

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
(MIAMI DIVISION)**

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**CASE NO. 06-20089-CIV-HUCK/SIMONTON**

**THE BIG FOUR-OH, LLC, a South Carolina limited liability company,  
SUMMER 2003, LLC., a South Carolina limited liability company  
and EFI NO. 32, LLC, a South Carolina limited liability company,**

**Plaintiffs,**

**vs.**

**THE ENTERTAINMENT GROUP FUND, INC., a Florida corporation  
and WORLDWIDE ENTERTAINMENT, INC., a Delaware corporation,**

**Defendants.**

**RECEIVER, MICHAEL I. GOLDBERG'S, INITIAL REPORT CONCERNING THE  
CONDITION OF THE ENTERTAINMENT GROUP FUND, INC. AND  
WORLDWIDE ENTERTAINMENT, INC.**

**Dated: March 1, 2006**

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IMPORTANT—PLEASE READ CAREFULLY

THE STATEMENTS CONTAINED IN THIS REPORT ARE BASED ON THE RECEIVER'S PRELIMINARY INVESTIGATION CONDUCTED IN THE SHORT TIME ELAPSING FROM THE ESTABLISHMENT OF THIS RECEIVERSHIP. THE RECEIVER COMPILED THIS REPORT BASED ON BOTH THE RECEIVER AND HIS PROFESSIONALS': I) REVIEW OF THOUSANDS OF PAGES OF DOCUMENTS; AND II) INTERVIEWS OF DOZENS OF THE DEFENDANTS' EMPLOYEES, AFFILIATES, INVESTORS AND OTHER RELATED PERSONS. THE FACTS AND CONCLUSIONS STATED HEREIN MAY BE SUBJECT TO CHANGE AS THE RECEIVER'S INVESTIGATION PROGRESSES. OTHER THAN AMOUNTS CONTAINED IN BANK AND/OR BROKERAGE ACCOUNTS, THE VALUE OF ANY OTHER ASSET HAS NOT YET BEEN DETERMINED. THE RECEIVER INTENDS TO FILE ADDITIONAL REPORTS, FROM TIME TO TIME, AS ADDITIONAL INFORMATION IS DIVULGED.

IN WRITING THIS REPORT, THE RECEIVER HAS ATTEMPTED TO BALANCE THE IMPORTANCE OF FULL AND FRANK DISCLOSURE OF MATERIAL INFORMATION WITH THE CONCERNS OF THE UNDERLYING BUSINESSES THAT SUCH INFORMATION REMAINS CONFIDENTIAL FOR COMPETITIVE REASONS. TO THAT END, THE RECEIVER HAS OPTED, IN MOST CASES, TO DISCLOSE A SIGNIFICANT AMOUNT OF FINANCIAL INFORMATION AND CAUTIONS THOSE PERSONS OR ENTITIES WHO INTENTIONALLY MISREPRESENT THE INFORMATION CONTAINED HEREIN IN AN ATTEMPT TO DISPARAGE THE RECEIVERSHIP ENTITIES OR THEIR AFFILIATES, OR SEEK TO UNFAIRLY USE IT TO OBTAIN A COMPETITIVE ADVANTAGE, THAT ANY SUCH ACTION MAY HAVE SIGNIFICANT LEGAL CONSEQUENCES. FINALLY, THE RECEIVER STRESSES THAT ANY ALLEGED IMPROPRIETIES OR VIOLATION OF FEDERAL OR STATE SECURITIES LAWS SET FORTH HEREIN OCCURRED SOLELY (IF AT ALL) IN WORLDWIDE ENTERTAINMENT, INC. AND THE ENTERTAINMENT GROUP FUND, INC. AND NOT AT

THE AFFILIATE LEVEL. IN MOST CASES, WORLDWIDE ENTERTAINMENT GROUP, INC. AND/OR THE ENTERTAINMENT GROUP, INC. ARE SIMPLY INVESTORS IN AFFILIATED COMPANIES AND THE AFFILIATED COMPANIES ARE SEPARATE AND DISTINCT COMPANIES, WHOSE DAY TO DAY OPERATIONS ARE MANAGED BY COMPLETELY DIFFERENT INDIVIDUALS. ANY STATEMENT THAT IMPLIES THAT THIS REPORT STATES THAT ANY OF WORLDWIDE ENTERTAINMENT GROUP INC.'S OR THE ENTERTAINMENT GROUP FUND, INC.'S AFFILIATES ENGAGED IN IMPROPER CONDUCT IS FALSE AND COULD SUBJECT THE PERSON OR PERSONS MAKING SUCH DISPARAGING STATEMENTS TO LEGAL LIABILITY.

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## I. Introduction

### A. **The Underlying Lawsuit and Receiver's Appointment**

On January 15, 2006, The Big Four-Oh, LLC, Summer 2003, LLC and EFI No. 32, LLC (collectively "Plaintiffs"), filed their Verified Complaint for the Appointment of a Receiver and Related Relief (the "Complaint") against Worldwide Entertainment, Inc. ("Worldwide") and The Entertainment Group Fund, Inc. ("TEGFI") ("Worldwide" and "TEGFI" are hereafter collectively referred to as the "Receivership Entities") in the United States District Court for the Southern District of Florida (the "Court"), seeking the appointment of a receiver for the Receivership Entities and an accounting. The Plaintiffs are owed substantial monies by the Receivership Entities.<sup>1</sup>

The Receivership Entities consented to the appointment of a receiver and pursuant to this Court's Agreed Order Appointing Receiver entered on January 18, 2006, the Court appointed Michael I. Goldberg (the "Receiver") as receiver over the Receivership Entities with the power, duty and authority to administer and manage the Receivership Entities' business affairs, funds and assets.<sup>2</sup> The Receiver's essential duty is to safeguard the Receivership Entities' assets by taking whatever actions are necessary for the protection of the Receivership Entities' creditors. Since his appointment, the Receiver has sought to: *i*) identify, locate and secure the Receivership Entities' and their affiliates' assets; *ii*) examine the Receivership Entities' and their affiliates' business operations to discern the Receivership Entities' potential for reorganization; *iii*) continue the Receivership Entities' business operations to preserve and maximize their value for creditors; *iv*) identify and communicate with investors located throughout the United States who provided

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<sup>1</sup> Prior to the filing of the Complaint, the Receivership Entities informed the Plaintiffs of their inability to make an upcoming payment and that the Receivership Entities' books and records were disorganized. Accordingly, the Plaintiffs commenced this action, in part, to obtain an accounting.

<sup>2</sup> The Receivership Order also prohibits investors and other parties from bringing independent suits against the Receivership Entities.

funds directly or indirectly to the Receivership Entities;<sup>3</sup> v) meet with the Receivership Entities' affiliates and business partners of the Receivership Entities' in an ongoing effort to educate himself concerning their numerous worldwide operations and investments; and vi) identify claims and develop legal theories of recovery against parties whose actions may have harmed the Receivership Entities, their affiliates and the creditors.

A summary of what the Receiver learned through his investigations is set forth below:

## **B. The Receivership Entities' Background**

### **1. Formation of the Receivership Entities**

Worldwide and TEGFI are corporations wholly owned by Jack Utsick ("Utsick"), an individual with more than three decades of experience in the entertainment business. Utsick is well known throughout the entertainment business and has promoted thousands of concerts, shows and other live entertainment events worldwide. Prior to becoming a full time promoter, Utsick was a pilot with Trans World Airlines ("TWA"). While a pilot, Utsick began promoting concerts from time to time throughout the northeastern United States. Utsick financed his business by borrowing money from friends, other pilots and family members. Over time, Utsick stopped flying and focused his efforts entirely on the promotion business with the vision of creating a full service entertainment company.

In 1994, Utsick created TEGFI, a Florida corporation, as a vehicle to operate his entertainment business. Since its inception, Utsick has been TEGFI's sole shareholder. Utsick promoted hundreds of shows through TEGFI—in many cases through the trade name "Jack Utsick Presents." In 2003, after his promotional business had grown into a global venture, Utsick created Worldwide, a Delaware corporation, to better reflect the global nature of his

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<sup>3</sup> To that end, the Receiver has set up an "800" number (800-223-2234) and a website at [www.entertainmentgroupinfo.com](http://www.entertainmentgroupinfo.com). Answers to many of the investors' questions are available by accessing the website or calling the "800" number. Moreover, the Receiver has personally spoken to dozens of investors.

growing business. Thereafter, the Receivership Entities formed numerous wholly owned subsidiaries for specific investment purposes with the goal of limiting liability and tax consequences. Moreover, the Receivership Entities entered into numerous arrangements with other promoters throughout the world to co-promote live entertainment events. A chart depicting Worldwide's corporate structure is attached as Appendix "1" to this report.

**2. The Receivership Entities Financed Their Businesses with Investors' Funds**

Upon information and belief, there are currently approximately 3300 investors who over the years invested over \$400 million into the Receivership Entities, either directly or through American Enterprises, Inc. and there is in excess of \$100 million owed to these investors.<sup>4</sup>

**i) Direct Investment in the Receivership Entities**

To finance their entertainment investments, the Receivership Entities raised money directly from hundreds of investors, in large part, based upon the promise of twenty percent (20%) or higher annual returns<sup>5</sup>. The Receiver believes that between \$50 and \$100 million was invested directly with the Receivership Entities. Once the Receiver completes his examination, he will detail both the exact number of investors and amounts that were invested directly with the Receivership Entities.

**ii) American Enterprises, Inc.**

It is believed that approximately 2,000 investors invested money in the Receivership Entities through American Enterprises, Inc. ("AEI") and its affiliates. AEI is a Florida company.

<sup>4</sup> As of the date of this report, the forensic examination of the Receivership's Entities' affairs and the claims process have not been completed. The exact amount due the investors will be revised upon completion of the forensic examination and the claims process.

<sup>5</sup> The Receiver has been provided with copies of promissory notes with stated interest rates as high as 27% per annum.



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. Yeager appears to have an extensive aviation background. He was a pilot for the United States Marine Corp. and TWA. It is the Receiver's understanding that Utsick and Yeager became friends and business associates as a result of their both being pilots. 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.

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. Although it must be explored in greater detail, 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. It appears there is a professional staff and the books and records of the organization are being maintained. The Receiver will, of course, make arrangements to review all of these records consistent with the other priorities and tasks of this Receivership. In this regard, it should be noted that AEI and the Yeagers have fully cooperated with the Receiver to date.

A preliminary analysis of books and records provided by AEI from Worldwide and TEGFI reveals instances where certain AEI loans were repaid by both Worldwide and TEGFI and instances where a single LLC funded both Worldwide and TEGFI projects. A review of Worldwide and TEGFI's balance sheets which appear to be incomplete, indicate that there were common investors and funding sources, common assets, liabilities and transactions with various companies and various projects.

As mentioned above, there were also investors who utilized their IRA accounts as the vehicle to make investments. IRA investors had their funds handled by American National Pension Services ("ANPS") of Miami. The ANPS person who administered the IRA investors' accounts passed away this past year. The records that were held by ANPS were transferred to an entity known as Pilot Holdings Group, Inc. ("Pilot Holdings"), who assumed administering the IRA funds. The Receiver believes Pilot Holdings is controlled by Yeager's son, Chris Yeager. It appears that over time there are thousands of investors who made investments through AEI and approximately 830 made investments through IRA accounts representing approximately \$47 million. In addition, ANPS directly invested in TEGFI. It remains unclear which investors

were repaid and what is currently owed this group of IRA investors and ANPS. The Receiver will analyze the records of Pilot Holdings in an attempt to reconcile the records.

It appears that AEI maintains its records in an access database. At this point, it is difficult to verify the accuracy of balances that have been brought forward on closed projects because money on previously closed projects were rolled over. That is to say, when monies were due to an investor, rather than accepting payment, that money would be reinvested in another program. Since money was rolled over in this fashion from prior closed projects, further calculations must be made as to exactly what is owed to investors who put funds into the AEI/Worldwide/TEGFI programs. A database examined contained over 4,500 investors representing approximately \$135 million in net invested capital (inclusive of rollover balances brought forward). This data must be verified.

### **3. Receivership Entities' Performance**

The Receivership Entities invested millions of dollars in numerous ventures throughout the United States and the world either directly or through their affiliates or joint venture partners. As set forth in greater detail below, although many of the Receivership Entities' investments were profitable, many of these ventures proved unprofitable and the Receivership Entities lost millions of dollars. Therefore, it does not appear that the Receivership Entities themselves or their affiliates generated sufficient, if any, profit as a whole to support the return of principal, interest and/or "profits" that was paid to the investors. Yet, the Receivership Entities continued to honor investors' notes and the Receiver believes that "profit" paid to investors could only have come from other investors' money.<sup>6</sup> Some investors "cashed out" their investments while others elected to "roll over" their investments into new ventures and until the Receiver's analysis is complete, it is impossible to determine the exact amount of money currently owed to

<sup>6</sup> This is based on a preliminary analysis and is subject to change upon completion of a forensic analysis.

investors. Finally, it bears noting that Mr. Utsick has been fully cooperative with the Receiver and continues to assist the Receivership Entities solely in connection with entertainment related issues.<sup>7</sup>

#### 4. The Receivership Entities' Books and Records are Disorganized

The Receivership Entities' bookkeeping can best be described as a mess. Although most of the investors' investments were supposed to be tied to specific projects placed in separate, escrow accounts, in reality, all investors' funds were commingled into a few main accounts. From these few accounts, money was withdrawn on an as-needed basis to fund the Receivership Entities' various business ventures, operating costs and to pay investors returns.<sup>8</sup> Corporate formalities between Worldwide and TEGFI were completely ignored. Simply put, the Receivership Entities lacked the most rudimentary financial controls one would expect of entities handling millions of dollars and there is no possible way to discern one individual investor's money from another investor's money. Moreover, the Receiver was informed that the Receivership Entities failed to file tax returns for the past few years.

The Receiver is fully cooperating with the United States Securities and Exchange Commission ("SEC") in dealing with the SEC's inquiry of possible federal securities law violations with respect to the money raised from investors. To that end, the Receiver has provided the SEC with documents and other requested information relating to the Receivership Entities. Since his appointment, the Receiver has completely halted the Receivership Entities' undraising activities. The Receiver will continue to cooperate with the SEC and will keep the Court and creditors fully informed as to this matter.

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<sup>7</sup> The Receiver's analysis is incomplete, making it impossible to determine what, if any, monies were diverted for personal use. The Receiver notes that Utsick's condominium in which he resides is titled in TEGFI's name. Upon information and belief, the value of this condominium has significantly increased since its purchase.

<sup>8</sup> The Receiver notes, upon information and belief, that Utsick did not take a salary prior to 2005. However, Utsick paid substantial personal expenditures from these accounts.

## II. The Receivership Entities' Business Operation

Rather than focusing on one particular area, the Receivership Entities engaged in all facets of the entertainment business. The Receivership Entities are made up of a complicated structure of numerous subsidiaries and affiliates conducting business throughout the world. (See Receivership Entities' Corporate Structure at Appendix "1".) Today, the Receivership Entities' investments include future live shows, entertainment venues, a record company, a movie and much more.

The Receivership Entities' business consists of four basic segments – concert promotion, venue ownership and operation, entertainment product development and miscellaneous investments.

### A. **Concert Promotion**

The Receivership Entities promoted thousands of shows over the past couple of decades selling tens of millions of tickets. In fact, the Receivership Entities and their affiliates combined currently rank as one of the top three concert promoting businesses in the world having sold more than three million tickets in 2005 alone.<sup>9</sup> The Receivership Entities promote concerts on their own and co-promote concerts with affiliates and through joint ventures with numerous other promoters. The Receivership Entities promote concerts all over the world including the United States, Europe, Asia, Australia and the Middle East. The Receivership Entities are well known in the live entertainment industry having promoted concerts involving some of the greatest recording artists in history including the Rolling Stones, Elton John, Billy Joel, Fleetwood Mac and Aerosmith.

In 2005, the Receivership Entities and their domestic affiliates promoted approximately 333 live entertainment events. A spreadsheet setting forth these events is set forth in

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<sup>9</sup> As set forth in Pollstar.

Appendix "2". For 2006, the Receivership Entities and their domestic affiliates are currently committed to promote approximately 96 events. A spreadsheet setting forth these events is set forth in Appendix "3". Moreover, since the commencement of the receivership, the Receiver has entered into agreements on behalf of the Receivership Entities to promote approximately a dozen new events in an effort to preserve the Receivership Entities' businesses as a going concern in order to maximize their value for creditors.<sup>10</sup> In the live entertainment industry, it is customary that artists normally do not announce their availability to tour more than six months prior to the commencement of the tour. Consequently, events are added as tours are announced. At this moment, the Receivership Entities and their affiliates have pre-paid approximately \$2 million in fees and expenses for confirmed events to take place in 2006 and the Receiver intends for the Receivership Entities to continue to promote shows in order to preserve their going concern value.<sup>11</sup>

Typical concert promotion involves hiring the artist by guaranteeing the artist a fixed fee for appearing and performing, booking the appropriate venue, advertising the event and assuming responsibility for nearly all financial commitments with respect to the event. The promoter's fee is to be garnered from the revenues in excess of these costs. Unfortunately, for promoters, the business has changed over the last decade. Today, artists have increased leverage and insist on high guaranteed minimum payments. Many costs associated with producing

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<sup>10</sup> After his appointment, the Receiver retained Dave Lucas, the ex-CEO of Clear Channel Communications, the largest promoter in the world, as a part-time consultant to assist the Receiver in analyzing potential events. Moreover, the Receiver also relies heavily on Utsick, the staff booking agent and Worldwide's management in making entertainment decisions. The Receiver agrees to promote an event only if all parties agree that in all likelihood the event will be profitable. Clearly, the Receiver does not have a crystal ball and cannot be completely certain that all events will be profitable, however, the Receiver believes the process he has set up under the circumstances is prudent and in the creditors' best interest.

<sup>11</sup> Most of these events were "booked" prior to the receiver's appointment.

concerts have risen and competition has increased.<sup>12</sup> All of these factors have caused the significant decrease in the promoters' gross profit margins.

The typical promoter-artist agreement provides for the promoter to guaranty the artist a minimum fee. After this fee is paid, the promoter receives reimbursement for all artist-approved expenses (*i.e.*, venue rentals, advertising). Thereafter, excess funds are split between the artist and the promoter anywhere from 70/30 to 95/5 (with the artist getting the larger percentage). The division depends upon the artist involved—the more famous the artist, the higher percentage they garner. To make matters worse for promoters, if the show loses money—the promoter is responsible. Simply put, the promoting business has changed and it is now a much riskier business. If a promoter is not extremely diligent in analyzing shows prior to agreeing to promote them, the promoter can lose a lot of money. Although promoting can still be quite lucrative, if not done properly, substantial losses can and will inure.

Although an accounting of the Receivership Entities' concert promoting business is incomplete, the Receiver believes, based on his preliminary review, that this aspect of the business suffered significant losses over the last couple of years.<sup>13</sup>

#### **B. Venue Ownership and Operations**

The Receivership Entities, either by themselves or in conjunction with others, own and/or operate all, or portions of, various venues throughout the world in which live entertainment events take place. At the commencement of the receivership, the Receivership Entities owned

<sup>12</sup> The concert promoting industry is changing dramatically. The major competitor in the sector previously was Clear Channel Entertainment. However, as of December, 2005, Clear Channel spun off its live division into an entity known as Live Nation which many industry observers believe should have a material impact regarding competition for promotional opportunities and is expected to level the playing field among other promoters in the industry. In particular, this should lower the cost to promoters of artist fees. Many promoters agree that the last three to five years have been the worst of the past 30 years in the concert promotion business and are hopeful that this change in the marketplace will lead to increased promoter profit margins.

<sup>13</sup> For example, the Receivership Entities lost more than \$500,000 on a single Elton John concert in Miami and lost much more in connection with promoting several Rolling Stones concerts in China.

and/or operated the Keswick Theatre ("Keswick") in Glenside, Pennsylvania (near Philadelphia), the Royal Oak Theatre in Royal Oak, Michigan (near Detroit),<sup>14</sup> the Masquerade Theater in Ybor City, Florida (near Tampa) and the Wuhlheide Amphitheater in Berlin, Germany. Moreover, the Receivership Entities are in the process of constructing two additional venues---the Quay Park Arena in New Zealand and a proposed new amphitheater in Jacksonville, Florida.

**1. Keswick Theatre (www.keswicktheatre.com)**

In February, 2002, TEGFI purchased the Keswick Theatre (the "Keswick"), a 1356 seat theater located in Glenside, Pennsylvania for approximately \$1.4 million. The Keswick Theatre is owned free and clear of any recorded liens. In connection with this purchase, TEGFI formed two subsidiaries – Keswick Holdings, LLC to own the real estate and Keswick Entertainment Group, Inc., an operating company, to manage the Keswick. Upon information and belief, TEGFI owns ninety-five percent (95%) and Yeager owns five percent (5%) of Keswick Holdings. To encourage increased bookings at the Keswick, TEGFI entered into an agreement with BS Entertainment (TEGFI's partner in Jack Utsick Presents, N.E., Inc.), pursuant to which BS Entertainment is entitled to \$1 per ticket (for tickets greater than \$15) for the first 80,000 tickets sold each year in connection with all events produced by Keswick Entertainment Group or Jack Utsick Presents NE, Inc. ("North East").

The Keswick first opened in 1928 and is nationally recognized as one of the most comfortable, acoustically perfect venues in the Philadelphia market. The events hosted at the Keswick are made up of shows promoted by North East, other promoters, co-promotions between the Keswick and other parties, and recurring events promoted exclusively by Keswick Entertainment. The Keswick has a full liquor license and derives revenue from the sale of liquor.

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<sup>14</sup> The Receivership Entities' interest in the Royal Oak is simply that of a lender. See discussion below for additional details.



The Keswick is ranked by Pollstar as one of the Top 50 Theater venues in the United States and presents performances geared to nearly every taste and interest. Based on the comfort of its facilities and its varied programming, the Keswick hosted more than 230 events in 2005. For 2006, the Keswick already has numerous shows scheduled and it appears that it should exceed the total number of shows that took place in 2005.

Despite the fact that the Keswick hosts many shows, Keswick Entertainment lost money in both 2004 and 2005. As of December 31, 2005, Keswick Entertainment owed TEGFI more than \$500,000 pursuant to various notes. The notes are nearly one year in arrears and more than \$20,000 in past due interest is owed.

Keswick Holdings, the owner of the real property, had total rental income from Keswick Entertainment of \$120,000 and \$70,000 in 2004 and 2005, respectively.<sup>15</sup> However, after payment of its operating expenses, Keswick Holding's net income for 2004 and 2005 was \$46,041 and \$1,972, respectively. Keswick Holdings owes TEGFI nearly \$600,000 pursuant to various notes. These notes are also nearly one year in arrears.

## 2. Royal Oak ([www.royaloakmusictheatre.com](http://www.royaloakmusictheatre.com))

The Royal Oak Music Theatre 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 Theatre 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

<sup>15</sup> Keswick Entertainment is in arrears on its rental payments.

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 theatre. 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.

### 3. **Wuhlheide Amphitheater ([www.wuhlheide.de](http://www.wuhlheide.de))**

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 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 lease expires next year, but there is a right to exercise another five year option without any additional payment although the annual lease payment to the city will increase. The Receiver directed Mr. Kollen to exercise this option. It is uncertain if an additional extension on the lease beyond the five-year option period can be obtained. 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 average around ten. This coming season, it is anticipated that the Wuhlheide will present approximately 14 shows.<sup>16</sup>

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 \$600,000 of the \$2.7 million is still owed. 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 is expected to net approximately 400,000 euros in 2006.

#### 4. Quay Park Arena ([www.vectorarena.co.nz](http://www.vectorarena.co.nz))

Worldwide, indirectly, has a twenty-five percent (25%) interest in the management agreement of the Quay Park Arena, a modern 12,000 seat facility under construction in Auckland, New Zealand. The Quay Park Arena is intended to serve as a world class multi-use

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<sup>16</sup> The main competitor to the Wuhlheide is the Waldbuehne, a 21,000 seat amphitheater located about 20 miles away which is considered the more prestigious of the two venues. Some shows will only go to the Waldbuehne (such as the Berlin Symphony Orchestra).

indoor sports and entertainment arena. It is now known as the "Vector Arena." QPAM holds a long term lease over this arena for a period of forty-five (45) years pursuant to a "Boot Agreement" entered into between QPAM and the Auckland City Council. At the expiration of the lease's term, QPAM must transfer the arena back to the Auckland City Council. The current anticipated date of completion is December, 2006 with an anticipated cost of construction exceeding \$68 million.

Worldwide has the option of increasing its ownership in the management company to forty-five percent (45%) in exchange for a significant payment. The Receiver is thoroughly analyzing whether or not it is in the best interest of the Receivership Entities' creditors to exercise this option. As set forth more fully below, there is currently pending litigation between Worldwide and its partners with respect to the Quay Park Arena relating to the interpretation of certain clauses in the partnership agreement and the requirement of unanimous approval of the partners as to certain operational events. Based upon information learned to date, the Receiver is hopeful that this project could be a source of significant revenues for Worldwide. The Receiver hopes to resolve the litigation shortly.

#### **5. Masquerade Nightclub ([www.masqueradetampa.com](http://www.masqueradetampa.com))**

The Receivership Entities and a partner in Atlanta, Georgia, though an entity known as Ybor City Masquerade, Inc. ("Masquerade"), own a club located in Ybor City, Florida (near Tampa) known as the Masquerade Nightclub. The Receivership Entities and the Atlantic Partner each own 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.<sup>17</sup>

#### 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 property is highly visible from I-95, the major interstate highway. Towards that end, Worldwide hired attorneys, architects and engineers to rezone the property and prepare it for the development of an amphitheater. The rezoning efforts were successful. By all accounts, the site is well suited for an amphitheater. 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 property was \$1.5 million. However, based upon the significant increase in the value of raw land in northern Florida, the Receiver estimates that the current value of the property is between \$3.5 million and \$5 million. There is no mortgage on the property. In addition, Worldwide has spent approximately \$350,000 to accomplish the

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<sup>17</sup> 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.

rezoning and preliminary site work necessary to develop the amphitheater. The Receiver is currently exploring his options with respect to the land including co-developing the land as an amphitheater with a business partner.

**C. Product Ownership<sup>18</sup>**

As net profit margins for traditional concert promotions have substantially declined in recent years, the Receivership Entities started focusing on other areas of the entertainment business with greater potential profit margins. One such area is the direct ownership of the entertainment product itself. To that end, the Receivership Entities started investing in show production. To date, the Receiver has learned that the Receivership Entities have investments, to varying degrees, in the following entertainment products:

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

TEGFI, through a wholly-owned subsidiary named SBO, LLC ("SBO"), made a significant investment in a movie entitled National Lampoon's Pledge This ("Pledge This"). This movie stars Paris Hilton who attends a South Beach University and heads the "hot" sorority. The sorority is competing in a national contest among sororities to determine which sorority is the "hottest". As is typical of National Lampoon movies, Pledge This is replete with sophomoric humor scenes involving nudity and depicting wild college parties and various pledges attempting to be accepted into the sorority.

SBO invested approximately \$5.3 million and TEGFI invested approximately \$500,000 in Pledge This. There are also other investors in the movie. More specifically, an initial investor group, comprised of several hedge funds, invested \$1 million which is secured by a copyright mortgage. Another investor, English Distribution, invested additional money, on an unsecured basis, and is also entitled to a percentage of the net distribution. There are also several

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<sup>18</sup> Certain investments in product are more appropriately discussed in other parts of this report.

additional, smaller investors in the movie. Currently, the distribution of Pledge This's net proceeds, which is broken down by domestic and international revenues, are to be distributed ("waterfall") as follows:

Domestic Revenues

1. Initial Investor Group receives the first \$1.4 million;
2. TEGFI receives the next \$650,000;
3. SBO receives 92% of the next revenues (up to \$6.89 million); and
4. English Distribution receives 8% of the remaining domestic revenues.

International Revenues

1. SBO receives 92% of the next revenues (up to \$6.89 million); and
2. English Distribution receives 8% of the remaining domestic revenues.

After SBO receives \$6.89 million, the waterfall changes for both Domestic and International revenues to the following:

1. Miscellaneous investor group receives \$750,000;
2. SBO receives 38% of the net revenues and other investors, actors, the director, writer, etc. receives 62% of the net revenues.

After filming began, the movie encountered certain problems resulting in delays and increased expenses. SBO paid an additional \$500,000 and guaranteed \$800,000 of the \$1 million note owed to the Initial Investor Group. In return, SBO received five "equity points" from National Lampoon and five "equity points" from the Initial Investor Group (resulting in the above stated percentages). The Initial Investor Group note became due on July 1, 2005 and was extended through December 31, 2005. Moreover, in August 2005, part of the movie had to be re-filmed at a cost of \$425,000. SBO paid this amount. English Distribution also paid \$400,00

in overrun costs. Finally, it will cost approximately an additional \$500,000 to complete the film's editing, visual effects and music.

The Receiver, in reliance upon entertainment experts, is currently evaluating the film to determine if it makes sense to pay SBO's share of these additional costs to maintain SBO's investment at its current level or forfeit a small percentage of SBO's share of the proceeds in exchange for being relieved of investing any additional funds in this project.

## **2. Iron Chef**

The Receivership Entities optioned the rights to produce a show based upon the "Iron Chefs" concept. 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 Branson, Missouri. The Receiver is currently exploring the possibility of partnering with a well known casino to produce this show and exhibit it at the casino's venues in Las Vegas and Atlantic City. The Receiver is hopeful that the receivership estates may be able to generate significant income from this investment. However, in order to realize this potential, the Receiver anticipates that the estate will have to expend additional funds to develop and produce this project.

## **3. Miscellaneous Shows**

The Receivership Entities also have an interest in the following shows: (i) Sinatra; (ii) Titanic; (iii) Dr. Sex (based on the movie Kinsey); (iv) Little Women; and (v) Dirty Dancing.<sup>19</sup> As of the date of this report, the Receiver is unsure of the extent of the Receivership Entities' interest in these shows, or the current state of these shows. The Receiver will provide more details on these shows in his next report.

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<sup>19</sup> The Receivership Entities' investment in Dirty Dancing is discussed more fully below.



### III. The Receivership Entities' Affiliates

THE RECEIVER ONCE AGAIN STRESSES THAT THE RECEIVERSHIP ENTITIES' AFFILIATES ARE COMPLETELY SEPARATE AND DISTINCT BUSINESSES FROM WORLDWIDE AND TEGFL. MOREOVER, THE DAY TO DAY OPERATIONS OF THESE AFFILIATES ARE MANAGED BY INDIVIDUALS NOT IN ANY WAY INVOLVED IN THE MANAGEMENT OR OPERATION OF WORLDWIDE OR TEGFL. ANY ALLEGED DEALINGS WITH INVESTORS OR INVESTORS' MONEY DID NOT TAKE PLACE AT THE AFFILIATE LEVEL. THE RECEIVERSHIP ENTITIES SIMPLY HAVE AN OWNERSHIP INTEREST IN THE AFFILIATES.

#### A. Domestic Affiliates

##### 1. Receivership Entities - Miami

The Receivership Entities' Miami office houses the company's operations for Miami, Florida and Detroit, Michigan. The Miami office generates revenue from promoting concerts, producing stage theatrical events and developing live entertainment content projects which include profits from ticket sales, as well as any sponsorship, concession, parking or volume-based rebate revenues received from the venue operator. In addition, the Miami office provides resources to support the company's network of domestic and international subsidiaries and is considered the "home office." The home office works closely with its affiliated entities in an attempt to maximize their efforts in the promotion of events. The Miami office employs a staff to identify projects, book talent, sell tickets and promote live entertainment events in third-party venues throughout the United States and Puerto Rico. In 2005, these events included concert performances by artists such as Aerosmith, Usher, Luis Miguel and Andrea Bocelli; and theatrical productions such as Riverdance.

The Miami office is currently operated out of two locations. Utsick works in an office located in the Portofino Tower (Unit 3702), Miami Beach and most of the Receivership Entities' dealings with investors are run out of this office. Also, located in this office are Utsick's assistants. Jennifer Homan, Utsick's long time girlfriend, also worked in this office, however, she is no longer employed by the Receivership Entities.

The second Miami office is located a few blocks away at 119 Washington Ave, Suite 502, Miami Beach, Florida 33139. The office's General Manager, Wesley Radez, is responsible for the overall business affairs of the Miami office as well as playing a key role in effectuating and developing company strategy. Mr. Radez, a Yale MBA, was hired in 2005 and has started implementing numerous financial controls and processes that were previously lacking. Mr. Radez is working very closely with the Receiver and his professionals in attempting to place additional financial controls on the company and formulate a possible restructuring.

The Miami office has several other key employees. Francisco Centeno is an accountant/bookkeeper who handles financial reconciliation and reporting as well as traditional bookkeeping functions. Mr. Centeno is assisting the Receiver on a daily basis. Andrea de la Madriz, Allison Adair and Doug Issac are booking agents/talent buyers. They are responsible for identifying potential events, conducting research, negotiating agreements with agents, tour managers, sponsors and venues, promoting assigned projects and settling the events at their conclusion. Colin Thompson is a production manager who coordinates and contracts for technical vendors for company productions. Christina Kogos and Diana Wiley focus on marketing strategies and day-to-day event support. Nancy Mraz handles office administration.

In 2005, the Miami office promoted over 100 live entertainment events generating approximately \$15 million in ticket sales' revenue while attracting more than 250,000 attendees.<sup>20</sup> In 2005, the Miami office's cost of operation was approximately \$60,000 per month (expenses rose in December because of year-end quarterly bonuses and variable compensation commission payments associated with a "Fresh Start" plan implemented on October 1, 2005). Between eighty to eighty-five percent (80-85%) of monthly operating expenses are consumed by

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<sup>20</sup> Of particular note, as an additional source of revenue for the Receivership Entities and their affiliates, are various agreements with a major ticket vendor providing for potential pre-ticket rebates based upon tickets sold.

payroll costs, rent, professional fees, travel and entertainment and utilities. The Miami office's net income for the fourth quarter 2005 was \$109,103.09. This breaks down to \$4,267.04 in December, \$165,162.70 in November and (\$60,326.65) in October. The fourth quarter was the only profitable quarter the Miami office had the entire year and the Miami office lost money in 2005. The Receiver is hopeful that newly implemented fiscal and other controls will enhance the Miami office's profitability in 2006.

## **2. Worldwide Midwest LLC**

The Miami office 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). The senior staff member in that office is VP/Exec Producer, Greg Young. Mr. Young has been in the show production business for many years and is considered one of the best producing talents employed by the company. He is responsible for talent negotiation, content acquisition, project management and staff management. The office has one part-time employee, Joel Gasporotto. Chris Patterson, an independent contractor, performs functions as a talent buyer and tour accountant on an event by event basis.

## **3. Jack Utsick Presents, N.E., Inc.**

In or about January 2002, TEGFI and BS Entertainment, LLC, a limited liability company owned by William Rogers and Sidney Payne, two long-time, highly respected promoters located in Pennsylvania, created an entity called Jack Utsick Presents, N.E., Inc. ("North East"). North East was created to provide a vehicle for the promotion of events in the northeastern United States. On occasion, North East co-promotes events with Worldwide or other parties. North East is owned fifty percent (50%) by TEGFI and fifty percent (50%) by BS Entertainment. Rogers and Payne handle North East's day-to-day operations and essentially run the business.

Since its inception, North East has promoted hundreds of concerts and other events. In 2004, North East had gross revenues of \$8,490,440 and gross profits of \$607,622. Its operating expenses were \$591,053.<sup>21</sup> Accordingly, North East had net income of \$16,589, which was retained by North East to fund future operations. In 2005, North East had gross revenues of \$7,305,509 and gross profits of \$314,270. Its operating expenses were \$512,030.<sup>22</sup> North East suffered a loss of \$197,759 in 2005. To help North East deal with its lack of liquidity caused by this loss and cash flow issues, Worldwide lent North East \$90,000. To date, approximately \$30,000 of this loan has been repaid. Additionally, North East also owes TEGFI approximately \$50,000 for advances on past shows. In the upcoming months, approximately 45 shows are scheduled. For 2006, North East has already booked in excess of \$3 million in sales.

#### 4. TEGFI-Stone City

Stone City Productions/ Jack Utsick Presents, Inc. ("Stone City") is a corporation whose stockholders are Jack Orbin and TEGFI. Each shareholder owns a fifty percent (50%) interest in Stone City. Stone City was formed in 2003 for the purpose of promoting concerts, stage productions, musical productions, corporate events and other entertainment events. Jack Orbin, who has in excess of 30 years experience in the concert promotion business and is well regarded in the industry, is the managing partner and manages the business out of the company's offices in San Antonio, Texas.

Stone City produces approximately 20 to 40 shows per year, primarily in Texas and throughout the Southwest portion of the United States. Gross ticket sales have averaged between \$3 million and \$6 million per year. For the first nine months of fiscal year 2005- 2006 ending in December 2005, the company showed a net operating profit of approximately \$43,000 on gross

<sup>21</sup> Included in this amount is approximately \$58,000 in salary paid to Utsick as well as salaries paid to Rogers and Payne.

<sup>22</sup> Included in this amount are salaries paid to Rogers and Payne.

sales of approx \$2,600,000. According to the joint venture agreement, TEGFI is responsible for financing Stone City's operations and offering Stone City the opportunity to co-promote all tours that TEGFI is involved in promoting.

#### 5. 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 to share in one-half of the profits of The Locobazooka Festival held in Massachusetts.

Worldwide paid \$800,000 to purchase a fifty percent (50%) share of New England. 3-D is the managing member of New England. Located in Worcester, Massachusetts, New England is a promotion and production company whose principals have produced concerts and festivals for more than 20 years. 3-D is run by Daniel Hartwell and John Carnegie, two extremely bright, very creative individuals who are thinking up new ways to deal with an ever-changing concert promotion business.

New England's flagship event is the Locobazooka! active 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, upon information and belief, due to the internal challenges and personnel turnover in Worldwide's Miami office, the anticipated timely signing of certain headliner acts never occurred. Lost time negotiating any remaining acts not already routed resulted in the Locobazooka! festival attracting approximately only 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, representing a 154% return on risk capital (\$51,500 for talent deposits) and an almost 10% return on its investment in the Locobazooka! festival. Based on

conversations with 3-D's principals, the Receiver believes that attendance will increase this year and the Locobazooka! festival should generate a greater profit in 2006.

#### 6. 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, was 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.

**B. International Affiliates**

**1. Australia**

In the recent past, the Receivership Entities had two promoting relationships in Australia with well known Australian promoters. The first is with Kevin Jacobsen and the Jacobsen Group. The second is with Michael Chugg and MCE Entertainment. The status of these relationships is as follows:

**i) The Jacobsen Group**

Worldwide Australia LLC ("WWA")<sup>23</sup> was created in 2003. It became a partner with Kevin Jacobsen ("Jacobsen") and/or his affiliate(s) forming Jacobsen Utsick, Pty, Ltd. as a vehicle for promoting concerts throughout Australia. Unfortunately, the relationship soured and in December 2004, WWA filed a lawsuit against Jacobsen and his related entities 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.*

The litigation is still in the early stages. Shortly after filing the lawsuit, the defendants sought an order of the court ordering WWA, a foreign plaintiff, to post a bond of approximately \$500,000 Australian dollars. One-half of the bond was posted. The proceedings were adjourned by consent pending the posting of the second half of the bond and in light of the parties'

<sup>23</sup> 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.

commitment to enter into settlement discussions in an effort to resolve all or part of their dispute. On or about September 30, 2005, defendants' attorneys filed a Request for Particulars with the plaintiffs seeking clarification of various terms and allegations in the complaint. The plaintiffs, in turn, filed a response to the Request for Particulars<sup>24</sup>. The defendants have not yet filed an answer. Under Australian local rules, an answer is not required until the bond is posted in full.

WWA alleges that, among other things, the defendants in their various capacities: *i*) breached duties with respect to a written partnership agreement entered into between WWA and Jacobsen Platinum Pty Limited ("Platinum") and written employment agreements by the individual defendants; *ii*) breached an oral agreement entered into between Utsick on behalf of WWA and Jacobsen, on behalf of himself and Platinum; and *iii*) diverted and/or misappropriated partnership funds. The Complaint seeks declaratory relief, an accounting, damages, equitable compensation, a restitution order, costs, and interest.

More specifically, WWA alleges that on or about January 27, 2004, it entered into a written partnership agreement with Platinum. The name of the partnership is Jacobsen-Utsick Pty Ltd. ("JJU" or the "Partnership"). WWA and Platinum (together the "Partners") each possess fifty percent (50%) of the issued share capital of JJU. The Partnership was entered into for the purpose of carrying on the business of promoting, managing, and staging theatrical events, principally but not exclusively, in Australia and New Zealand.

The salient terms of the parties' agreement provided, among other things, that: (1) WWA and Platinum would use their reasonable endeavors to promote the Partnership and its business; (2) the Partnership Assets would consist of all intellectual property rights, interests, securities and other real and personal revenues or rights which the partners agreed would be acquired by

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<sup>24</sup> After the service of the Complaint it is standard under Australian Rules of Court for the defendants to file a Request for Particulars to which the Plaintiffs must respond.



the Partnership or which they would contribute to the Partnership, from time to time (the "Partnership Assets"); (3) JJU would hold all Partnership assets as agent for and on behalf of the Partners as tenants in common; (4) each partner would be just and faithful in their dealings with the other partner and would give a true account of same to the other partner; and (5) no partner could employ any of the Partnership Assets or any of the Partnership goods, effects or money, for any other reason other than on account of, and for the benefit of, the Partnership, unless the other partner consents otherwise (the "Partnership Agreement").

On or about the same date, three of the defendants entered into employment agreements with the Partnership: (1) Jacobsen, a director of JJU, was appointed and hired as Chief Executive Officer of JJU. Jacobsen is also a director of Platinum, the other partner of JJU; (2) Amber Lucy Jacobsen ("Amber") was hired as the manager of concerts and special events of JJU; and (3) Michael Aaron Jacobsen ("Michael") was hired as General Manager of JJU ("Jacobsen", "Amber" and "Michael" and their related entities shall hereafter be collectively referred to as the "Jacobsen Group").

As alleged in the Complaint, Platinum, Jacobsen, Amber and Michael engaged in and participated in various breaches of their fiduciary duties to JJU in relation to four main areas set forth as follows:

- **Dirty Dancing Agreement:**

WWA alleges that Platinum and WWA entered into an oral agreement with respect to a musical dramatic work based on the screenplay of the motion picture known as Dirty Dancing (the "Dirty Dancing Agreement"). Pursuant to the express terms of this oral agreement, Platinum agreed to use its best endeavors to procure for the account of and on behalf of JJU, a license to all rights necessary for the production and staging of the Dirty Dancing musical in Australia and

New Zealand. It was also agreed that Platinum and WWA would hold these rights in the same proportions as the other assets of the Partnership and that any benefit that accrued as a result of the exploitation of this musical, including sub-licensing rights, would be shared equally by Platinum and WWA.

Contrary to the oral agreement, Platinum did not procure the Dirty Dancing rights, including all licensing and sub-licensing rights for the benefit of the Partnership. Instead, Platinum acted in concert with other defendants, Time of My Life Pty Limited ("TOML"), Jacobsen, Amber, and Michael, and procured the Dirty Dancing rights for TOML, an entity controlled by Jacobsen, Amber and Michael, who are also the directors of TOML. TOML then allegedly sub-licensed certain of the Dirty Dancing rights to another defendant, Dirty Dancing Investments Pty Limited ("Investments"), which is also related to Jacobsen and Amber. Investments in turn sub-licensed these rights to another defendant, Dirty Dancing Asia Pacific ("Asia"), also a related entity.

Based upon information and belief, the Dirty Dancing musical produced revenues. WWA alleges that this was an opportunity that was to be procured on behalf of JJU pursuant to the parties' oral agreement and was actually WWA's inducement for entering into the written Partnership Agreement. In addition, WWA alleges that since Platinum was involved with this opportunity, then this was also an opportunity which belonged to the Partnership, by virtue of Platinum's relationship with and duties to the Partnership. The amount of revenues produced by the Dirty Dancing musical to-date and which allegedly belong to the Partnership, are not yet fully known. The Jacobsen Group's interests received substantial sums of money for the licensing and/or promotion of the musical in other parts of the world, including Germany and England for which damages are being sought.

- **De La Guarda:**

WWA alleges that between May and July 2004, JJU staged a series of performances by an acrobatic group known as "De La Guarda." De La Guarda was wholly financed by advances that Worldwide made to JJU. Unfortunately, for JJU, De La Guarda resulted in substantial losses for JJU and consequently, WWA and Worldwide. It is believed that Jacobsen and Platinum, who convinced Worldwide to fund De La Guarda, knew at all material times that De La Guarda would produce losses and that this would not be a successful project, but failed to disclose this to WWA and Worldwide. Pursuant to the Partnership Agreement, Jacobsen had the duty to properly monitor the financial performance of De La Guarda, take appropriate steps to prevent losses to the Partnership and inform WWA of the financial performance of De La Guarda. Jacobsen failed in all respects. The losses JJU sustained as result of De La Guarda are not yet fully known, but it is currently estimated to total over \$1 million of the monies WWA advanced toward this project. Moreover, money that was forwarded to the partnership for this event was misapplied by the Jacobsen Group which substantially increased the losses associated with the De La Guarda productions.

- **Misappropriation of JJU Funds:**

WWA alleges that between February and April 2004, Jacobsen caused at least \$389,103.90 to be disbursed from the assets of the Partnership for reasons unrelated to the Partnership but which instead were applied to Jacobsen's and/or Platinum's personal and private purposes, including the payment of pre-existing debts and/or personal expenses. In addition, Jacobsen and/or Platinum caused over \$150,000 to be withdrawn from the "Cindi Lauper" account in violation of the agreement relating thereto. These represent monies WWA advanced

toward the Partnership. WWA and/or JJU's losses in this regard thus total no less than \$539,103.90.

- Les Misérables:

WWA alleges that on or about March 15, 2004, Jacobsen asked that WWA advance the sum of A\$113,968.22 to JJU, representing that this sum would be utilized for the procurement of all intellectual property rights in a musical dramatic work known as Les Misérables for the benefit of JJU. WWA advanced the requested sum based on this representation. However, it was learned in discovery that the Jacobsen Group never acquired any rights to Les Misérables, but forwarded WWA's money to Cameron McIntosh for alleged payment of a pre-existing debt which arose prior to the formation of the partnership. WWA's and/or JJU's losses in this regard total at least A\$113,968.22, plus whatever revenues may have been produced from this dramatical work.

Since January, 2004, WWA has advanced over \$1,653,072.10 to JJU. These monies were to be applied to, and/or used for, Partnership purposes. Jacobsen and/or Platinum, together with some of the other defendants in the lawsuit, caused these monies to be diverted and/or withdrawn from the Partnership account. WWA and/or JJU's losses related to this misconduct totals no less than \$1,653,072.10, not including the deprivation of revenues and/or profits generated from the Dirty Dancing Agreement and Les Misérables.

On or about February 10, 2006, the parties obtained (by consent), an adjournment of the proceedings until March 10, 2006. On or about March 6, 2006, counsel for the parties are expected to report to the presiding Judge, whether or not they are committed to resolving the dispute between them and whether or not they have agreed to a mediator and a mediation date. As of the date of this Report, the parties have tentatively agreed to mediate their dispute in

Sydney, Australia on March 15, 2006. The Receiver and his professionals are planning on attending the mediation in order to make a good faith effort to resolve the disputes.

**ii) Michael Chugg/MCE Entertainment**

A few years ago, TEGFI and MCE Entertainment ("MCE") entered into an agreement wherein MCE granted to TEGFI the right of first refusal to participate in all events promoted by MCE.<sup>25</sup> Even though the term of this agreement expired, the parties continued to function under the agreement to date. Under the terms of this agreement, TEGFI advanced such things as artist deposits and MCE would, on its credit, pay for such things as advertising. At the conclusion of each event or tour, the parties were to share equally in all profits and losses. Over the past few years, the right of first refusal changed in that TEGFI participated in almost all events promoted by or in which MCE was involved.

Towards the later part of 2005, TEGFI was provided an accounting from MCE which reflected that TEGFI suffered substantial losses from shows co-promoted by TEGFI and MCE. Upon being provided the accounting, TEGFI hired an accountant to audit a representative sample of the show settlements and verify that each accurately reflected the results of the event. This audit uncovered that certain post-settlement items (such as ticket and artists rebates) were not properly credited to the events. Because of the length the relationship and the number of shows involved this figure amounted to approximately \$2 million (Australian) dollars.

The Receiver has been in contact with Chugg concerning the resolution of these issues and the proposed continued relationship of the Receivership Entities. The Receiver hopes an agreement to resolve these issues will be reached during the Receiver's upcoming trip to Sydney.

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<sup>25</sup> MCE is owned by Michael Chugg, a well known Australian promoter.

## 2. New Zealand

Worldwide, through Worldwide NZ, LLC ("WWNZ"), entered into a partnership to develop the Quay Park arena in Auckland, New Zealand with the Jacobsen Group. However, a dispute arose between the parties. Accordingly, 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.

The defendants filed their Statement of Defense on November 30, 2005. The plaintiffs filed an Amended Statement of Claim on December 12, 2005. The action is predicated on the filing of a derivative suit by Worldwide NZ and Utsick seeking leave of the court to bring an action for damages on behalf of Quay Park Arena Management Ltd. ("QPAM") against Jacobsen, Michael and Amber for various breaches of their fiduciary duties toward QPAM and WWNZ/Utsick.

As more fully detailed in the Amended Statement of Claim, in or about 2001, the Auckland City Council sought expressions of interest from persons capable of building, owning, and operating an indoor sports and entertainment arena. On or about November 18, 2001, Jacobsen, Michael and Amber and a related entity, Jacobsen Venue Management New Zealand Limited ("JVM") submitted a proposal and incorporated QPAM to serve as the corporate vehicle for the proposal. The Auckland City Council required an initial contribution of \$10 million to cover the development costs for the Arena and it required that QPAM satisfy that it had access to such funds by way of an equity contribution from shareholders in the sum of \$5 million and debt funding from shareholders of \$5 million.

Accordingly, Jacobsen, Michael and Amber via their related entity JVM: (1) entered into a ticketing agreement with a company called Ticketmaster7 Pty Ltd. ("Ticketmaster7") in which

Ticketmaster7 agreed to lend JVM \$5 million enabling it to contribute the required debt funding to QPAM. As consideration, JVM granted to Ticketmaster7 the right to act as the exclusive ticket selling agent at the Arena; and (2) solicited and obtained an agreement from Utsick (on behalf of WWNZ) to invest \$5 million in the Arena in exchange for, among other things, a twenty-five percent (25%) shareholder's interest in QPAM. This would allow QPAM to satisfy its required equity contribution from shareholders.

The ownership structure of QPAM was memorialized in a Unit Trust Deed<sup>26</sup> which provides that Jacobsen, Michael and Amber each possess twenty-five percent (25%) of the trust interests for a total of seventy-five percent (75%), while WWNZ holds a twenty-five percent (25%) interest. Pursuant to the Unit Trust Deed, certain decisions and/or expenditures can only be made with unanimous approval, including entering into any transaction which will involve the incurring of any expenditure or the disposal of any asset of the Trust (i.e., QPAM) in excess of NZD\$250,000.00.

As alleged in the Amended Statement of Claim, the defendants wrongfully entered into the ticketing agreement with Ticketmaster7 because they did so without disclosure to WWNZ. Specifically: (1) the defendants did not disclose to WWNZ 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 defendants, through their private dealings with Ticketmaster7, foreclosed any negotiations with a competitor called Ticketek Pty Limited ("Ticketek"), with whom QPAM might have obtained a more favorable deal; and (3) the defendants represented to WWNZ that they would not enter into any agreements, including a ticketing services agreement, without WWNZ's approval.

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<sup>26</sup> The Unit Trust Deed is entitled Jacobsen Venue Management New Zealand Limited and Jacobsen F.T. Pty Limited and Quay Park Arena Management Limited, Unit Trust Deed for the Quay Park Arena Management Trust. It is similar to a shareholders' agreement and spells out the directors/shareholders' rights and duties.

The Amended Statement of Claim alleges that as a result of the foregoing, the defendants (i.e. the Jacobsen directors of QPAM), breached their fiduciary duties to QPAM and WWNZ/Utsick by, among other things, preferring the Jacobsens' own interests over the interests of QPAM. According to the Amended Statement of Claim, the measure of possible damages to the plaintiffs is equal to the difference between the benefit QPAM obtained from the ticketing agreement with Ticketmaster<sup>7</sup> and the benefit they would have received if the ticketing agreement was between QPAM and Ticketek. It is currently estimated that the loss totals \$3.5 million. WWNZ/Utsick's investment totals \$3.5 million which represents their contribution to QPAM (i.e., monies contributed toward the purchase of their twenty-five percent (25%) interest in QPAM).

On February 3, 2006, the Court issued a discovery order ("Discovery Order") requiring both parties to submit a list of exhibits and the actual exhibits they intend to rely upon. The deadline to comply was February 24, 2006, but as of the date of this report, both parties intended to seek an enlargement of time to comply with the Discovery Order. In addition, it is common practice in these types of proceedings in Auckland, New Zealand, for the Judge to rule on the derivative suit based upon written witness statements (i.e., affidavits by fact witnesses and expert witnesses) and to forego a trial. While the parties requested a trial, it is possible that the court will decide the derivative suit (i.e., whether or not to permit the plaintiffs to bring a damages suit on behalf of QPAM against the Jacobsens), by proceeding strictly on the basis of sworn affidavits. The parties are currently required to submit their witness and expert affidavits by late April or May, 2006. The trial date (if a trial is held) is scheduled for July, 2006.

### 3. 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 210,000 pounds sterling. No dividends have been made to the partners since the inception of the venture.

#### **4. 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. 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. Because of various time constraints, the Receiver has not had the ability to contact the overseas principals of The Alternative as of the date of this report and will update the Court and creditors as soon as information is learned about this venture.

#### **5. 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 will update the Court and creditors as more information is learned.

**IV. Miscellaneous Investments****A. 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. Eventually, the Receiver expects to sell these condominiums.

**B. Joe Zada Investment**

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. In consideration for said funds, Zada signed two demand promissory notes: one for \$1 million and one for \$500,000. Zada never obtained the letter of credit and has not repaid the money Worldwide advanced.<sup>27</sup> The Receiver is currently in negotiations with Zada's counsel to attempt to arrange for the payment of the notes.

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<sup>27</sup> Zada is however paying interest on the principal.

**C. Michele Pommier Model Management, LLC**

In September, 2004, Utsick invested \$850,000 from Worldwide in Michele Pommier Model Management, LLC, a company that manages models.<sup>28</sup> 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. The Receiver is at the preliminary stages of his examination of this investment and will provide additional information about this investment in future reports.

**D. Marvana Day Spa**

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.

**E. 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

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<sup>28</sup> 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.

(20%) of "Marina Partners Ltd", an Antiguan corporation that was going 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 and which resulted in the club being turned back 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.

#### **F. Omega Records**

The Receivership Entities own a company called Omega Records. It has agreements with three upstart artists – Zasha, The Goods and Candice. The value of the Receivership Entities' investment in Omega, if any, is unknown as of the date of this report and the Receiver will update creditors when such information is known.

#### **G. Financial Accounts**

##### **1. Bank Accounts**

Since his appointment, the Receiver located numerous bank accounts in the names of the Receivership Entities and their affiliates and has taken steps to secure any remaining funds. Below is a list of banks at which Worldwide and TEGFI held accounts and the funds which have been seized and which are presently in the possession of the Receiver.

<u>Bank</u>	<u>Account Name</u>	<u>Amount</u>
Mercantile Bank	Worldwide Entertainment, Inc.	\$ 6,773,126.72
National Australia Bank	Worldwide New Zealand	\$ 2,381,339.93
RBC Centura	Worldwide New Zealand	\$ 5,936.53
RBC Centura	The Entertainment Group Fund	\$ 2,959.65

RBC Centura	Omega Records	\$ 22,598.24
First Union	Receiver's Trust Account	\$ 1,326,207.18

## 2. Brokerage Accounts

In the course of his investigation, the Receiver discovered that Worldwide maintained several brokerage accounts where some investors' funds were traded in an apparent effort to generate profit for the Receivership Entities to fund repayments to investors. To date, the receiver has identified accounts at the following brokerage firms:

	<u>Firm Name</u>	<u>Account Holder</u>
a)	GunnAllen Financial	The Entertainment Group Fund (multiple accounts)
b)	Merrill Lynch Pierce Fenner & Smith	The Entertainment Group Fund
c)	Merrimac Corporate Securities Group, Inc.	The Entertainment Group Fund
d)	Sands Brothers & Co, Ltd.	The Entertainment Group Fund
e)	Wall St. Access	The Entertainment Group Fund
f)	UBS Financial Services	Jack Utsick Presents

The Receiver has frozen the brokerage accounts at the firms identified above and, to date, has recovered approximately \$1.35 million (currently held in the Receiver's Trust Account) from GunnAllen Financial, which appears to be the firm at which the most active trading occurred.

In addition to the Receiver's efforts to locate and secure the receivership Entities' brokerage accounts, the Receiver commenced an investigation to determine whether any colorable claims exist against any of the broker-dealers where Worldwide maintained accounts. For example, the Receiver learned that in the accounts at GunnAllen Financial, TEGFI engaged in aggressive trading of, in some cases, extremely speculative equities and mutual funds,

including the trading of options. Additionally, the Receiver learned that much of this trading was on "margin," meaning that funds were borrowed from the brokerage firms, thereby causing the accounts to be highly leveraged and incurring substantial margin (interest) charges.

This trading strategy resulted in losses in an amount the Receiver believes may be between \$15 to \$20 million. The Receiver is in the process of gathering the relevant trading data, including account statements, confirmations, new account forms and correspondence, enabling him to analyze whether potential claims exist. The Receiver's investigation into this trading activity is in its early stages and he is therefore unable to state the exact amount lost or whether any action can or will be taken against any of the brokerage firms.

#### V. Claims Process<sup>29</sup>

The first step in the claims process is notification of affected persons. Notification is accomplished by conducting a mass mailing to all known investors and creditors (the "Claimant(s)"). The Receiver will utilize contact information derived from Worldwide's, TEGFI's and Pilot Holdings' books and records to mail each potential Claimant a letter (the "Claims Letter") explaining the claims process. Included with that same mailing is a standardized form that Claimants may use to detail their payments to and the payments received from the subject entity.

The primary purpose of the Claims Letter is to explain exactly what the Receiver recognizes as a valid claim. Specifically, the Receiver only recognizes claims based on a net loss formula. The Receiver calculates net loss by taking the Claimant's total net cash payments (*i.e.*, interest, dividends, principal or withdrawals) to the subject receivership entity and subtracting total net cash receipts from the subject receivership entity. For example, if a Claimant invested a

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<sup>29</sup> The Receiver includes this section simply to explain to creditors the claims process. The Receiver reminds creditors again that his examination is not complete and it is impossible to determine at this point what, if any, losses will be incurred.

total of \$10,000 with the subject entity and received no payments in return, the Claimant's allowed claim would be \$10,000. If the same Claimant received \$2,000 in payments, the Claimant's allowed claim would be \$8,000. If the Claimant received more than \$10,000 in payments, the Claimant would not have a net loss claim. This is the claims process utilized by the Receiver in numerous other cases and approved by many District Court judges in the Southern District of Florida.<sup>30</sup>

Included in the Claims Letter is a requirement that each Claimant produce back-up documentation supporting their claim. Back-up documentation will vary depending on the nature of the contract between the Claimant and the subject entity, however, it is the Receiver's position that cancelled checks provide the most reliable form of evidence that claimed payments to the subject entity were actually received and deposited by the subject entity.

In the event the Receiver is unable to obtain current or accurate contact information for all potential Claimants, publication of pendency of proceeding in the communities in which potential Claimants likely reside is a viable substitute for direct mail notification. Once those communities have been identified, the Receiver places an advertisement in the legal notice section of the target community's most widely circulated newspaper.<sup>31</sup> Another form of substitute notification is the internet informational website.<sup>32</sup> The Receiver establishes a website address that is designed to be easily located using commonly available and well known search

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<sup>30</sup> See *Securities and Exchange Commission v. Latin American Services Co. Ltd.*, Case No. 99-2360-CIV-Ungaro-Benages; *Securities and Exchange Commission v. Discovery Capital, Inc.*, USDC Southern District of Florida Case No. 02-60363-CIV-Huck; *SEC v. A.B. Financing and Investments, Inc.*, USDC Southern District of Florida Case No. 02-23487-CIV-Ungaro-Benages; *Securities and Exchange Commission v. Ware Enterprises and Investments, Inc.*, USDC Middle District of Florida Case No. 6:04-CIV-112-ORL-18JGG; *Securities and Exchange Commission v. Par Three Financial, Inc.*, USDC Southern District of Florida Case No.: 05-80779-CIV-Hurley/Johnson.

<sup>31</sup> The Receiver typically posts advertisements for two weeks.

<sup>32</sup> As set forth above, the Receiver has already established a website in this case ([www.entertainmentgroupinfo.com](http://www.entertainmentgroupinfo.com)).



engines like Google and Yahoo. The website is utilized to provide Claimants with everything from answers to frequently asked questions to printable standardized claim forms.

Once the Receiver completes his efforts to notify all potential Claimants affected by the proceedings, he will file a motion with the Court to establish a claims bar date beyond which no claim will be recognized by the Receiver. The Receiver recommends a claims bar date by taking into account such factors as the Claimant's need for a sufficient opportunity to assemble supporting documents and submit their claims; the overall size of the class of potential Claimants; and the need of certain members of the class to receive a timely distribution of funds for immediate financial support.


During the claims period and after the claims bar date expires, the Receiver verifies claims by comparing each Claimant's submission to the subject entity's books and records. In the event of a dispute, the Receiver will file a motion with the Court to establish a claims objection procedure whereby individual Claimants are given an opportunity to file objections to the Receiver's findings with respect to their claim and, if necessary, have a hearing held on their objections.

Once the Receiver verifies claims and is in a position to make a Court authorized distribution, he will calculate each Claimant's pro-rata share of the funds available for distribution. A pro-rata distribution ensures that each Claimant will be paid the exact same percentage on his or her claim as all other Claimants. Thus, if the Receiver has \$100,000 to distribute and there are a total of two Claimants, one with a \$100,000 claim and the other with a \$300,000 claim, the Claimant with the \$100,000 claim will receive \$25,000 while the Claimant with the \$300,000 claim will receive \$75,000. Consequently, both Claimants receive twenty-five percent (25%) of their claim.

**VI. Conclusion**

The Receiver notes that the Receivership Entities have certain assets which could form the basis of a reorganized company; however, at this point, it is too early to tell if a reorganization is possible or in the creditors' best interest. For the time being, the Receiver continues to operate the Receivership Entities for the purpose of preserving their value. The Receiver will work diligently to complete his investigation and will seek the Court's authorization prior to making any major decision as to the Receivership Entities' future. The Receiver will continue to file reports to update the Court and creditors as his examination progresses.

Respectfully submitted,



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

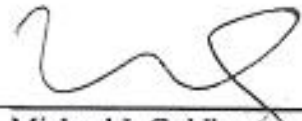
**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of Receiver, Michael I. Goldberg's, Initial Report Concerning the Condition of The Entertainment Group Fund, Inc. and Worldwide Entertainment, Inc. was sent via hand-delivery to Russell L. Forkey, Esquire, 2888 East Oakland Park Boulevard, Fort Lauderdale, Florida 33306 and Richard A. Serafini, Esquire, Greenberg Traurig, P.A., 1401 East Las Olas Blvd., Suite 2000, Fort Lauderdale, Florida 33301.

**AKERMAN SENTERFITT**

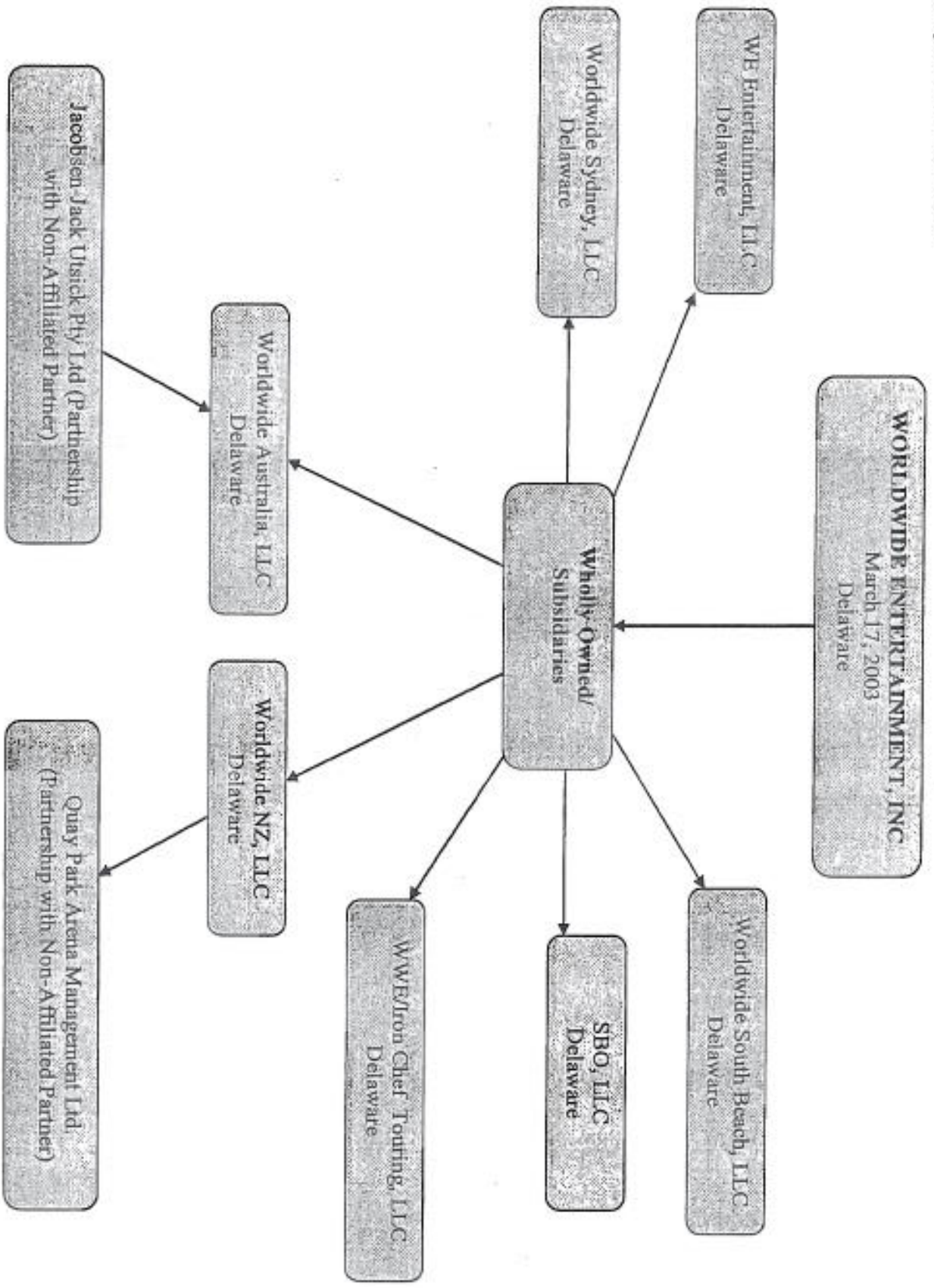
Attorneys for Receiver  
Las Olas Centre II, Suite 1600  
350 East Las Olas Blvd.  
Fort Lauderdale, Florida 33301  
Telephone: (954) 463-2700  
Facsimile: (954) 463-2224  
Email: michael.goldberg@akerman.com

By: \_\_\_\_\_

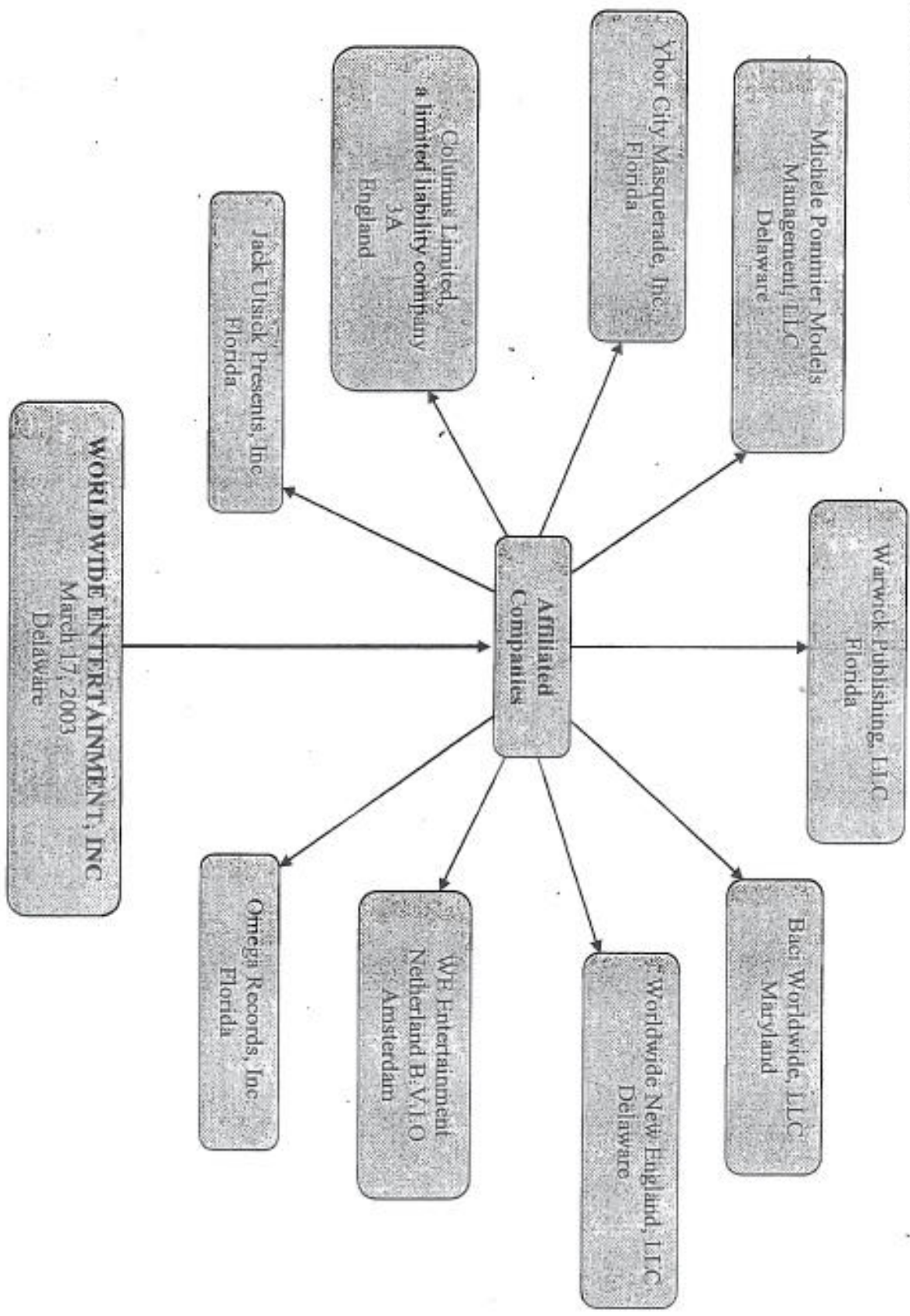
  
Michael I. Goldberg  
Florida Bar No. 886602



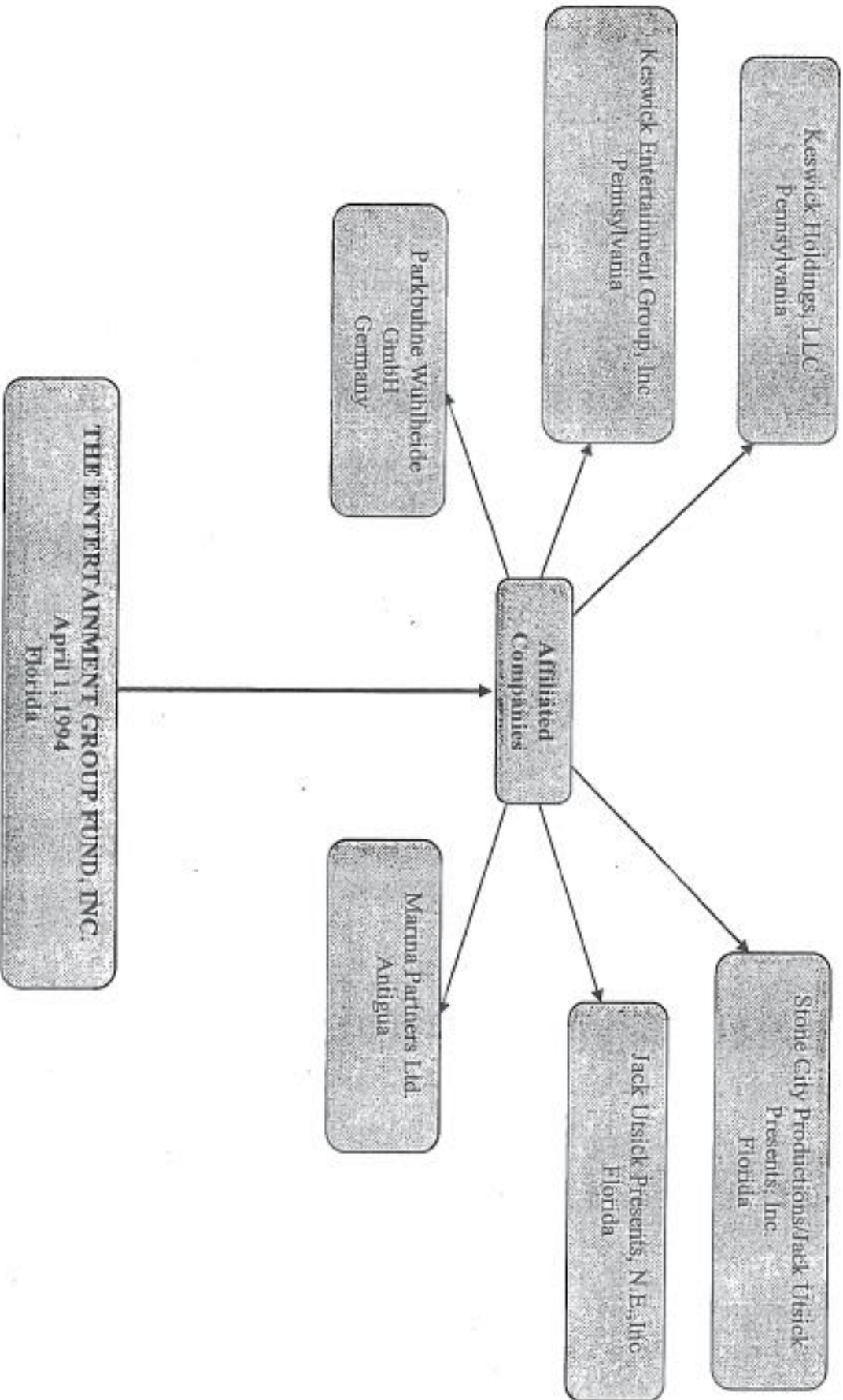
**Worldwide Structure**  
Wholly Owned/ Subsidiaries



**Worldwide Structure**  
**Affiliated Companies**



**The Entertainment Group Fund, Inc. Structure**  
Affiliated Companies







**WORLDWIDE ENTERTAINMENT MIAMI OFFICE SHOWS 2005**

<u>DATE</u>	<u>ARTIST</u>	<u>VENUE</u>	<u>CITY</u>	<u>STATE</u>	<u>CAPACITY</u>
February 2, 2005	Charlie Murphy	Royal Oak Music Theatre	Royal Oak	MI	1,000
	Charlie Murphy	Royal Oak Music Theatre	Royal Oak	MI	1,000
February 8, 2005	Duran Duran	Coliseo de Puerto Rico	San Juan	PR	11,404
February 10, 2005	Chingy	Royal Oak Music Theatre	Royal Oak	MI	-
February 14, 2005	Motley Crue	Coliseo de Puerto Rico	San Juan	PR	12,585
February 18, 2005	Carmina Burana	Coliseo de Puerto Rico	San Juan	PR	-
February 23, 2005	Soufly	Royal Oak Music Theatre	Royal Oak	MI	1,700
February 23, 2005	Alicia Keys	Township Auditorium	Columbia	SC	2,308
February 27, 2005	Alicia Keys		Augusta	GA	2,086
March 4, 2005	Usher	Coliseo de Puerto Rico	San Juan	PR	14,014
March 5, 2005	Usher	Coliseo de Puerto Rico	San Juan	PR	13,546
March 5, 2005	Juanes	Taj Mahal	Atlantic City	NJ	4,456
March 10, 2005	Havana Nights	UM Convocation Center	Miami	FL	5,436
March 16, 2005	Juanes	Northrop Auditorium	Minneapolis	MN	4,748
March 19, 2005	Juanes	Detroit Opera House	Detroit	MI	2,817
March 19, 2005	Charlie Murphy	Keswick Theatre	Glenside	PA	1,366
	Charlie Murphy	Keswick Theatre	Glenside	PA	1,366
March 19, 2005	Nelly	State Theatre	Cleveland	OH	2,984
March 20, 2005	Nelly	Fox Theatre	Detroit	MI	4,834
March 25, 2005	Slipknot	UNO Lakefront Arena	New Orleans	LA	5,224
March 25, 2005	Alicia Keys	Fox Theatre	Detroit	MI	-
March 26, 2005	Alicia Keys	Fox Theatre	Detroit	MI	-
March 26, 2005	Maroon 5	Osceola Park	Orlando	FL	6,890
March 30, 2005	Nelly	Roberts Stadium	Evansville	IN	-
March 31, 2005	Nelly	Memorial Hall	Kansas City	MO	-
April 2, 2005	Bob Weir	Royal Oak Music Theatre	Royal Oak	MI	1,700
April 3, 2005	Nelly	Savvis Center	St Louis	MO	11,550
April 7, 2005	Nelly	Northrop Auditorium	Minneapolis	MN	4,693
April 8, 2005	Nelly	Arie Crown Theatre	Chicago	IL	4,249
April 9, 2005	Nelly	Dow Events Center	Saginaw	MI	5,869
April 11, 2005	Motley Crue	Iowa Events Center	Des Moines	IA	9,641
April 12, 2005	Nelly	Harbor Yard	Bridgeport	CT	5,689
April 14, 2005	Nelly	Tsongas Arena	Lowell	MA	5,559
April 15, 2005	Nelly	Madison Square Garden	New York	NY	5,365
April 16, 2005	Motley Crue	CenturyTel Arena	Bossier City	LA	11,619
April 16, 2005	Nelly	Liacouras Center	Philadelphia	PA	7,158
April 21, 2005	Nelly	Civic Center	Atlanta	GA	4,690
April 22, 2005	Mike Epps	Ovens Auditorium	Charlotte	NC	2,603
April 23, 2005	Mike Epps	Palace Theatre	Albany	NY	2,844
April 28, 2005	King Diamond	Royal Oak Music Theatre	Royal Oak	MI	1,700
April 28, 2005	Lionel Richie	Coliseo de Puerto Rico	San Jose	CA	7,345
April 30, 2005	Motley Crue	Kansas Coliseum	Wichita	KS	11,638
May 10, 2005	Snoop and Game	Civic Center	Atlanta	GA	7,100
May 10, 2005	Nelly	Budweiser Events Center	Ft. Collins	CO	5,474
May 12, 2005	Nelly	Dodge Theater	Phoenix	AZ	-
May 13, 2005	Nelly	Universal Amphitheater	Los Angeles	CA	5,466
May 15, 2005	Nelly	SJ State Event Center	San Jose	CA	-
May 16, 2005	Nelly	Memorial Auditorium	Sacramento	CA	3,855
May 18, 2005	Nelly	Rabobank Arena	Bkersfield	CA	5,361
May 21, 2005	Nelly	Aladdin Theatre	Vegas	NV	5,833
May 24, 2005	Paulina Rubio	Royal Oak Music Theatre	Royal Oak	MI	1,700
June 16, 2005	Better Than Ezra	Royal Oak Music Theatre	Royal Oak	MI	-
June 17, 2005	Rodney Carrington	Germain Arena	Estero	FL	3,690

June 24, 2005	Mike Epps	Bob Hope Theatre	Stockton	CA	2,046
June 25, 2005	Mike Epps	4th & B	San Diego	CA	1,300
July 2, 2005	Mike Epps	Aladdin Theatre	Las Vegas	NV	5,500
July 2, 2005	La Ley	UM Convocation Center	Miami	FL	3,166
July 6, 2005	Nelly	Roberts Stadium	Evansville	IN	6,345
July 7, 2005	Nelly	Peoria Civic Center	Peoria	IL	-
July 7, 2005	La Ley	Anfiteatro Tito Puente	San Juan	PR	4,000
	Mike Epps	Rialto Theatre	Atlanta	GA	-
July 9, 2005	Mike Epps	Rialto Theatre	Atlanta	GA	Private show
July 12, 2005	Rock Never Stops	Canton Mem Civic Center	Canton	OH	5,000
July 15, 2005	Mike Epps	Moran Theatre	Jacksonville	FL	2,934
July 16, 2005	Mike Epps	Bass Hall	Ft. Worth	TX	2,050
					2,050
July 19, 2005	Whitesnake	Royal Oak Music Theatre	Royal Oak	MI	1,700
July 20, 2005	Les Claypool	Royal Oak Music Theatre	Royal Oak	MI	1,700
August 6, 2005	ZZ Top	Mesker Amphitheatre	Evansville	IN	5,000
August 7, 2005	Common	The Masquarade	Tampa	FL	1,300
August 10, 2005	Mushroomhead	The Masquarade	Atlanta	GA	818
August 13, 2005	Mushroomhead	The Masquarade	Tampa	FL	1,044
August 21, 2005	Motley Crue	Verizon Wireless Arena	Manchester	NH	8,469
August 26, 2005	Carlos Vives	Patriot Center	Fairfax	VA	5,831
August 28, 2005	Carlos Vives	Agganis Arena	Boston	MA	6,070
September 13, 2005	Motley Crue	TD Waterhouse Center	Orlando	FL	10,880
September 14, 2005	Journey	Coliseo de Puerto Rico	San Juan	PR	6,810
September 17, 2005	Mike Epps	Gibson Amphitheatre	Los Angeles	CA	-
September 20, 2005	Carlos Vives	Detroit Opera House	Detroit	MI	2,821
September 23, 2005	Carlos Vives	Taj Mahal	Atlantic City	NJ	5,092
October 7, 2005	Daddy Yankee	American Airlines Arena	Miami	FL	10,634
October 8, 2005	Mike Epps	Fox Theatre	St Louis	MO	4,152
October 15, 2005	Black Label Society	Club Cinema	Pompano	FL	2,500
October 15, 2005	Megadeth	Coliseo de Puerto Rico	San Juan	PR	7,394
October 16, 2005	Steve Hackett	Royal Oak Music Theatre	Royal Oak	MI	1,000
October 22, 2005	Luis Miguel	Taj Mahal	Atlantic City	NJ	3,393
October 25, 2005	Luis Miguel	Patriot Center	Fairfax	VA	5,867
October 28, 2005	Mike Epps	Nokia Theatre	New York	NY	1,670
October 29, 2005	Mike Epps	Nokia Theatre	New York	NY	-
November 2, 2005	Fire of Anatolia	Chicago Theater	Chicago	IL	3,553
November 2, 2005	HIM	The Masquarade	Atlanta	GA	1,000
November 4, 2005	Mike Epps	Palace Theater	Cleveland	OH	2,716
November 5, 2005	HIM	Jannus Landing	Tampa	FL	1,500
November 5, 2005	Mike Epps	Constitution Hall	Washington	DC	3,500
November 6, 2005	Fire of Anatolia	Madison Square Garden	New York	NY	5,235
November 11, 2005	Mike Epps	State Theater	Minneapolis	MN	2,200
November 11, 2005	Riverdance	Moran Theater	Jacksonville	FL	14,830
November 12, 2005	Riverdance	Moran Theater	Jacksonville	FL	-
November 13, 2005	Riverdance	Moran Theater	Jacksonville	FL	-
November 12, 2005	Mike Epps	Louisville Palace	Louisville	KY	2,715
November 18, 2005	Journey	Big Sandy Arena	Huntington	WV	8,021
November 19, 2005	Bauhaus	Royal Oak Music Theatre	Royal Oak	MI	1,700
November 20, 2005	Jon Anderson	Royal Oak Music Theatre	Royal Oak	MI	1,700
November 26, 2005	Bauhaus	Club Cinema	Pompano	FL	2,500
November 26, 2005	Journey	Canton Civic Center	Canton	OH	5,108
November 30, 2005	Aerosmith/Kravitz	Pepsi Arena	Albany	NY	9,906
December 1, 2005	KC & Sunshine Band	Coliseo de Puerto Rico	San Juan	PR	6,017

December 8, 2005	Donovan	Royal Oak Music Theatre	Detroit	MI	1,000
December 11, 2005	Kenny Rogers	Eastern Kentucky Expo Center	Pikeville	KY	5,697
December 14, 2005	Motley Crue	Blaisdell Arena	Honolulu	HI	6,705
December 18, 2005	Dark Star Orchestra	Royal Oak Music Theatre	Royal Oak	MI	1,700
December 19, 2005	Kenny Rogers	Canton Civic Center	Canton	OH	5,062
December 31, 2005	Lynyrd Skynyrd	Eastern Kentucky Expo Center	Pikeville	KY	6,801
December 31, 2005	Mike Epps	Arie Crown Theatre	Chicago	IL	8,498

JUP NORTHEAST SHOWS 2005					
DATE	ARTIST	VENUE	CITY	STATE	CAPACITY
January 7, 2005	Marc Cohn	Whitaker Performing Arts Ctr.	Harrisburg	PA	660
January 12, 2005	BB King	Keswick Theatre	Philadelphia	PA	1,366
January 12, 2005	Jonny Lang	Forum Theatre	Harrisburg	PA	698
January 7, 2005	Comedy Night	Dennis Flyer Theater	Blackwood	NJ	650
January 14, 2005	Jonny Lang	Scottish Rite Auditorium	Collingswood	NJ	1,024
January 20, 2005	Brad Paisley	Sovereign Performing Arts Ctr.	Reading	PA	1,790
January 21, 2005	Jane Monheit	Dennis Flyer Theater	Blackwood	NJ	650
January 21, 2005	Oak Ridge Boys	Scottish Rite Auditorium	Collingswood	NJ	1,024
January 28, 2005	Marshall Tucker	Keswick Theatre	Philadelphia	PA	1,366
January 29, 2005	Gregg Allman	Keswick Theatre	Philadelphia	PA	1,366
January 29, 2005	Manhattans	Dennis Flyer Theater	Blackwood	NJ	650
January 30, 2005	Gladys Knight	Keswick Theatre	Philadelphia	PA	1,366
February 3, 2005	Marcia Ball/D. Koz	Dennis Flyer Theater	Blackwood	NJ	650
February 10, 2005	Frankie Valli	Keswick Theatre	Philadelphia	PA	1,366
February 10, 2005	Lonestar	Lowell Auditorium	Lowell	MA	2,862
February 11, 2005	Frankie Valli	Kirby Center	Scranton	PA	1,813
February 11, 2005	Lonestar	Ritacco Center	Toms River	NJ	2,298
February 16, 2005	Frankie Valli	Palace Theatre	Greensburg	PA	1,320
February 17, 2005	Phil Vassar	Keswick Theatre	Philadelphia	PA	1,366
February 17, 2005	Toby Lightman	Ritz Theater	Camden	NJ	2,761
February 18, 2005	Aaron Carter	Keswick Theatre	Philadelphia	PA	1,366
February 18, 2005	Frankie Valli	Warner Theater	Erie	PA	2,200
February 18, 2005	Jefferson Airplane	Scottish Rite Auditorium	Collingswood	NJ	1,024
February 19, 2005	Frankie Valli	Community Arts Center	Williamsport	PA	2,151
February 19, 2005	Oldies Show	Unknown	Camden County	PA	
February 20, 2005	Frankie Valli	Forum Theatre	Harrisburg	PA	698
February 20, 2005	Funk Brothers	Keswick Theatre	Philadelphia	PA	1,366
February 26, 2005	Bjorn Again	Keswick Theatre	Philadelphia	PA	1,366
March 3, 2005	Rockapella	Dennis Flyer Theater	Blackwood	NJ	650
March 4, 2005	Tower of Power	Keswick Theatre	Philadelphia	PA	1,366
March 5, 2005	Tower of Power	Keswick Theatre	Philadelphia	PA	1,366
March 5, 2005	Finn Brothers	Whitaker Performing Arts Ctr.	Harrisburg	PA	660
March 13, 2005	Hal Roach	Keswick Theatre	Philadelphia	PA	1,366
March 17, 2005	Floydfeet	Keswick Theatre	Philadelphia	PA	1,366
March 19, 2005	Charlie Murphy	Keswick Theatre	Philadelphia	PA	1,366
March 19, 2005	Charlie Murphy	Keswick Theatre	Philadelphia	PA	1,366
March 22, 2005	Indigo Girls	Scottish Rite Auditorium	Collingswood	NJ	1,024
March 31, 2005	Annie Haslam	Whitaker Performing Arts Ctr.	Harrisburg	PA	660
April 1, 2005	Annie Haslam	Scottish Rite Auditorium	Collingswood	NJ	1,024
April 3, 2005	Lonestar	Unknown	State College	PA	
April 7, 2005	Jonny Lang	Keswick Theatre	Philadelphia	PA	1,366
April 8, 2005	Derek Trucks	Dennis Flyer Theater	Blackwood	NJ	650
April 9, 2005	Jonatha Brooks	Dennis Flyer Theater	Blackwood	NJ	650
April 13, 2005	Natalie Cole	Keswick Theatre	Philadelphia	PA	1,366
April 14, 2005	Lee Ann Womack	Keswick Theatre	Philadelphia	PA	1,366
April 15, 2005	Richie Havens	Ritz Theater	Camden	NJ	2,761
April 20, 2005	Smokey Robinson	Keswick Theatre	Philadelphia	PA	1,366
April 21, 2005	Joe Jackson	Forum Theatre	Harrisburg	PA	698
April 24, 2005	Damon Wayans	Forum Theatre	Harrisburg	PA	698
April 25, 2005	Ani DiFranco	Keswick Theatre	Philadelphia	PA	1,366
April 26, 2005	Ani DiFranco	Keswick Theatre	Philadelphia	PA	1,366

April 30, 2005	Beach Boys	Keswick Theatre	Philadelphia	PA	1,366
May 1, 2005	My Mother's Italian	Keswick Theatre	Philadelphia	PA	1,366
May 21, 2005	Gipsy Kings	Mann Center for the Perf. Arts	Philadelphia	PA	14,000
May 22, 2005	Allison Krauss	Mann Center for the Perf. Arts	Philadelphia	PA	14,000
May 26, 2005	Billy Idol	Sovereign Performing Arts Ctr.	Reading	PA	1,821
June 4, 2005	BB King	Mann Center for the Perf. Arts	Philadelphia	PA	14,000
June 8, 2005	MC Carpenter	Keswick Theatre	Philadelphia	PA	1,366
June 13, 2005	Aimee Mann	Whitaker Performing Arts Ctr.	Harrisburg	PA	660
June 17, 2005	John Prine	Keswick Theatre	Philadelphia	PA	1,366
June 18, 2005	John Prine	Warner Theater	Washington	DC	1,847
June 22, 2005	Al Jarreau	Mann Center for the Perf. Arts	Philadelphia	PA	14,000
June 23, 2005	Kenny W. Shepherd	Forum Theatre	Harrisburg	PA	698
June 24, 2005	Lynyrd Skynyrd	Mann Center for the Perf. Arts	Philadelphia	PA	14,000
June 25, 2005	Mark Knopfler	Mann Center for the Perf. Arts	Philadelphia	PA	14,000
June 30, 2005	Pat Benatar	Sovereign Performing Arts Ctr.	Reading	PA	1,790
July 15, 2005	John Prine	Palace Theatre	Albany	NY	2,844
July 16, 2005	Michael McDonald	Mann Center for the Perf. Arts	Philadelphia	PA	14,000
July 20, 2005	Rock Never Stops	Wicominco Center	Salisbury	MD	6,892
July 22, 2005	Rock Never Stops	Wachovia Arena	Wilkes-Barre	PA	10,500
July 22, 2005	Asleep at the Wheel	Whitaker Performing Arts Ctr.	Harrisburg	PA	660
July 22, 2005	Ani DiFranco	Sovereign Performing Arts Ctr.	Reading	PA	1,821
July 23, 2005	Rock Never Stops	Augusta Civic Center	Augusta	ME	8,000
July 23, 2005	Whitesnake	Sovereign Performing Arts Ctr.	Reading	PA	1,821
July 26, 2005	Tom Jones	Sovereign Performing Arts Ctr.	Reading	PA	1,790
July 30, 2005	Ani DiFranco	Community Arts Center	Williamsport	PA	2,151
July 30, 2005	Rock Never Stops	Sovereign Performing Arts Ctr.	Reading	PA	9,641
July 31, 2005	Rippingtons	Whitaker Performing Arts Ctr.	Harrisburg	PA	660
August 2, 2005	Johnny Clegg	Keswick Theatre	Philadelphia	PA	1,366
August 3, 2005	John Hiatt	Keswick Theatre	Philadelphia	PA	1,366
August 3, 2005	Nanci Griffith	Whitaker Performing Arts Ctr.	Harrisburg	PA	660
August 4, 2005	Lucinda Williams	Mann Center for the Perf. Arts	Philadelphia	PA	14,000
August 9, 2005	Kenny Rogers	Mann Center for the Perf. Arts	Philadelphia	PA	14,000
August 10, 2005	Rock Never Stops	Palace Theatre	Albany	NY	2,844
August 10, 2005	ZZ Top	Sovereign Center	Reading	PA	9,641
August 11, 2005	Rock Never Stops	Shea Performing Arts Center	Buffalo	NY	3,028
August 11, 2005	Crosby, Stills & Nash	Sovereign Performing Arts Ctr.	Reading	PA	1,790
August 12, 2005	Bela Fleck	Mann Center for the Perf. Arts	Philadelphia	PA	14,000
August 12, 2005	Huey Lewis	Sovereign Performing Arts Ctr.	Reading	PA	1,821
August 16, 2005	Brian Wilson	Mann Center for the Perf. Arts	Philadelphia	PA	14,000
August 18, 2005	Gordon Lightfoot	Keswick Theatre	Philadelphia	PA	1,366
August 19, 2005	Gordon Lightfoot	Sovereign Performing Arts Ctr.	Reading	PA	1,821
August 20, 2005	Dolly Parton	Mann Center for the Perf. Arts	Philadelphia	PA	14,000
August 23, 2005	Joan Armatrading	Keswick Theatre	Philadelphia	PA	1,366
August 23, 2005	ZZ Top	Sovereign Bank Arena	Trenton	NJ	10,500
August 25, 2005	Al Green	Mann Center for the Perf. Arts	Philadelphia	PA	14,000
August 27, 2005	Gigantour	Sovereign Performing Arts Ctr.	Reading	PA	1,790
August 30, 2005	Bruce Hornsby	Mann Center for the Perf. Arts	Philadelphia	PA	14,000
August 31, 2005	John Hiatt	Sovereign Performing Arts Ctr.	Reading	PA	1,790
September 23, 2005	Madeline Peyroux	Keswick Theatre	Philadelphia	PA	1,366
September 27, 2005	Porcupine Tree	Keswick Theatre	Philadelphia	PA	1,366
September 30, 2005	Dar Williams	Keswick Theatre	Philadelphia	PA	1,366

October 1, 2005	Travis Tritt	Keswick Theatre	Philadelphia	PA	1,366
October 6, 2005	Bjorn Again	Scottish Rite Auditorium	Collingswood	NJ	1,024
October 10, 2005	Jethro Tull	Keswick Theatre	Philadelphia	PA	1,366
October 11, 2005	Jethro Tull	Keswick Theatre	Philadelphia	PA	1,366
October 13, 2005	Steve Hackett	Keswick Theatre	Philadelphia	PA	1,366
October 19, 2005	Vince Gill	Keswick Theatre	Philadelphia	PA	1,366
October 20, 2005	Joan Baez	Whitaker Performing Arts Ctr.	Harrisburg	PA	660
October 21, 2005	Joan Baez	Keswick Theatre	Philadelphia	PA	1,366
October 22, 2005	Outlaws	Keswick Theatre	Philadelphia	PA	1,366
October 23, 2005	Buddy Guy	Scottish Rite Auditorium	Collingswood	NJ	1,024
October 24, 2005	Nanci Griffith	Keswick Theatre	Philadelphia	PA	1,366
October 27, 2005	Leann Rimes	Wicominco Center	Salisbury	MD	6,892
October 28, 2005	Leann Rimes	Sovereign Performing Arts Ctr.	Reading	PA	9,641
October 28, 2005	Van Helsing's Curse	Keswick Theatre	Philadelphia	PA	1,366
October 29, 2005	Dr John	Scottish Rite Auditorium	Collingswood	NJ	1,024
October 29, 2005	Richard Thompson	Keswick Theatre	Philadelphia	PA	1,366
November 2, 2005	Trisha Yearwood	Keswick Theatre	Philadelphia	PA	1,366
November 11, 2005	Derek Trucks	Keswick Theatre	Philadelphia	PA	1,366
November 17, 2005	Aimee Mann	Keswick Theatre	Philadelphia	PA	1,366
November 17, 2005	India.Arie	Scottish Rite Auditorium	Collingswood	NJ	1,024
November 17, 2005	Alison Krauss	Bryce Jordan Center	State College	PA	15,000
November 17, 2005	Big & Rich	Sovereign Performing Arts Ctr.	Reading	PA	1,790
November 18, 2005	Shawn Colvin	Scottish Rite Auditorium	Collingswood	NJ	1,024
November 22, 2005	Hot Tuna	Whitaker Performing Arts Ctr.	Harrisburg	PA	660
November 23, 2005	Hot Tuna	Keswick Theatre	Philadelphia	PA	1,366
November 23, 2005	The Machine	Whitaker Performing Arts Ctr.	Harrisburg	PA	660
November 25, 2005	Beach Boys	Forum Theatre	Harrisburg	PA	698
November 26, 2005	Oldies Show	Ritacco Center	Toms River	NJ	2,298
November 26, 2005	Rockapella	Keswick Theatre	Philadelphia	PA	1,366
December 1, 2005	Roches	Scottish Rite Auditorium	Collingswood	NJ	1,024
December 2, 2005	Donovan	Keswick Theatre	Philadelphia	PA	1,366
December 3, 2005	Barenaked Ladies	Commerce Bank Center	Sewell	NJ	2,500
December 3, 2005	Beach Boys	Ritacco Center	Toms River	NJ	2,298
December 8, 2005	Kenny Rogers	Ritacco Center	Toms River	NJ	2,298
December 9, 2005	Kenny Rogers	Sovereign Performing Arts Ctr.	Reading	PA	1,790
December 10, 2005	Blackmore's Night	Scottish Rite Auditorium	Collingswood	NJ	1,024
December 10, 2005	Will Downing	Keswick Theatre	Philadelphia	PA	1,366
December 12, 2005	Beach Boys	Keswick Theatre	Philadelphia	PA	1,366
December 13, 2005	Cyndi Lauper	Keswick Theatre	Philadelphia	PA	1,366

STONE CITY JACK UTSICK PRESENTS SHOWS 2005					
DATE	ARTIST	VENUE	CITY	STATE	CAPACITY
January 16, 2005	Bill Cosby	Civic Center	Laredo	TX	-
February 16, 2005	Bill Maher	Paramount Theater	Austin	TX	1,300
April 28, 2005	Basia	Empire Theater	San Antonio	TX	856
May 28, 2005	KONO Radio Show	Convention Center	San Antonio	TX	-
June 10, 2005	Manhattan Transfer	Majestic Theater	San Antonio	TX	2,273
July 16, 2005	Mike Epps	Bass Performance Hall	Houston	TX	2,056
October 6, 2005	Santana	SBC Center	San Antonio	TX	18,000
October 8, 2005	Santana	Don Haskins Center	El Paso	TX	12,000
October 26, 2005	HIM	White Rabbit	San Antonio	TX	-
November 17, 2005	Trans-Siberian Orch	FedEx Forum	Memphis	TN	18,500
November 18, 2005	Trans-Siberian Orch	CenturyTel Center	Shreveport	LA	14,000
November 19, 2005	Trans-Siberian Orch	Ford Center	Oklahoma City	OK	20,817
November 20, 2005	E. Humperdinck	Laurie Auditorium	San Antonio	TX	2,479
December 16, 2005	Trans-Siberian Orch	SBC Center	San Antonio	TX	18,000
December 19, 2005	Trans-Siberian Orch	Frank Erwin Center	Austin	TX	16,800
December 21, 2005	Trans-Siberian Orch	Alltel Arena	Little Rock	AR	18,000

WORLDWIDE NEW ENGLAND SHOWS 2005

<u>DATE</u>	<u>ACT</u>	<u>VENUE</u>	<u>CITY</u>	<u>STATE</u>	<u>CAPACITY</u>
September 18, 2005	Loobazookal 14	Fitchburg Airport	Fitchburg	MA	15,000



BACI WORLDWIDE THEATRICAL SHOWS 2005					
START DATE	TITLE	VENUE	CITY	STATE	CAPACITY
<b>WASHINGTON, DC MARKET</b>					
February 5, 2005	Mochrie and Sherwood	Warner Theatre	Washington	DC	
February 8, 2005	Contact	Warner Theatre	Washington	DC	
February 22, 2005	The Graduate	Warner Theatre	Washington	DC	
March 3, 2005	Carmina Burana	MCI Center	Washington	DC	
March 18, 2005	Rent	Warner Theatre	Washington	DC	
April 8, 2005	Lord of the Dance	Warner Theatre	Washington	DC	
May 1, 2005	Ronan Tynan	Lisner Auditorium	Washington	DC	
October 16, 2005	Twelve Girls Band	Lisner Auditorium	Washington	DC	
October 18, 2005	Joseph	Warner Theatre	Washington	DC	
October 29, 2005	Celtic Woman	DAR Constitution Hall	Washington	DC	
November 1, 2005	Brian Stokes Mitchell	Lincoln Theatre	Washington	DC	
November 12, 2005	Jackie Mason	Strathmore Hall	Washington	DC	
November 15, 2005	Forever Swing	Warner Theatre	Washington	DC	
November 22, 2005	Christmas Catechism	Greenberg Theatre	Washington	DC	
December 27, 2005	Evita	Warner Theatre	Washington	DC	
<b>DETROIT, MI MARKET</b>					
January 8, 2005	Conway - Korman	Fox Theatre	Detroit	MI	
January 23, 2005	Mochrie and Sherwood	Detroit Opera House	Detroit	MI	
January 23, 2005	Mochrie-Sherwood	Fox Theatre	Detroit	MI	
January 25, 2005	Oliver	Fox Theatre	Detroit	MI	
April 12, 2005	Beauty and the Beast	Fox Theatre	Detroit	MI	
May 17, 2005	Riverdance	Fox Theatre	Detroit	MI	
<b>NORFOLK, VA MARKET</b>					
December 28, 2004	Movin' Out	Chrysler Hall	Norfolk	VA	
January 7, 2005	Lever, Father & Son	Chrysler Hall	Norfolk	VA	
February 12, 2005	Porgy & Bess	Chrysler Hall	Norfolk	VA	
February 15, 2005	The Graduate	Chrysler Hall	Norfolk	VA	
March 23, 2005	Pat Metheny	Scope	Norfolk	VA	
March 29, 2005	Modern Millie	Chrysler Hall	Norfolk	VA	
April 29, 2005	Hedwig	Little Hall	Norfolk	VA	
May 10, 2005	Riverdance	Chrysler Hall	Norfolk	VA	
June 7, 2005	Evita	Chrysler Hall	Norfolk	VA	
September 27, 2005	Hairspray	Chrysler Hall	Norfolk	VA	
November 8, 2005	Forever Swing	Chrysler Hall	Norfolk	VA	
December 9, 2005	Lion King	Chrysler Hall	Norfolk	VA	
<b>RICHMOND, VA MARKET</b>					
December 28, 2004	42nd Street	Landmark Theater	Richmond	VA	
February 1, 2005	On the Record	Landmark Theater	Richmond	VA	
February 11, 2005	Porgy & Bess	Landmark Theater	Richmond	VA	
February 12, 2005	Conway & Korman	Landmark Theater	Richmond	VA	
February 13, 2005	Mochrie and Sherwood	Landmark Theater	Richmond	VA	
May 3, 2005	Mamma Mia	Landmark Theater	Richmond	VA	
May 17, 2005	Contact	Landmark Theater	Richmond	VA	
June 14, 2005	Evita	Landmark Theater	Richmond	VA	
October 4, 2005	Little Shop of Horrors	Landmark Theater	Richmond	VA	
October 30, 2005	Celtic Woman	Landmark Theater	Richmond	VA	
November 15, 2005	Joseph	Landmark Theater	Richmond	VA	
December 27, 2005	Chicago	Landmark Theater	Richmond	VA	
<b>MISCELLANEOUS SHOWS</b>					

January 7, 2005	Bill Cosby	Not Reported	Ottawa	ONT	
January 11, 2005	Conway-Korman	Not Reported	St Louis	MO	
February 11, 2005	Conway-Korman	Not Reported	Charleston	WV	
February 13, 2005	Conway-Korman	Not Reported	Roanok	VA	
February 20, 2005	Conway-Korman	Not Reported	Cedar Rapids	IA	
March 5, 2005	Conway-Korman	Not Reported	Columbus	GA	
March 19, 2005	Conway-Korman	Not Reported	Ft Wayne	IN	
March 20, 2005	Conway-Korman	Not Reported	Madison	WI	
April 2, 2005	Conway-Korman	Not Reported	Salisbury	MD	
April 15, 2005	Bill Cosby	Not Reported	Vancouver	BC	
April 17, 2005	Bill Cosby	Not Reported	Saskatoon	SAS	
May 26, 2005	Riverdance	Not Reported	Ft Wayne	IN	
September 30, 2005	Conway-Korman	Not Reported	Kitchner	ONT	
October 17, 2005	Mochrie-Sherwood	Not Reported	Ft Wayne	IN	
November 4, 2005	Conway-Korman	Not Reported	Kansas City	MO	
November 5, 2005	Conway-Korman	Not Reported	Chicago	IL	
December 18, 2005	Andy Williams	Not Reported	Atlanta	GA	
November 18, 2015	Bill Cosby	Not Reported	Milwaukee	WI	





JUP NORTHEAST SHOWS 2006

DATE	ARTIST	VENUE	CITY	STATE	CAPACITY	SOLD	COMPS	TOTAL	GROSS
January 10, 2006	Lynyrd Skynyrd	Sovereign Performing Arts Ctr.	Reading	PA	1,790	1,710			\$117,925.00
January 13, 2006	Leon Russell	Dennis Flyer Theater	Blackwood	NJ	650	517			\$6,092.00
January 18, 2006	BB King	Keswick Theatre	Philadelphia	PA	1,366	1,300			\$91,815.00
February 1, 2006	Dr John	Whitaker Performing Arts Ctr.	Harrisburg	PA	660	395			\$16,174.00
February 3, 2006	Jeffrey Gaines	Whitaker Performing Arts Ctr.	Harrisburg	PA	660				
February 3, 2006	Lonestar	Scottish Rite Auditorium	Collingswood	NJ	1,024	953			\$45,267.00
February 4, 2006	Sax Pack	Dennis Flyer Theater	Blackwood	NJ	650	161			\$5,376.00
February 9, 2006	Brad Paisley	Verizon Wireless Arena	Manchester	NH	6,500	6,125			\$242,168.00
February 15, 2006	KEM	Scottish Rite Auditorium	Collingswood	NJ	1,024	969			\$41,643.00
February 15, 2006	INXS	Sovereign Performing Arts Ctr.	Reading	PA	1,790	1,713			\$95,894.00
February 16, 2006	Forsigner	Scottish Rite Auditorium	Collingswood	NJ	1,024	923			\$40,812.00
February 17, 2006	Forsigner	Sovereign Performing Arts Ctr.	Reading	PA	1,790	1,686			\$80,320.00
February 17, 2006	Lalah Hathaway	Scottish Rite Auditorium	Collingswood	NJ	1,024				
February 24, 2006	David Sanborn	Keswick Theatre	Philadelphia	PA	1,366				
February 25, 2006	Trace Adkins	Sovereign Performing Arts Ctr.	Reading	PA	1,790				
March 1, 2006	Rick Wakeman	Whitaker Performing Arts Ctr.	Harrisburg	PA	660				
March 2, 2006	Trace Adkins	Keswick Theatre	Philadelphia	PA	1,366				
March 3, 2006	Pink Floyd Laser	Keswick Theatre	Philadelphia	PA	1,366				
March 4, 2006	Ronan Tynan	Keswick Theatre	Philadelphia	PA	1,366				
March 5, 2006	Jazz Is Dead	Keswick Theatre	Philadelphia	PA	1,366				
March 8, 2006	D. Mason / L. Russell	Whitaker Performing Arts Ctr.	Harrisburg	PA	660				
March 9, 2006	Outlaws	Whitaker Performing Arts Ctr.	Harrisburg	PA	660				
March 9, 2006	Rick Wakeman	Keswick Theatre	Philadelphia	PA	1,366				
March 10, 2006	Great Big Sea	Keswick Theatre	Philadelphia	PA	1,366				
March 11, 2006	D. Mason / L. Russell	Keswick Theatre	Philadelphia	PA	1,366				
March 12, 2006	D. Williams / J. Gorka	Scottish Rite Auditorium	Collingswood	NJ	1,024				
March 14, 2006	Queen	Wachovia Center	Philadelphia	PA	12,189				
March 16, 2006	Dwight Yoakam	Keswick Theatre	Philadelphia	PA	1,366				
March 16, 2006	Little Feat	Dennis Flyer Theater	Blackwood	NJ	650				
March 17, 2006	Little Feat	Keswick Theatre	Philadelphia	PA	1,366				
March 19, 2006	Hal Roach	Keswick Theatre	Philadelphia	PA	1,366				
March 25, 2006	Billy Bragg	Keswick Theatre	Philadelphia	PA	1,366				
March 30, 2006	Phil Vassar	Keswick Theatre	Philadelphia	PA	1,366				
March 30, 2006	Roger Clyne	Grape Street	Philadelphia	PA	300				
March 31, 2006	Crenshaw / Forbert	Dennis Flyer Theater	Blackwood	NJ	650				
April 1, 2006	Joan Osborne	Dennis Flyer Theater	Blackwood	NJ	650				
April 7, 2006	Tower of Power	Keswick Theatre	Philadelphia	PA	1,366				
April 8, 2006	Tower of Power	Keswick Theatre	Philadelphia	PA	1,366				
April 14, 2006	Patty Griffin	Scottish Rite Auditorium	Collingswood	NJ	1,024				
April 20, 2006	Beach Boys	Sovereign Performing Arts Ctr.	Reading	PA	1,790				
April 21, 2006	Beach Boys	Scottish Rite Auditorium	Collingswood	NJ	1,024				
April 21, 2006	Beach Boys	Scottish Rite Auditorium	Collingswood	NJ	1,024				
May 5, 2006	Andreas Vollenweider	Keswick Theatre	Philadelphia	PA	1,366				
May 8, 2006	Andreas Vollenweider	Whitaker Performing Arts Ctr.	Harrisburg	PA	660				
May 13, 2006	The Machine	Whitaker Performing Arts Ctr.	Harrisburg	PA	660				
May 19, 2006	George Thorogood	Sovereign Performing Arts Ctr.	Reading	PA	1,790				
May 21, 2006	The O'Jays	Keswick Theatre	Philadelphia	PA	1,366				
June 4, 2006	Carl Palmer Band	Keswick Theatre	Philadelphia	PA	1,366				
June 8, 2006	Clarke / Duke Project	Keswick Theatre	Philadelphia	PA	1,366				
June 21, 2006	T. McGraw / F. Hill	Bryce Jordan Center	State College	PA	15,000				
July 15, 2006	Dion	Keswick Theatre	Philadelphia	PA	1,366				
November 26, 2006	Rockapella	Keswick Theatre	Philadelphia	PA	1,366				

STONE CITY JACK UTSICK PRESENTS SHOWS 2006

<u>DATE</u>	<u>ARTIST</u>	<u>VENUE</u>	<u>CITY</u>	<u>STATE</u>	<u>CAPACITY</u>	<u>SOLD</u>	<u>COMPS</u>	<u>TOTAL</u>	<u>GROSS</u>
TBD	Bill Maher	TBD	Austin	TX					
TBD	Santana	TBD	Lubbock	TX					
TBD	Santana	TBD	Oklahoma City	OK					

WORLDWIDE NEW ENGLAND SHOWS 2006

<u>DATE</u>	<u>ACT</u>	<u>VENUE</u>	<u>CITY</u>	<u>STATE</u>	<u>CAPACITY</u>	<u>SOLD</u>	<u>COMPS</u>	<u>TOTAL</u>	<u>GROSS</u>
September 15, 2006	Locobazooka 15	Fitchburg Airport	Fitchburg	MA					

BACI WORLDWIDE THEATRICAL SHOWS 2006

<u>START DATE</u>	<u>TITLE</u>	<u>VENUE</u>	<u>CITY</u>	<u>STATE</u>	<u>CAPACITY</u>	<u>SOLD</u>	<u>COMPS</u>	<u>TOTAL</u>	<u>GROSS</u>
January 17, 2006	The Good Body	Lincoln Theater	Washington	DC					
February 4, 2006	Whose Line Is It?	DAR Constitution Hall	Washington	DC					
February 23, 2006	Golda's Balcony	Warner Theater	Washington	DC					
April 25, 2006	Swan Lake	Warner Theater	Washington	DC					
May 2, 2006	Rent	Warner Theater	Washington	DC					
January 24, 2006	Hairspray	Landmark Theater	Richmond	VA					
March 3, 2006	Lord of the Dance	Landmark Theater	Richmond	VA					
March 21, 2006	Mo'Nin Out	Landmark Theater	Richmond	VA					
May 9, 2006	Annie	Landmark Theater	Richmond	VA					
February 17, 2006	Rent	Chrysler Hall	Norfolk	VA					
March 7, 2006	Annie	Chrysler Hall	Norfolk	VA					
April 4, 2006	Chicago	Chrysler Hall	Norfolk	VA					
March 22, 2006	Celtic Women	Chrysler Hall	Norfolk	VA					
May 9, 2006	Joseph	Chrysler Hall	Norfolk	VA					