these luxury purchases since ANPS serviced IRA accounts for only approximately 1,000 investors and received a $250 annual fee for administering each account, which resulted in total fees of only approximately $250,000 per year. Simmons stated that she remained close to DiSalvo until her death and on her deathbed, DiSalvo asked Simmons whether she would go to hell for what she had done.

Simmons also informed the Receiver that after she became suspicious of DiSalvo's actions, she had all of the computer files of ANPS copied. Simmons gave the Receiver copies of the computer files and the computer hard drives, which the Receiver turned over to a certified forensic examiner, hired by the Receiver, to conduct a forensic analysis of ANPS.

As mentioned above, Simmons stated that she had witnessed DiSalvo purchase millions of dollars in real estate, cars, and jewelry for herself, her children and third parties. The Yeagers also informed the Receiver that DiSalvo had purchased many luxury items, such as a Porsche for one of her sons, jewelry, and other items for herself and her adult children, Wayne DiSalvo and Duane DiSalvo. The Yeagers knew of these purchases because DiSalvo had shown them some of the items and because Wayne DiSalvo had acknowledged to Yeager in late August 2005 that his mother had purchased the new Porsche he was driving and that she had also purchased a million dollar home for him in California.

DiSalvo passed away in late August, 2005. The Receiver discovered that, on or about October 19, 2005, a notice of administration of probate estate of DiSalvo was filed in the Superior Court for Santa Clara County, California, Case No. 1-05-PR-158259 (the "California Probate Estate"). Also, on or about January 24, 2006, a Petition for Ancillary Administration was recorded in the official records for Miami-Dade County, Florida, and filed with the Clerk of the 11th Judicial Circuit in and for Miami-Dade County, Probate Division, Case No. 06-277-CP (01) (the "Florida Probate Estate"). On or about June 19, 2006, the Receiver filed a Petition to file a Creditor's Claim After Expiration of the Deadline for Filing a Claim (the "Petition"), along with a Creditor's Claim on behalf of the Receiver against the California Probate Estate. The Receiver expects a hearing to take place on the Petition shortly.

On May 15, 2006, the Receiver timely filed a claim (the "Receiver's Probate Claim") in the Florida Probate Estate. On May 22, 2006, Wayne DiSalvo and Duane DiSalvo, as co-personal representatives of the Florida Probate Estate, through their

counsel, served notice of their objection to the Receiver's Probate Claim. Pursuant to Florida Statutes, Sec. § 733.705(4), a party that receives an objection to his claim, has thirty days to file an independent action on the claim. The independent action may not be filed in the probate estate, but rather may be brought in any court of competent jurisdiction.

On June 21, 2006, the Receiver filed a complaint in the U.S. District Court for the Southern District of Florida, the same jurisdiction where the Receivership Case is located. The case, *Michael Goldberg, as Receiver over Worldwide Entertainment, Inc. et al. v. Wayne DiSalvo, et al.*, Case No. 06-21582-CIV-MOORE (the "Probate Litigation") was filed against Wayne DiSalvo, individually and as co-personal representative of DiSalvo's estate, Duane DiSalvo, individually and as co-personal representative of DiSalvo's estate and ANPS (collectively referred to as the "Probate Litigation Defendants") and was assigned to the Honorable K. Michael Moore. The Receiver intends to file a Motion to Transfer the Probate Litigation to the Honorable Paul Huck who presides over the Receivership Case.

In the Probate Litigation, the Receiver asserts a claim against the Florida Probate Estate for fraud perpetrated by DiSalvo, through ANPS, based upon DiSalvo's misrepresentations and false statements in advising Utsick, the Yeagers and/or their employees that she was properly maintaining Investors Funds through ANPS to induce the Receivership Entities to use ANPS as the pension administrator for Investors Funds. The Receiver also seeks to pierce the corporate veil of ANPS based on DiSalvo's failure to properly maintain the books and records of ANPS and her use of the Investor Funds held by ANPS as her personal bank account. The Receiver further seeks recovery against

the Florida Probate Estate, Wayne DiSalvo and Duane DiSalvo for DiSalvo's conversion of funds that were placed into ANPS for the purpose of investing in the Receivership Entities. The Receiver contends that the receivership estate is the beneficial owner of the funds misappropriated, converted or embezzled by DiSalvo and has a present immediate right of possession of the Investor Funds. The Receiver seeks the imposition of a constructive trust against the Florida Probate Estate, Wayne DiSalvo and Duane DiSalvo as a result of ANPS and DiSalvo's breach of fiduciary duty to the Receivership Entities and their unjust enrichment by the use of the Investor Funds.

The Receiver seeks the entry of a permanent injunction as to the following: i) that the co-personal representatives, their officers, and agents, be enjoined from directly or indirectly transferring, selling, assigning, encumbering, impairing, or otherwise disposing of in any manner, the funds, assets, or property obtained from the fraudulent misappropriation of funds through ANPS; ii) that a constructive trust be placed on any funds, assets, or property obtained from the underlying fraudulent scheme perpetrated by DiSalvo, and that any funds, assets, or property obtained from the underlying scheme be disgorged and turned over to the Receiver; and iii) for restitution of the money and property wrongfully obtained without consideration by DiSalvo, Wayne DiSalvo, Duane DiSalvo and others. The Receiver seeks judgment against the Probate Litigation Defendants for damages equal to the amount of the Investor Funds misappropriated by DiSalvo, plus interest, attorneys' fees and costs. The Receiver also seeks turnover and disgorgement of the Investor Funds and/or the real and personal property wrongfully obtained, maintained or improved with the Investor Funds. In addition to the damages equal to the amount of the Investor Funds misappropriated by DiSalvo, the Receiver

seeks the imposition of punitive damages as a result of the intentional misconduct perpetrated by DiSalvo.

Finally, as part of the Probate Litigation, the Receiver seeks declaratory relief with regard to his timely filed claim in the Florida Probate Estate. The Receiver seeks a declaration from the court that the Receivership Entities possess valid claims against the Florida Probate Estate and requests the court to enter declaratory relief in favor of the Receiver, declaring that Receivership Entities possess valid claims in the Florida Probate Estate.

Since April 25, 2006, when the Receiver first heard about DiSalvo's misappropriation of Investor Funds intended for the Receivership Entities, he has diligently worked to corroborate and substantiate the allegations of her theft of Investor Funds. His investigation is continuing, but based on his investigation to date, and the information reviewed by the Receiver's forensic examiner in connection with this investigation, he is informed and believes that DiSalvo's probate estates include assets that came from the Receivership Entities or that were acquired with funds wrongfully taken by DiSalvo from the Receivership Entities. The amount, yet to be determined, is believed to be in excess of $10 million.

The bank records obtained by the Receiver, thus far, illustrate that DiSalvo commingled investor funds and used the ANPS bank account as her personal bank account. The Receiver is examining the potential recovery of personal property and transfers of funds by DiSalvo to, or for the benefit of, her sons, their spouses, their girlfriends, their former spouses and other third parties. The Receiver is also examining the source of funds used by DiSalvo to make cash purchases of real properties located in

California and Florida, including her residence in a high rise condominium located in Miami Beach, Florida, and her investment in the Sunny Isles Property.

To further aid his investigation into transfers made by DiSalvo, the Receiver has served a subpoena for bank records from a dozen accounts opened by, or on behalf of, DiSalvo and held with Comerica Bank. The Receiver was advised by Comerica Bank that he will receive more than 400 bank statements and other bank records. The Receiver's staff, with the aid of his forensic accountant, will examine the bank records for potential fraudulent transfers of Investor Funds that were designated as investments into the Receivership Entities.

The Receiver is examining other legal means of recovery from ANPS, DiSalvo's probate estates and the third parties who received transfers of the Investor Funds. The Receiver is investigating the benefits of expanding the Receivership Entities to include ANPS and other corporate entities controlled by DiSalvo and removal of Wayne DiSalvo and Duane DiSalvo as administers of the probate estates.

Recently, the Receiver received correspondence from DiSalvo's California probate attorney seeking a meeting to discuss resolving the various litigations. The Receiver intends on meeting shortly in an attempt to resolve the various disputes.

B. 1ST Source Bank

On May 22, 2006, 1st Source Bank ("1st Source") filed a Motion for Interpleader in the United States District Court in the Southern District of Florida, in the action entitled *U.S. Securities and Exchange Commission v. John P. Utsick, et al.*, No. 06-20975-Civ-Huck/Simonton (the "Interpleader Motion") [17]

[17] The full text of the motion, as well as the Receiver's response, is available on the Receiver's website, at www.entertainmentgroupinfo.com.

In its Interpleader Motion, 1st Source seeks to interplead certain funds currently held in IRA accounts at 1st Source (the "1st Source Accounts"). In sum, 1st Source seeks to interplead the 1st Source Accounts funds based on its concern of being subject to competing claims to such funds by account holders, the Internal Revenue Service and the Receiver. The Receiver's response to the Interpleader Motion filed on May 23, 2006, supports the request by 1st Source (the "Receiver's Response") and sets forth the Receiver's prima facie claim to the funds in the 1st Source Accounts.

The Receiver's Response also details its demand on the 1st Source Accounts. Specifically, the Receiver is asserting rights to cash funds in the accounts at 1st Source, except those funds that are currently in the 1st Source Accounts that the account holders can prove, with documentary evidence, have never been invested into any promissory note. In other words, the only cash funds excluded from the Receiver's demand are those funds that the investors can prove are fresh investment funds that are still sitting in their 1st Source Accounts and have never been used to purchase notes. The funds that are excluded from the Receiver's demand are known as the "Direct Funds." Moreover, pursuant to the Receiver's Response, the Receiver has further agreed to reduce his demand to include only those 1st Source Accounts that have over $1,000 cash. These 1st Source Accounts are referred to as the "Non-Direct Funds."

On June 2, 2006, the Honorable Paul C. Huck of the United States District Court for the Southern District of Florida, issued an order stating that the Receiver had established a prima facie right to assert a claim over the IRA accounts referenced in the Interpleader Motion. A hearing on 1st Source's Interpleader Motion will take place on July 20, 2006 at 2:30 p.m., before the Judge Huck. If 1st Source's Interpleader Motion is

granted, the 1st Source Accounts with over $1,000 cash will be interpleaded. The purpose of that hearing is not to rule on the rights of the Receiver or any 1st Source account holders to the funds in those accounts with over $1,000 cash. If 1st Source's Motion is granted, the Court will adopt and implement procedures to resolve the claims to the interpleaded funds at a later date.

C. Pilot Retirement Services

Pilot Retirement Services ("Pilot") is a company owned by Yeager's son, Chris Yeager. Pilot served as the successor custodian to ANPS, but was replaced by lst Source in October. The Receiver is investigating what if any claims he may have against Pilot.

VIII. Claims Process

Within the next month, the Receiver intends to commence the claims process. To that end, the Receiver will file a motion with the Receivership Court setting forth the various methods pursuant to which the Receiver can calculate allowed claims so that the Receivership Court may determine the appropriate method to be used under the circumstances. The Receiver will also request the Receivership Court to set a deadline by which creditors must file claims (the "Claims Bar Date"). Thereafter, the Receiver will distribute claim forms to creditors to be filed with the Receiver by the Claims Bar Date. Upon confirming each claim, the Receiver will commence distributions of available funds to those creditors with allowed claims on a pro-rata basis. At this point in time, the Receiver does not know how long this process will take nor what percentage creditors will receive on their allowed claims.

IX. Conclusion

The Receiver will continue working diligently to complete his investigation and will seek the Receivership Court's authorization prior to making any major decisions as to the Receivership Entities' future. The Receiver will continue to file reports updating the Court and creditors of his progress.

Dated: July 19, 2006.

Respectfully submitted,

Michael I. Goldberg, Receiver for
Worldwide Entertainment, Inc.,
The Entertainment Group Fund, Inc.,
American Enterprises, Inc. and
Entertainment Funds, Inc.
350 East Las Olas Boulevard
Fort Lauderdale, FL 33301
Tel.: (954) 463-2700
Email: michael.goldberg@akerman.com