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VIA WEB POSTING

Re: ***Securities & Exchange Commission v. Jack P. Utsick, Robert Yeager, Donna Yeager, Worldwide Entertainment, Inc., The Entertainment Group Fund, Inc., American Enterprises, Inc. and Entertainment Funds, Inc.,***
United States District Court for the Southern District of Florida
Case No.: 06-20975-CIV-HUCK-SIMONTON

Dear Investors and Creditors:

I am writing as the receiver (the "Receiver") for The Entertainment Group Fund, Inc. ("TEGFI"), Worldwide Entertainment, Inc. ("WWE"), American Enterprises, Inc. ("AEI") and Entertainment Funds, Inc. ("EFI") (collectively "the Receivership Entities"). The following is my fourth report on the receivership affairs. This report is not intended to describe everything we are working on, only the major items. If you have any questions not answered by this report, please do not hesitate to contact me.

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

In the routine course of administering the estate, my professionals and I reviewed the bank account records of the Receivership Entities to understand the flow of funds and pre-receivership operations. In doing this, it was discovered that TEGFI transferred $5 million to an entity called "Universal Entertainment LLC" ("Universal") on October 21, 2005. I could not locate a corresponding asset or anything else of value received for this transfer. Accordingly, I issued a subpoena on Universal's bank to determine the identity and contact information for Universal in order to get more information on the transfer. To my surprise, it was learned that Universal is an entity that was created in July, 2005 by Lyn Chong ("Chong"), Utsick's assistant. Chong controlled Universal's bank account.

Upon further investigation, I learned that Chong, a secretarial assistant with a high school education, was not authorized to make this wire transfer, but, instead fraudulently transferred the $5 million from TEGFI. I learned that Chong used the funds to purchase a waterfront home in Fort Lauderdale for approximately $1.5 million; paid taxes to the IRS of approximately $1.8 million; spent an approximately $300,000 of the funds on miscellaneous purchases and currently had approximately $1.4 million left in a bank account. Chong took title to the home with her husband, Kevin Wills. Accordingly, in March, 2007, I immediately filed an injunctive action

against Chong, requesting the Court to freeze her assets pending final determination of the estates' rights to Chong's assets. The Court entered a temporary restraining order freezing Chong's assets and subsequently continued the freeze, with the consent of the parties, pending trial.

A trial is set to take place in July on my lawsuit against Chong, her husband and Universal. I believe my chances of winning the suit are very good and that the house and funds in Chong's account will be turned over to the estate. Moreover, if successful, I will request the IRS to return the funds Chong paid to it from TEGFI's funds. Finally, I have already contacted appropriate law enforcement officials and have asked them to investigate Chong and, if appropriate, to consider filing criminal charges against her for her role in diverting the $5 million from TEGFI.

GunnAllen Litigation

In my Initial Report Concerning The Condition Of The Receivership Entities, dated March 1, 2006, I indicated that I was investigating whether the Receivership Entities have any legally actionable claims against any of the broker-dealers where the Receivership Entities maintained investment accounts. As I have previously indicated, TEGFI had investment brokerage accounts with GunnAllen Financial, Inc. ("GunnAllen"), where TEGFI engaged in aggressive trading.[1] Additionally, I discovered that much of this trading was on "margin," meaning that funds were borrowed at a very high interest rate, in order to make these investments.

On January 11, 2007, I filed an action with the National Association of Securities ("NASD") Dealers Dispute Resolution, Inc., against GunnAllen. The allegations of my complaint are that GunnAllen, through its agents and employees, violated federal and state securities laws and anti-money laundering regulations, violated NASD rules, breached its contract with TEGFI, breached its fiduciary duties to TEGFI, allowed TEGFI to commit financial suicide, was negligent in its supervision of TEGFI's accounts and engaged in the aiding and abetting of fraud. As a result of GunnAllen's actions, TEGFI's accounts suffered actual losses of approximately $10 million. Accordingly, I requested that the NASD award compensatory damages in the amount of approximately $10 million, attorneys fees and costs, forum filing fees and punitive damages. Currently I am waiting for an answer to be filed by GunnAllen. The parties are also in the process of selecting the arbitrators to serve on the arbitration panel.

Yeager Settlement

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

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

assets consisting of cash, automobiles, a boat, retirement accounts, several homes in Louisiana and their share of a house in Sunny Isles Beach, Florida. This settlement is pending the SEC's final approval.

Oil Well

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

Subsequent to the meeting, I retained two, independent geophysicists to review the prospect to opine on the potential success of the well. The first geophysicist opined that the well had an approximate 50 - 50 chance of success. The second geophysicist was more optimistic initially placing the chance of success at approximately 75%. This initial estimate was reduced to 55% earlier this year after a neighboring well turned up dry.

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

Pledge This

As previously reported, the Receivership Entities also have an interest in a movie entitled National Lampoon's Pledge This, starring Paris Hilton. When the receivership commenced, the estate had already spent over $6 million on this movie, but the movie was not fully completed. Accordingly, I expended approximately $300,000 to complete the movie. The movie was

theatrically released on October 25, 2006 and then released on DVD on December 19, 2006. I expect to recover a least a few million dollars from sales and distribution of the movie, however it is not expected that the estate will recoup all of its investment. Paris Hilton was paid $1 million to appear in the movie and to promote it upon its release. However, Paris Hilton has completely refused to support the movie. Accordingly, I believe the estate was damaged by this breach and I am exploring the possibility of taking action to recover damages which I expect to commence shortly.

Keswick Theater

I am currently soliciting offers from parties interested in purchasing the Keswick Theater in Glenside, Pennsylvania. I have put together a due diligence package and approximately 6 parties have expressed interest. Bids are due in by mid-July. If I do not receive an acceptable offer, I will continue to operate the Keswick as it is operating profitably.

Portofino Condominiums

The Receivership Entities own two condominiums in the Portofino Towers on Miami Beach. Utsick resides in one with his girlfriend and their daughter and the other was used as an office prior to the receivership. Since the commencement of the receivership, the real estate market has been extremely soft, and accordingly, I have not actively marketed the units. However, recently, there has been an uptick in the market for Portofino units (the latest sale was at over $900 per foot), accordingly, with the Court's authorization, I have retained a broker in an attempt to sell the units. Pursuant to Court's order, Utsick is required to vacate the unit he is living in upon the sale of the unit.

Worldwide New Zealand

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

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

Australia Litigation

Jacobsens

As previously reported, WWE entered into a partnership in Australia with Jacobsen Entertainment and its principal, Kevin Jacobsen ("Jacobsen"), pursuant to which the parties were to jointly promote various entertainment projects. Jacobsen promised WWE that a play entitled "Dirty Dancing" based on the hit 1980s movie would be a partnership asset. In reliance, in part, on this promise, WWE forwarded millions of dollars to Jacobsen and the partnership. Upon information and belief, Jacobsen who was himself in receivership in Australia, used some of the funds to pay his creditors. Additionally, contrary to his prior promises, Jacobsen kept the Dirty Dancing project for himself and instead filled the partnership with many failing projects, thereby losing all of Worldwide's money.

Prior to receivership, WWE sued Jacobsen for various causes, including breach of contract and fraud. Unfortunately, Jacobsen's promise to place Dirty Dancing into the partnership was never properly documented, and accordingly, WWE needs to prove its case, in large part, on correspondence between the parties and testimony from witnesses. Dirty Dancing has turned out to be a huge success. I have taken over the suit and am vigorously prosecuting it. This case is currently in the discovery phase and I am traveling to Australia next month to meet with our attorneys.

Michael Chugg

WWE entered into a partnership to promote various concerts with Michael Chugg in Australia. To that end, WWE forwarded millions of dollars to Chugg and his entities. After promoting various events, Chugg reported that WWE's money was lost. Prior to receivership, WWE audited Chugg and determined that his initial accounting was incorrect. An agreement was reached for Chugg to pay WWE back almost $2 million. For more than six months I tried to reach a repayment plan with Chugg, however, Chugg has been unresponsive. Accordingly, earlier this year I filed an arbitration case against Chugg in Australia. Mediation has been set for mid-July and I will travel to Australia to attend the mediation.

Joe Zada

Joe Zada ("Zada") was introduced to Jack Utsick ("Utsick") of WWE as someone who could assist in arranging a $100 million letter of credit for WWE. WWE needed the letter of credit to show the financial capacity to promote a Barbra Streisand tour. Zada represented to Utsick that he could arrange for the letter of credit from a third-party lender if he could show that they had a pre-existing business relationship. To demonstrate its pre-existing business relationship, WWE advanced $1.5 million to Zada. In return, Zada executed two promissory notes in the amount of $1 million and $500,000 respectively. The promissory notes were guaranteed by Zada and Zada Enterprises (the "Zada Parties"). On or about November 3, 2006, I entered into a settlement agreement with the Zada Parties whereby the Zada Parties are to pay the receivership estate $1.5 million plus in interest. The Receivership has received all funds due from Zada.

DiSalvo Litigation

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

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

The parties are actively litigating the case filed in the Superior Court in California. Currently, the parties are engaged in discovery and it is anticipated that a trial date will be set later this summer.

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

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

Claims Process

As you are aware, on October 10, 2006, the Court authorized the initiation of the claims process. To date, approximately 3000 claims (the "Claims"), in the approximate amount of $295 million, have been filed by creditors of the Receivership Entities (the "Claimants"). These Claimants have received at least $72 million in payments from the Receivership Entities, some of which may have been represented to the Claimants as their share in "profits." My staff is currently in the process of reviewing and verifying the Claims against the books and records of the Receivership Entities. The verification process is important because it will eliminate any improper claims. The initial process of verifying the Claims will take at least several more months to complete. Once the verification of the Claims is completed I will file a motion with the Court for authorization to make a distribution to the valid Claimants from the funds that the receivership estate has accumulated. [2]

Criminal Prosecution

I have received numerous calls from investors asking me why certain individuals have not yet been charged with a crime. Please be advised that only the appropriate governmental authorities are able to bring criminal charges and neither I nor the SEC have authority to do so.

In conclusion, there is a great deal of misinformation flowing among creditors. Should you have any questions, please contact me directly rather than relying on unsubstantiated information.

Sincerely,

Michael I. Goldberg, Receiver for The Entertainment Group Fund, Inc., Worldwide Entertainment, Inc., American Enterprises, Inc. and Entertainment Funds, Inc.

[2] On February 1, 2007 the Court entered an Order Establishing A Method By Which Receiver Shall Calculate Claims. The method selected by the Court is more fully described in the FAQ section of the Informational Website.