

ROBB EVANS & ASSOCIATES LLC
Receiver of the Assets of
DebtWorks, Inc. and
Andris Pukke

REPORT OF RECEIVER'S ACTIVITIES
SEPTEMBER 20, 2005 THROUGH DECEMBER 31, 2005

This report covers the activities of the Receiver since its last report as of September 19, 2005. This report does not constitute an audit of financial condition and is intended only to provide information for use by the Court in assessing the progress of the Receivership.

Updated Estimate of the Property Value of the Receivership Estate

In the first report to the Court, the Receiver preliminarily estimated the value of the assets of the receivership estate to be about \$16 million. Under Tab 1 is an updated estimate of the value of the assets based on information the Receiver obtained from a variety of sources. The Receiver now estimates the value of the assets to be about \$35 million. This revised estimate is subject to change as further discovery is conducted and analysis is completed on possible claims against third parties.

Real Property Assets

The Receiver identified ten properties that are subject to the Preliminary Injunction Order entered on April 20, 2005. Two of the properties (Ballenger/DW, LLC commercial office building and a single-family residence in Potomac, Maryland) were sold after the Court entered an Order authorizing the Receiver to complete the sales. Net proceeds from the sale of these two properties totaled \$3,528,279.58 and have been deposited in various accounts subject to competing claims and/or liens of the IRS, the FTC, the Receiver, Andris Pukke, and Pamela Pukke pursuant to the Court Order authorizing the sale.

The remaining eight parcels of real property are comprised of four single-family residences, a vacant oceanfront building lot, one vacant commercial lot, a condominium unit, and a residential lot. The Receiver has identified another single-family residence located at 69 Emerald Bay, Laguna Beach, California which it believes is an asset of the estate. Each property will be discussed in detail below.

321 Ballenger Creek Drive, Frederick, Maryland (Vacant Lot 4)

Ballenger/DW, LLC owns Vacant Lot 4, which is immediately adjacent to the 80,000 square-foot commercial office building previously sold by the Receiver pursuant to this Court's Order. Recorded ownership in Ballenger/DW, LLC reflects that Mr. Pukke and Tim McCallan each has a 50% interest. However, the Receiver believes that Mr. McCallan may not be entitled to assert a 50% interest in Ballenger/DW, LLC. Mr. Pukke is the Managing Member of the LLC. The Receiver reviewed an appraisal of Vacant Lot 4, conducted in December 2004, valuing the property in excess of \$1,000,000.

The Receiver was not actively marketing the property because of an objection lodged by Mr. Pukke's attorney that the property was not a wasting asset. However, based on this Court's December 13, 2005 Order modifying the Preliminary Injunction Order and eliminating the requirement that an asset be "wasting" in order to sell it, the Receiver will actively market this property.

6493 Allison Road, Miami Beach, Florida (Florida Residence)

Pamela Pukke resides in the Florida Residence, which is a single-family home in an affluent guard-gated community. Title is held in the name of Andris and Pamela Pukke as husband and wife. Mrs. Pukke cooperated with the Receiver in allowing an inspection of the home and inventory of the personal property in the residence. The Receiver ordered an appraisal, which values the property at \$3,150,000 as of September 1, 2005. The Receiver has not actively marketed the home in light of the ongoing settlement discussions between Mrs. Pukke and the Plaintiff. The Receiver was advised that Mrs. Pukke and the Plaintiff recently reached a settlement. Subject to the Court's approval of the settlement agreement, the Receiver will actively market this property.

31 Linda Isle, Newport Beach, California (Pukke Residence)

The Pukke Residence is titled to Andris Pukke as an unmarried man. According to a broker's opinion of value obtained by the Receiver, the single-family custom residence is worth approximately \$9,000,000. The Receiver obtained an appraisal valuing the home at \$8,000,000 as of July 12, 2005. Washington Mutual holds a first trust deed of about \$5,000,000. The residence is 4,745 square feet and is situated on a 5,580 square-foot lot with ocean views. On July 12, 2005, the Receiver visited the property and prepared a videotape inventory of the personal property. The personal property consisted of high-end interior design quality furnishings. The Receiver observed a yacht in the boat slip adjacent to this residence. Mr. Pukke did not disclose his ownership of the yacht on his May 26, 2005 IRS Form 433-A.

35 Ocean Heights Drive, Newport Coast, California

This property is titled to Andris Pukke as an unmarried man. A broker's opinion of value estimated the value of the single-family custom residence as approximately \$3,800,000. The Receiver obtained an appraisal valuing the home at \$4,000,000 as of July 12, 2005. Washington Mutual holds a first trust deed of about \$1,822,200. The residence is 4600 square feet and is situated on a 14,000 square-foot lot with city lights and ocean views. The property is purportedly leased to a Stephen Todd Cook, a close personal friend of Mr. Pukke, for a three-year period ending June 1, 2007, with no monthly rent payable and an option to purchase the property at a sale price well below market value.

On July 12, 2005, the Receiver visited the property and prepared a videotape inventory of the personal property. The personal property in the residence consisted of high quality designer interior furnishings and valuable heirlooms. Mr. Cook claimed that all furnishings in the home were his personal property and not provided by Andris Pukke.

The Receiver took the deposition of Mr. Cook on November 16, 2005. Mr. Cook admitted signing the original agreement to purchase the home and assigning all of his interest in the home to Andris Pukke. According to his deposition, Mr. Cook claims he and Mr. Pukke entered into a verbal agreement in December 2003 that allowed Mr. Cook to live in the home rent-free through June 1, 2007 and an option to purchase the home well below the market value. The Receiver's counsel questioned Mr. Cook about a two-page option agreement with an effective date of June 1, 2004, which confirmed that Mr. Cook could remain in the house rent-free through June 1, 2007. The Receiver intends on disputing the validity of the option agreement and immediately listing this residence for sale.

3852 Dulles South Court, Suite H, Unit B-8, Chantilly, Virginia

This commercial condominium was the last unsold unit of a 10-unit commercial building containing a total of 44,500 square feet. On April 2, 2004, Mr. Pukke assigned all of his interest in the commercial property to a Virginia limited liability company, 3852 Dulles South, LLC. Title to the property is held in the name of 3852 Dulles South, LLC. Claridge Group, LLC is a 50% partner in this property with 3852 Dulles South, LLC.

The Receiver sought approval from the Court to proceed with a sale that had been pending since May 16, 2005. On November 8, 2005, the Court entered an order authorizing the Receiver to complete the sale. The sale generated proceeds to the estate of \$589,719.52, half of which went directly to the receivership estate. The Receiver reimbursed the estate \$3,961.77 for expenditures required to preserve this asset prior to the sale. Pursuant to the Court's Order, half of the net proceeds of \$585,757.75 were placed in an interest-bearing account subject to the claim of the Claridge Group, LLC.

Claridge Group, LLC has been very cooperative with the Receiver. Claridge Group LLC provided all documents showing the historical business and financial dealings between Claridge Group, LLC and Mr. Pukke. It appears that Claridge Group LLC is not affiliated in any way with Mr. Pukke's previous business operations. The Receiver intends to file a motion asking for the Court's authorization to release these funds to the Claridge Group, LLC.

4358 North Bay Road, Miami Beach, Florida

The owner of this property is Puck Key Investments L-9 LLC, a Florida limited liability company in which Andris Pukke is the Managing Member and 100% owner. This property is a large waterfront lot facing the bay in Miami Beach. Mr. Pukke purchased the lot on September 4, 2003 for \$7 million. Washington Mutual held a first trust deed of about \$4,200,000.

The Receiver obtained an appraisal of the North Bay Property dated June 29, 2005. The appraisal values the North Bay Property at \$9,000,000. The Receiver provisionally accepted an offer to purchase the property subject to obtaining Court approval. On November 11, 2005, the Receiver filed a motion seeking an order authorizing the Receiver to complete the sale. No objections were received and on December 27, 2005, the Court entered an Order approving the sale. The sale closed on February 1, 2006.

101 20th Street, Unit PH-VC, Miami Beach, Florida (Setai Condominium)

The Receiver was provided information from the FTC and IRS on June 1, 2005 that Pukke, through a limited liability company, was a party to another pending sale contract concerning a residential penthouse condominium unit in Miami, Florida owned by Villa C Acquisition Co. LLC ("Villa C"). The Setai Condominium is a penthouse suite facing the city in a high-end 40-story high-rise complex. Mr. Pukke entered into a contract to purchase the property in 2004 and paid \$900,000 as an earnest money deposit. Thereafter, Mr. Pukke apparently did not have the cash required to continue funding the purchase. Reportedly, Mr. Pukke would have lost \$600,000 of the earnest money if he defaulted on the contract. Mr. Pukke contacted Patrick J. Callahan, III (Callahan), who was purportedly willing to fund the remaining balance needed to complete the purchase of the Setai Condominium.

On November 30, 2004, Mr. Pukke and Callahan executed an Operating Agreement of Villa C. Villa C was formed for the express purpose of acquiring the Setai Condominium. Mr. Pukke and Callahan each hold a 50% "Sharing Ratio" in Villa C.

The Receiver filed a motion to attempt to sell that property, which was opposed by Callahan, because the Receiver sought to retain all of the sale proceeds pending further investigation of Callahan's interest in the property and his claim to over \$4,000,000 in sales proceeds. The Court declined to approve the sale in light of the absence of evidence that the property was a wasting asset.

Recently, Callahan's attorney proposed an agreement whereby Callahan's purported share in the sales proceeds would be used to fund the purchase of another unit in the same condominium complex, but the newly acquired property would not be sold or encumbered pending the Receiver's continued investigation of Callahan's interest. Negotiations are continuing as to the pending sale of this property.

New York Building Lot

This lot is located at 193 Taft Crescent in Centerport, New York. Mr. Pukke has placed a value of \$350,000 on this lot. The Receiver is obtaining an appraisal of this property and will begin actively marketing it.

69 Emerald Bay, Laguna Beach, California (Emerald Bay)

The Receiver is also attempting to locate and evaluate a number of assets that the Receiver believes may constitute receivership assets that are held in the names of third parties. For example, through banking, loan and escrow records, the Receiver has obtained information indicating that a mansion in Laguna Beach located at 69 Emerald Bay and purchased in July 2005 nominally by Mr. Pukke's long-time friend Peter Baker was actually purchased for the benefit of Mr. Pukke and his girlfriend Angela Chittenden. The Receiver's investigation regarding this asset included multiple subpoenas, review of banking and other records, depositions and interviews of witnesses.

The Receiver first reported the suspicious circumstances surrounding the purchase of the Emerald Bay property in the Special Report to the Court dated September 19, 2005.

On July 8, 2005 Peter Baker completed a transaction to purchase the home for \$6,450,000.

As previously reported, on May 20, 2005 Angie Crittenden [sic] or assignee executed a residential purchase agreement for Emerald Bay. On May 26, 2005 Peter Baker issued a check drawn on his account at Citibank for \$193,500 to Mariners Escrow as a deposit. That check was returned due to insufficient funds. Mr. Baker's Citibank bank statement for the period beginning May 10, 2005 shows a beginning balance of \$922.49. On June 2, 2005 Stephen Todd Cook wire transferred \$250,000 to Mr. Baker's account. The check to Mariners Escrow was processed again on June 7, 2005.

On May 27, 2005 Angie Crittenden [sic] and Peter Baker executed amended escrow instructions providing that the property would be vested to Peter C. Baker.

As previously reported, the real estate listing agent for the buyer confirmed that Angela Chittenden was the named buyer on the contract and that she was accompanied by a man that "resembled" Mr. Pukke on several visits to the property. Mr. Pukke told the listing agent that they lived at 31 Linda Isle, Newport Beach, CA, but were looking at homes in Emerald Bay for a permanent residence. They informed the agent that Ms. Chittenden was pregnant and that they needed a home that would be more appropriate for children. They further stated that the male companion, believed to be Mr. Pukke, was in the midst of a contentious divorce and that they would like the contract signed by Ms. Chittenden, so that the companion's wife would not find out about the transaction. The listing agent told the Receiver that he never met Mr. Baker.

The Receiver took the deposition of Angela Ann Chittenden on October 12, 2005. The Receiver's counsel agreed to limit the initial deposition to two hours in light of Ms. Chittenden's pregnancy, with the understanding that the deposition could be continued after Ms. Chittenden gave birth. Ms. Chittenden claimed she could remember very little about any of the facts surrounding the purchase of Emerald Bay by Peter Baker. She did acknowledge that she signed the original purchase agreement even though she had no financial ability to purchase the home. She stated that the purchase agreement was assigned to Peter Baker because she and Mr. Pukke could not buy the home because his money was frozen.

The Receiver requested documents from an architectural firm, C.J. Light Associates ("C.J. Light"), regarding the services they rendered to the Emerald Bay property. C.J. Light produced contracts, correspondence, meeting notes and email that clearly show the continued involvement of Mr. Pukke and Angela Chittenden. Mr. Pukke continued to treat Emerald Bay as his own property and exercised control over the remodeling plans from June 7, 2005 through September 13, 2005. Two months after Peter Baker closed on the house, C.J. Light was still sending invoices to Mr. Pukke's home at 31 Linda Isle Drive.

A review of the documents provided by C.J. Light indicates that Mr. Pukke was making the decisions regarding the remodeling plans. There are multiple email communications between Mr. Pukke and C.J. Light. C.J. Light advised Mr. Pukke that a submission was needed to be made to the homeowners association for the Emerald Bay property. C.J. Light was instructed that he should show the owner as 69 Emerald Bay LLC. Peter Baker was then shown as the "Managing Member" of 69 Emerald Bay LLC and finally shown as the owner of the property. Even after Peter Baker signed as "owner" of the property on plans submitted to the homeowners association, invoices were still being sent to Mr. Pukke at his home at 31 Linda Isle Drive. C. J. Light continued to communicate directly with Mr. Pukke and schedule meetings to discuss changes to the plans.

Mr. Baker, through his counsel, has filed an unsuccessful motion for a protective order to delay his deposition to temporarily prevent further investigation by the Receiver.

DebtWorks Accounting

In the first report to the Court, the Receiver presented a summary of cash receipts and disbursements of DebtWorks' account with Branch Banking & Trust for the period from February 1, 2002 to April 19, 2005, using the data provided by Ms. Penny Wilson, the former controller of DebtWorks. Subsequently, the Receiver obtained additional bank records of DebtWorks from Sandy Spring Bank and First Union Bank for the period commencing August 18, 1999.

Under Tab 2 is a compilation of DebtWorks' cash receipts and disbursements from its commencement of operations, August 18, 1999, to April 19, 2005. DebtWorks received processing fee income of about \$79.3 million from Ameridebt and about \$33.2 million from other consumer credit counseling agencies, which were owned by friends and/or other individuals affiliated with Mr. Pukke. Notable disbursements are discussed in detail in this report.

Mr. Pukke first opened a personal account with Merrill Lynch around March 1998. After Mr. Pukke opened his initial account with Merrill Lynch, Mr. Pukke and his companies had 13 accounts at Merrill Lynch. All 13 accounts were closed by October 2004. Mr. Pukke had five accounts, DebtWorks had three accounts, and Puck Key Investments L-1, LLC, an entity wholly-owned by Mr. Pukke, had five accounts. Between March 1998 and October 2004, approximately \$30.3 million was deposited into these 13 accounts, of which approximately \$28.9 million originated from DebtWorks.

The total disbursements from the Merrill Lynch accounts between May 1, 1998 and October 22, 2004 were about \$29.5 million. Under Tab 3 is a summary of disbursements made from various Merrill Lynch accounts owned or controlled by Mr. Pukke. Notable disbursements are discussed in detail in this report.

Intermark Communications & KJP Bankruptcy Services and Research, LLC

DebtWorks wire transferred \$750,000 to Intermark Communications on April 15, 2003. Intermark Communications is owned by Mr. Timothy McCallan, the purported 50% owner of Ballenger/DW LLC. The \$750,000 payment was originally recorded by DebtWorks as "loan to KJP" but was reclassified, as a year-end adjustment, by the accounting firm as a capital distribution to Mr. Pukke. KJP stands for KJP Bankruptcy Services and Research, LLC. Mr. McCallan stated in his deposition taken by the Receiver on December 1, 2005 that all payments received by Intermark Communications from DebtWorks were for lead purchases and that he had never heard of KJP.

DebtWorks also transferred \$1,593,450 from two of its Merrill Lynch accounts to certain Merrill Lynch accounts of Intermark Communications and Mr. McCallan between April 19, 2000 and January 9, 2002.

The Receiver obtained the bank records of KJP from Branch Banking & Trust. The activities of the bank account consisted of only the following four transactions:

- A \$1,000 initial deposit from DebtWorks in September 2002.
- An \$800,000 deposit from a Merrill Lynch account of DebtWorks in September 2002.
- A \$708,500 payment to Timothy McCallan, in September 2002.
- A \$92,500 remaining-balance return to DebtWorks in February 2005.

The Receiver also obtained KJP's Form 1065, the U.S. Return of Partnership Income and the accompanying Schedule K-1 for the period from September 1, 2002 to December 31, 2002 from Ribis, Jones & Maresca (Ribis), the accounting firm that provided accounting and tax services to Mr. Pukke and certain of his companies, including Ameridebt and DebtWorks. The K-1 shows Mr. Pukke as the 99% owner. The Form 1065 shows 2002 capital contributions of \$2,287,680 in the form of property and also shows a loss in the form of professional services for the same amount.

On December 15, 2005, the Receiver deposed Mr. David Jones, a partner of Ribis, who stated that the \$2,287,680 capital contributions received from Mr. Pukke consisted of \$800,000 in cash and \$1,487,680 in the form of property, a 50% interest in real property owned by the Ballenger/DW LLC. Mr. Jones also stated that the \$2,287,680 in cash and property was received by Mr. Tim McCallan as professional service fees income from KJP. Mr. Aaron Bloom, another partner of Ribis who supposedly was responsible for the KJP return, was also deposed by the Receiver on December 15, 2005. Mr. Bloom stated that the \$2,287,680 capital contribution, as advised by Mr. Pukke, consisted entirely of cash and that professional service fees of the same amount were paid to Mr. McCallan. The Receiver has concluded that further investigation is required to resolve the inconsistency in the testimony provided by Mr. Jones and Mr. Bloom.

K.F. Daedelus, Ltd. and Daedelus Ventures, LLC \$412,000

DebtWorks paid consulting expenses of \$412,000 between May 18, 2001 and January 1, 2003 to Mr. Kevin Fortuna through these two entities owned by Mr. Fortuna. On December 12, 2005 the Receiver deposed Mr. Michael Kiefer who stated that Mr. Fortuna's main job function was to sell DebtWorks.

Mr. Kiefer was an ex-officer of Ameridebt and DebtWorks and whose company, Debt Savors, received about \$7.9 million income from DebtWorks and others.

The Ballenger Group, LLC (Ballenger Group), a company formed by Mr. Pukke, acquired substantially all assets and liabilities of DebtWorks by December 31, 2002. Ballenger Holdings, LLC (Ballenger Holdings) acquired 51% and 49% ownership interests in Ballenger Group on January 1, 2003 and October 31, 2003, respectively. The Receiver has compiled a summary of cash receipts and disbursements of Ballenger Holdings from January 1, 2003 to August 29, 2005. The summary disclosed that Ballenger Holdings received capital contributions from its members totaling \$19,980, of which \$3,000 was received from Mr. Fortuna, and made capital distributions to its members totaling approximately \$11.6 million, of which approximately \$5.2 million was distributed to Mr. Fortuna.

The Receiver considers the capital distributions of \$11.6 million made by Ballenger Holdings to be highly suspicious, particularly in light of the capital contributions of less than \$20,000. As part of its ongoing investigation into the transactions between DebtWorks, Ballenger Group and Ballenger Holdings, the Receiver will schedule the deposition of Mr. Fortuna.

Puck Key Investments L-1 LLC Accounting

Puck Key Investments L-1 LLC was formed on the Island of Nevis, West Indies and was wholly-owned by Mr. Pukke. Under Tab 4 is a summary of cash receipts and disbursements of Puck Key Investments L-1 LLC from October 31, 2003 to April 19, 2005. Notable disbursements are discussed in detail in the report.

DW Management Corp. Accounting

Under Tab 5 is the summary of cash receipts and disbursements of DW Management Corp., a company wholly-owned by Mr. Pukke, from October 14, 1999 to April 19, 2005. The summary shows that DW Management received \$3.15 million from DebtWorks and about \$700,000 from the Merrill Lynch accounts of Infinity Resources Group. The Receiver has requested, but not yet received, the Merrill Lynch account statements for Infinity Resources Group.

DW Management paid about \$1.4 million between October 19, 1999 and September 12, 2002 and DebtWorks paid about \$200,000 on June 24, 2003 for a tax shelter investment, Xelan Welfare Benefit Trust, organized under sec. 419 of the IRC. Mr. Pukke has received about \$300,000 from this tax shelter and the Receiver is evaluating the recoverability of the remaining balance.

Other Assets

Investment in Agave, Ltd., Investments by Seaspray Holdings, Ltd. and Telesis Financial

Investment in Agave, Ltd.

In the Special Report to the Court dated September 19, 2005, the Receiver expressed its strong suspicions about a series of payments made to purported insurance and other companies by Mr. Pukke, namely, International Benefit Life Insurance Corporation, Ltd. (IBLIC), Old Pacific Insurance Ltd. (Old Pacific), and H.E. Capital, S.A.

The Receiver conducted further research and discovered a criminal case and a Securities and Exchange Commission (SEC) case against Keith Mohn and Mohn Asset Management LLC. The case involved a company named Agave, Ltd. (Agave). The Receiver contacted the receiver appointed in Detroit, MI in the SEC matter. The Receiver reviewed documents obtained from the receiver of Agave and the attorney representing Mr. Pukke, Seaspray Holdings, Ltd. (Seaspray) and Michael Burchard jointly in connection with their losses in the Agave investment. The Receiver has determined that Mr. Pukke invested approximately \$7.1 million, before commissions and fees, in Agave, an offshore company founded on July 27, 2000 in the Cook Islands. Seaspray was formed in July of 1999 in Nevis and wholly-owned by Mr. Pukke. Michael Burchard is the president of Telesis Financial, the company that received commissions on certain of Mr. Pukke's investments including Agave and Xelan Welfare Benefit Trust.

Payments for the \$7.1 million investment in Agave were made between August 3, 2000 and December 31, 2002 as follows:

- approximately \$1,000,000 was paid directly by Seaspray.
- approximately \$700,000 was paid from a Merrill Lynch account of DebtWorks through H.E. Capital.
- approximately \$3,900,000 was paid by DebtWorks' bank accounts through H.E. Capital, IBLIC and Old Pacific.
- approximately \$1,000,000 was paid by DW Management Corp. through IBLIC and Old Pacific.
- approximately \$500,000 was paid directly by Reinsurance Syndicate 99, a company likely connected to Mr. Pukke.

Mr. Pukke claimed to be a victim of fraud in connection with his investment in Agave and filed a complaint, together with Seaspray and Mr. Burchard, against the organizers of Agave on February 1, 2005. Mr. Pukke also filed a claim of approximately \$5.7 million, after the denial of Seaspray's foreign-claimant status by the receiver of Agave, on March 29, 2005.

The Receiver has confirmed that a distribution to Mr. Pukke of at least \$1.8 million is expected from the Agave receivership. The Receiver will obtain such distributions for the benefit of the estate even though Mr. Pukke had concealed from this Court and the Receiver the potential distributions.

The Receiver also discovered that Peter Baker, on behalf of Mr. Pukke, made a \$3,338.43 payment on September 1, 2005 to the attorney representing Mr. Pukke in the lawsuit against the organizers of Agave.

Investments by Seaspray

By reviewing the documents in connection with the lawsuit against the organizers of Agave, the Receiver noted that in addition to the payments to Agave on behalf of Mr. Pukke, Seaspray invested \$170,000 in A Betterway Toy in 2001, \$90,000 in Next Game Inc. in 2002, and \$240,000 in Worldwide Internet Group, Inc., also in 2002. The Receiver also noted that Seaspray was connected to Carolina Trust, Carolina Foundation, and FND Ltd. Other than Worldwide Internet Group, Inc., Seaspray and entities connected to or invested in by Seaspray, were never disclosed by Mr. Pukke. Seaspray maintained bank accounts in Nevis, the Bahamas, and the Cayman Islands. The Receiver will continue to investigate the funds that flowed to and through Seaspray's bank accounts.

Telesis Financial

DW Management paid \$36,500 to Telesis Financial, a company owned by Mr. Michael Burchard. Mr. Burchard was the agent receiving commissions from Mr. Pukke's investments in Agave and Xelan Welfare Benefit Trust. The Receiver compiled a summary of cash receipts and disbursement of Telesis Financial from August 28, 1998 to August 10, 2005. The summary disclosed that in addition to the receipt of \$36,500 from DW Management and \$10,000 from Infinity Resources Group, Telesis Financial also received about \$727,000 from Mohn Asset Management LLC in the US Virgin Islands, FN Stockbrokers Ltd. in London, H.E. Capital, Seaspray, and Hanver Trust Company in Nevis. These payments were in connection with Mr. Pukke's investment in Agave and other foreign investments to be identified by the Receiver.

The Receiver plans to depose Mr. Burchard as part of its ongoing investigation into Mr. Pukke's other undisclosed foreign investments.

Investments in Smithburg Medical Arts, LLC (Smithburg) and Affiliates

Payments to Smithburg and Affiliates

Puck Key Investments L-1 LLC paid \$2.3 million to the Wilentz Goldman & Spitzler attorney trust account on October 31, 2003 and paid \$300,000 to Wooded Land Properties LLC on January 23, 2004. According to the executed operating agreement of Smithburg, the law firm of Wilentz Goldman & Spitzler was appointed by Smithburg to represent Smithburg with regard to the acquisition and development of real property located in New Jersey.

DebtWorks paid \$1.8 million to Deep Woods Real Estate Development Corp. (Deep Woods) on February 3, 2004 and paid \$480,000 to Wooded Land Properties LLC and Wooded Land Developing, LLC between May 21, 2003 and May 6, 2004. In addition, Andris Pukke paid \$250,000 to Deep Woods on February 26, 2003.

After reviewing certain documents, the Receiver has determined that Smithburg, Deep Woods, Wooded Land Properties, and Wooded Land Developing are affiliated through the common control of Raymond Suris, an attorney, and his brother, Richard Suris. Under Tab 6 is a Preliminary Summary of Payments to Smithburg and affiliates. The schedule indicates that Mr. Pukke paid at least \$5,130,000 to Smithburg and affiliates between February 26, 2003 and May 6, 2004, which is at least \$780,000 higher than the \$4,350,000 total represented by Mr. Pukke.

Reported Equity Position Changed to Creditor Position

On September 29, 2004, Mr. Pukke signed and affirmed, under the penalties of perjury, his July 31, 2004 personal financial statements, which stated that he held a 27.5% ownership interest in Smithberg [sic] Medical Arts LLC and a 50% ownership interest in Deep Woods Real Estate.

Later, on both his IRS Form 433-A Collection Information Statement signed on May 26, 2005 and Chapter 11 bankruptcy filing signed on July 22, 2005, Mr. Pukke listed his investments in these two companies as "loans receivable". The receivable due from Smithburg was listed as \$2,300,000 and the receivable due from Deep Woods Real Estate was listed as \$2,050,000. During his deposition on July 12, 2005, Mr. Pukke stated that the \$2,300,000 loan and the \$2,050,000 loan were undocumented, and repayment was tied to the sale of the properties. Such terms are more consistent with an equity holder rather than a lender.

The Receiver has reviewed documents that conflict with the deposition testimony but are consistent with the July 31, 2004 personal financial statement. These documents indicate that Mr. Pukke or his controlled entities were functioning, or were prepared to function, as equity holders of the four entities. If an equity position were abandoned and replaced by a creditor position, the benefits of ownership would be lost. Ownership benefits include control of management, control of decisions to retain or enhance value, authority to hold or sell the asset, and the opportunity to share in profits and other gains.

Mr. Raymond Suris was scheduled to have his deposition taken by the Receiver on December 2, 2005 but he failed to appear and has not taken meaningful steps to have his deposition rescheduled and taken.

Investments in Belize by Mr. Pukke

DebtWorks wire transferred \$2,950,000 from one of its Merrill Lynch accounts to Gregory Eagleburger Trust on March 19, 2003. According to Mr. Pukke's attorney, this was a loan to the Sittee River Wildlife Reserve. No loan documents have been turned over to the Receiver. Mr. Eagleburger, an attorney, has confirmed to the Receiver that the \$2,950,000 transfer was sent to his trust account in connection with the closing of a sale of approximately 15,000 acres of land in Belize in which his client, Sittee River Estates, Ltd., was the seller.

Puck Key Investments L-1 LLC paid \$12,000 to Wimberly Allison Tong & Goo (Wimberly) on November 4, 2003. DebtWorks also paid \$20,604 to Wimberly between January 29, 2004 and June 7, 2004. The Receiver has obtained documents directly from Wimberly, which indicated that the payments were for a project titled Belize Jaguar Preserve Villas.

Mr. Pukke disclosed to the Receiver loans receivable of \$3,258,500 due from Sittee River Wildlife Reserve. The Receiver is aware that Mr. Pukke participated in the operations of a shrimp farming business in Belize and also the Sanctuary Bay Project in Belize. Under Tab 7 is a preliminary summary of payments for Mr. Pukke's investments in Belize.

On December 13, 2005 the Receiver took the deposition of Brian Maller, the former manager of Infinity Resources Group. Mr. Maller testified that Mr. Pukke called him as late as a week prior to the deposition date confirming that Mr. Maller had made various requested changes to the Sanctuary Bay website. Mr. Maller also testified the he had spoken with Mr. Pukke "a couple of times" about the website within the last month. This management role of Mr. Pukke is inconsistent with the role of a lender.

The summary shows that Mr. Pukke and his affiliates, Puck Key Investments L-1, LLC, DebtWorks, The Pukke 2002 Family Irrevocable Trust, Infinity Resources Group, John Vipulis, and Pinnacle Resources, a company owned by Brian Maller, paid approximately \$4.9 million in total between August 23, 2002 and March 10, 2005 in connection with Mr. Pukke's investments in Belize.

The Receiver is analyzing the steps necessary to take control of the properties in Belize.

Canyon Grill Enterprises, LLC

On May 7, 2003, Puck Key Investments L-1 LLC disbursed \$700,000 from one of its Merrill Lynch accounts to acquire a 30% ownership interest in Canyon Grill Enterprises, LLC (Canyon Grill) which has built and operates two restaurants. Blue Ridge Restaurant Group, LLC (Blue Ridge) is the managing member of Canyon Grill. Mr. David Jones, a partner of Ribis, is the managing member of Blue Ridge. Mr. Jones informed the Receiver that Puck Key Investments L-1 LLC's ownership interest in Canyon Grill was reduced to 26.27% due to its failure to meet a capital call in November 2004. Canyon Grill reported a net loss of approximately \$776,000 on its 2004 Federal tax return and the Receiver has not yet been able to independently value the asset.

Loan to Janis Pukke

DebtWorks had net payments of \$1,650,000 from its bank account to a Janis Pukke account with Hansa Banka, a bank in Latvia, between March 7, 2003 and April 5, 2005. According to Mr. Pukke's attorney, this was a loan to Mr. Pukke's father. No loan documents have been produced to the Receiver. In addition, DebtWorks transferred \$50,000 from one of its Merrill Lynch accounts to Janis Pukke's account with Prima Banka in Latvia on October 22, 2001. Therefore, DebtWorks had net payments of \$1,700,000 to Janis Pukke between October 22, 2001 and April 5, 2005.

Mr. Pukke has disclosed a loan receivable due from Janis Pukke of \$405,000, which is \$1,295,000 lower than \$1,700,000. Mr. Janis Pukke was scheduled to have his deposition taken by the Receiver on November 29, 2005 but he failed to appear and no effort has been made by Janis Pukke to reschedule his deposition.

Infinity Resources Group

The first report discussed, among other items, the unusual loans made by Infinity Resources Group. The following paragraphs discuss the consumer portion of the loan portfolio.

Beginning August 8, 2005, the Receiver mailed 424 notification letters to all active loan consumers, notifying them that Robb Evans & Associates LLC would be servicing their loan until further notice and providing them contact information.

The Receiver also mailed a two-month backlog of Payment Notices (Statements) and Delinquent Notices that were not previously printed. On August 10th, the Receiver mailed 239 separate collection notices for past due accounts.

Currently there are 372 open accounts. Of these open accounts, 38%, or 142, are current (less than 30 days past due) and 62%, or 230, have a past due balance. Of the past due accounts, 75%, or 173, are 121+ days past due with 134 of those being over six months old. The age of the delinquent accounts has made collection difficult. The Receiver continues to contact the delinquent account holders and reach repayment agreements to bring the accounts current or settle the remaining balances.

The Receiver has repossessed 17 vehicles for seriously delinquent accounts where repayment plans could not be reached. Five of these vehicles have been sold at auction; nine are pending sale and three accounts were redeemed. The Receiver cannot locate the debtor or the vehicle for another 11 accounts.

The Receiver was able to successfully reach repayment plans for 40 delinquent automobile loans.

To date, the Receiver has collected about \$920,000 of the loan portfolio. Approximately \$2 million in consumer loans remain outstanding.

Fidelity & Trust Corporation

In its first report, the Receiver discussed this asset that was previously undisclosed by Mr. Pukke. The Receiver has completed negotiations for the sale of this asset and will seek this Court's approval of the sale in the near future.

Investments in Internet Gambling Business by Mr. Pukke

The following paragraphs will describe various transactions conducted by Mr. Pukke and his close friends that involve Internet gambling businesses. Based on all of the information currently available, the Receiver believes that when discovery actions in many foreign jurisdictions are completed, additional undisclosed assets of Mr. Pukke will be located.

Tradewinds Deposit Corp.

Maple Ventures International, BVI transferred \$148,560 from its Merrill Lynch account to Tradewinds Deposit Corp. (Tradewinds) between June 17, 2002 and September 5, 2002. Tradewinds had an account with Bank of Nevis International. Mr. John Vipulis, a close personal friend of Mr. Pukke, and Mr. Pukke were appointed president/director and vice president/director of Maple Ventures International, BVI, on May 16, 2002 and February 8, 2002, respectively.

In his deposition taken by the Receiver on July 13, 2005, Mr. Pukke stated that Tradewinds is an online sports book and that he had no ownership interest in Tradewinds. The Receiver will continue to investigate the nature of the transactions involving Tradewinds.

Clockmedia Inc.

DebtWorks transferred \$447,566 from one of its Merrill Lynch accounts to Clockmedia Inc. between November 13, 2001 and September 27, 2002. Clockmedia was a privately held company based in Montreal, Canada and specialized in developing online gaming software. According to public information, Full House Entertainment N.V., a licensed Internet based gaming development and management firm located in Curacao, Netherlands Antilles, acquired all of the assets of Clockmedia in December 2004.

In his deposition taken by the Receiver on July 13, 2005, Mr. Pukke stated that he vaguely remembered hearing of Clockmedia and he believed that he did not have an interest in Clockmedia since he did not recall what it was. However, on December 1, 2005, the Receiver took the deposition of Mr. Timothy McCallan who stated that he invited and personally accompanied Mr. Pukke on a visit to Clockmedia in Vancouver, Canada about three to four years ago. Mr. Pukke did not disclose his investment in Clockmedia on his IRS Form 433-A, but listed this investment on the Chapter 11 bankruptcy filing as an "unknown interest." The Receiver will continue to investigate this potential investment.

Imagine Communications

DebtWorks paid approximately \$4.1 million to Imagine Communications between March 3, 2000 and June 3, 2002. Imagine Communications was founded by Tina Norris, a high school friend of Pamela Pukke and an ex-employee of Ameridebt. Imagine Communications performed advertising services substantially for Ameridebt, DebtWorks, Infinity Resources Group, and certain other consumer credit counseling agencies which were owned by friends or family members of Mr. Pukke.

The Receiver has compiled a summary of cash receipts and disbursements of Imagine Communications from August 31, 1998 to August 31, 2005. The summary disclosed that Imagine Communications' cash receipts for the period were approximately \$18.3 million and consisted of the following:

- approximately \$4,800,000 from Ameridebt.
- approximately \$4,100,000 from DebtWorks.
- approximately \$2,300,000 from Infinity Resources Group.

- approximately \$2,200,000 from Neway, Inc., a company owned by Mr. William Sargent, an ex-officer of Ameridebt. Mr. Sargent also controlled an entity named Costix, Inc. which received approximately \$2.6 million of leads-selling income from DebtWorks.
- approximately \$1,300,000 from Deblicated Consumer Counseling, Inc., a company owned by Eriks Pukke, Mr. Pukke's brother.
- approximately \$700,000 from three other consumer credit counseling companies which were affiliated with Mr. Pukke.
- approximately \$2,000,000 of deposits to be identified.
- approximately \$900,000 from others, including \$110,000 from Cardlink International in Bermuda. Mr. John Vipulis also received \$20,000 from this Bermuda company in November 1999.

According to Ms. Norris, Imagine Communications wire transferred, at the request of Mr. Pukke, \$3,035,500 to SportsLine USA Inc. between September 15, 1998 and May 9, 2001. By tracing the timing and the amounts, the Receiver has determined that Infinity Resources Group, Ameridebt, and DebtWorks, companies controlled or owned by Mr. Pukke, provided the \$3,035,500 funds transferred to SportsLine USA Inc.

The website of SportsLine USA Inc. was promoted by CBS as "CBS SportsLine." During her deposition by the Federal Trade Commission in January 2005, Tina Norris stated that at Mr. Pukke's request, she purchased some noncredit counseling related advertising on CBS sports line to advertise Sportsbook.com and Place My Bet.com. She testified that both were Internet casinos. Sportsbook.com was acquired by Sportingbet.com (UK) on July 27, 2001. Sportingbet.com is discussed in greater detail in a following section.

During the review of bank documents of Imagine Communications, the Receiver noted that "Place my Bet Campaign" was written on the "memo" line of a number of checks; for example, "Worldwide-Place My Bet Campaign" was marked on a \$60,000 check payable to Virtumundo, Inc., a spyware developer.

Imagine Communications also wire transferred \$30,000 to Iwin.com Inc. on April 10, 2000. Iwin.com is a website for games and Iwin, Inc. was incorporated in August 2001 as Next Game, Inc. As described previously, Seaspray also invested \$90,000 in Next Game on July 1, 2002.

Worldwide Internet Group, Inc. (WWIG)

Under Tab 8 is the preliminary summary of cash receipts and disbursements of WWIG from August 11, 1999 to August 31, 2005. James Catsos, a close personal friend of Mr. Pukke, is a vice president and director of WWIG.

WWIG received \$1,516,590 from Barracuda Ltd. in Nevis. The Receiver will continue to investigate the nature of these receipts from Barracuda Ltd.

WWIG received \$819,877 from Imagine Communications between February 15, 2000 and June 5, 2002.

WWIG received \$240,000 from a Bank of Nevis account of Seaspray between June 27, 2002 and September 20, 2002.

A \$200,000 loan was made by Infinity Resources Group to WWIG on March 12, 2003 and the loan remains unpaid.

WWIG had other international receipts from Belize, Bermuda, Nevis and Grenada totaling approximately \$238,000 between August 10, 2001 and June 18, 2004. The Receiver will continue to investigate the nature of these receipts.

WWIG was also operating under the business name of Mywebdr.com, which sells medicine online. Net sales of Mywebdr.com were about \$106,000 between October 31, 1999 and August 24, 2000.

WWIG paid about \$203,000 to four gambling software developers between December 14, 1999 and May 12, 2003. It also paid about \$117,000 to three companies for Internet marketing between March 15, 2000 and March 14, 2003.

Tina Norris stated that Imagine Communications, under instructions from Mr. Pukke, purchased advertising with WWIG related to gaming web sites.

Mr. Pukke did not disclose his investment in WWIG on his IRS Form 433-A but listed this investment on the Chapter 11 bankruptcy filing as an "unknown interest."

Sportingbet.com

As described above, Sportsbook.com was acquired by Sportingbet.com on July 27, 2001. Sportingbet.com is a sports gambling site and is a publicly traded company on AIM, an affiliate of the London Stock Exchange.

Mr. Alfred Francis Ballester, originally the registered agent and president of certain John Vipulis companies, was previously connected to Sportsbook.com and was appointed as a non-executive director of Sportingbet.com on September 7, 2001.

The Receiver has discovered that Stephen Todd Cook sold 750,000 shares of Sportingbet.com between January 13, 2005 and June 27, 2005 and received about \$3.3 million from the sales. Mr. Cook also received \$500,000 from an account at JP Morgan in Geneva, Switzerland. During his deposition on November 16, 2005, Mr. Cook refused to disclose the source of the \$500,000.

In addition, Mr. Peter Baker sold an unknown number of shares in Sportingbet.com in July of 2005 and received about \$2.6 million from the sales, of which approximately \$2.1 million was sent directly from Walker Crips Stockbrokers Ltd. in London to the escrow company in connection with the purchase of 69 Emerald Bay, Laguna Beach, California property on behalf of Mr. Pukke. On the real property loan application signed on July 5, 2005, Mr. Baker listed an amount of \$4,149,357 in connection with the investment held by Walker Crips Stockbrokers Ltd. Based on bank documents obtained by the Receiver, it does not appear that Mr. Baker had the financial ability to make an investment in Sportingbet.com. In addition, there were no disbursements from Mr. Baker's bank account for the purchase of any stock.

Public information shows that DBS Advisors Ltd., a vendor of Sportsbook.com, became the second biggest shareholder of Sportingbet.com in July 2001 following the acquisition of Sportsbook.com by Sportingbet.com. Mr. John Vipulis received at least \$4.4 million from a JP Morgan account in Geneva, Switzerland held by DBS Advisors Ltd. between November 26, 2004 and June 13, 2005.

Based upon this information, it appears that Mr. Pukke was involved in the business of Internet casino gambling with his close friend, Mr. John Vipulis. The Receiver is continuing to investigate this Internet gambling connection.

Investments to be Identified

On December 23, 2002 DebtWorks wire transferred \$1,043,000 to H. E. Capital's account at Bank Crozier International in St. Lucia B.W.I. Bank Crozier International is in liquidation. The Receiver is attempting to contact the bank's liquidator to determine the ultimate disposition of these funds. Also, DebtWorks and DW Management paid \$498,882 and \$77,452 to Caduceus Life Insurance Co. Ltd. (Caduceus), respectively, on December 27, 1999, totaling approximately \$576,000.

The documents received from the attorney representing Mr. Pukke in the Agave investment case disclosed that after paying commissions and fees, approximately \$872,000 of the \$1,043,000 paid by DebtWorks on December 23, 2002, was loaned to Seaspray to purchase certain Treasury bills.

As described previously, Agave was founded on July 27, 2000, while DebtWorks and DW Management paid approximately \$576,000 to Caduceus in the U.S. Virgin Islands on December 27, 1999. The Receiver is investigating this payment to determine whether or not the funds were diverted for other offshore investments, as in the case of the investment in Agave.

Possible Claims against Third Parties

Under Tab 1 is a list of possible claims against third parties. The Receiver is analyzing each of these possible claims.

Conclusion

The Receiver has continued to meet significant roadblocks to its ongoing financial investigation as a result of a general lack of cooperation from Mr. Pukke, his counsel and many of his associates. As reported above, Mr. Janis Pukke and Mr. Ray Suris failed to attend their noticed depositions. Peter Baker has filed unsuccessful motions for a protective order to delay his deposition and to quash a subpoena regarding the Google email account for the Belize Sanctuary Bay website. John Vipulis and his accountants filed a motion for a protective order and a motion to quash a subpoena issued to that accounting firm. Stephen Todd Cook refused to answer many questions at his November 16, 2005 deposition and has moved to quash a subpoena of certain of his bank records. The Receiver intends to aggressively pursue further discovery.

Respectfully submitted,

/s/

Robb Evans & Associates LLC
Receiver