

**DIVERSIFIED LENDING GROUP, INC.  
U.S.D.C. CASE NO. 09-CV-01533 R SS  
DISBURSEMENTS THROUGH 9/30/10**

<b>Transaction Date</b>	<b>Description</b>	<b>Transaction Amount</b>
5/13/2010	Gardening Service	-100.00
5/13/2010	Gardening Service	-224.70
5/13/2010	Deposit And Gas Service	-74.93
5/13/2010	Investigation Re Service Address	-150.00
5/17/2010	Telephone Service	-90.00
5/17/2010	Trash Service For Banjo Creek	-150.00
5/17/2010	Costs For Copying Complaints Filed	-941.25
5/17/2010	Costs For Copying Complaints Filed	-312.00
5/17/2010	Costs For Copying Complaints Filed	-688.00
5/17/2010	Final Bill For Electric Service	-994.71
5/17/2010	Costs For Duplication Of 3 Dvd's	-82.31
5/17/2010	Costs For Document Production	-142.06
5/17/2010	Recordation Fee	-25.00
5/17/2010	Research Re Freddie Hooker	-150.00
5/19/2010	Processing & Organizing	-4,626.71
5/19/2010	Cost To Obtain Certified Copy	-40.00
5/20/2010	Quarterly Insurance Premium	-11,774.50
5/25/2010	Property Tax	-6,000.00
5/26/2010	Monitoring Of Well Water System	-387.00
5/26/2010	Investigation Results	-200.00
5/26/2010	Charge For Service	-15.00
5/26/2010	Rent For Office Space	-1,596.00
6/1/2010	Deposit Re Dwp Service	-500.00
6/1/2010	Reimbursement	-754.07
6/3/2010	Cost For Service Of Process	-110.00
6/3/2010	Pay Phone Contract For May 2010	-120.00
6/3/2010	Gardening Service	-149.80
6/7/2010	Gas Service For Willoughby Property	-5.79
6/7/2010	Field Representative Services	-1,320.00
6/7/2010	Caretaker For Banjo Creek Rv Resort	-2,500.00
6/14/2010	Copy Cost For Documents Of Record	-99.00
6/14/2010	Copy Cost Re Potaos Holdings, Lp	-182.00
6/14/2010	Copy Cost Re Kabr Shamrock, Llc	-89.00
6/14/2010	Service	-316.82
6/14/2010	Copy Of Transcript	-59.40
6/14/2010	Expenses Paid Out Of Escrow	-2,835.68
6/24/2010	Gardening Service	-100.00
6/24/2010	Processing & Organizing	-12,238.76
6/28/2010	Rent For Office Space	-1,596.00
6/28/2010	Property/Casualty & Liability	-566.87
6/28/2010	Liability Coverage -	-1,495.50
6/28/2010	Liability Coverage	-128.75
6/28/2010	Commission As Of 03/31/02	-14,625.00
6/28/2010	Commissions	-29,250.00
6/28/2010	Commissions	-14,625.00
6/28/2010	Other Debits	-114.00
6/28/2010	Tot/E/Taxes/Recording Charges	-7,415.67
6/28/2010	Escrow Charges	-2,001.08
6/29/2010	Monitoring Of Well Water System	-387.00
6/29/2010	Receivers Expenses	-6,517.34

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6/29/2010	General Counsel For Receiver	-519,054.33
6/29/2010	General Counsel For Receiver	-37,000.67
6/29/2010	Receiver's Financial Advisors	-1,786.46
6/29/2010	Receiver's Special Nj Counsel	-102.59
6/29/2010	Receiver's Special Counsel	-23,722.17
6/29/2010	Receiver's Special Counsel	-2.05
6/29/2010	Expenses	-434.00
6/29/2010	Professional Fees	-20,775.50
6/29/2010	Professional Expenses	-201.45
6/29/2010	Receivers Fees	-211,966.50
6/29/2010	Receiver's Financial Advisors	-619,758.00
6/29/2010	Receiver's Special Nj Counsel	-7,790.00
6/29/2010	Receiver's Special Counsel	-47,700.14
7/1/2010	Cost Of Transcript	-21.90
7/2/2010	Rp Taxes On Sale Of Rp	-3,562.20
7/2/2010	Capital Contribution	-108,330.00
7/2/2010	Reimbursement	-25,792.31
7/8/2010	Escrow Fees	-1,831.00
7/12/2010	Field Representative Services	-2,250.00
7/12/2010	Full Satisfaction For	-5,000.00
7/12/2010	Transcript Of Hearing	-59.40
7/12/2010	Transcript Of Hearing	-10.00
7/15/2010	Handwriting Analysis	-790.00
7/19/2010	Property/Casualty & Liability	-509.85
7/19/2010	Cleaning Service Re Wish Ave	-625.00
7/19/2010	Caretaker For Banjo Creek Rv Resort	-2,500.00
7/19/2010	Locksmith Services	-234.53
7/20/2010	Supplies And Labor	-1,900.00
7/22/2010	Reimbursement	-63,193.00
7/27/2010	Monitoring Of Well Water System	-387.00
7/27/2010	Pool Services	-400.00
7/27/2010	Rent For Office Space	-1,596.00
7/27/2010	Gardening Service	-100.00
7/30/2010	Petty Cash	-2,500.00
8/4/2010	Gardening Services	-160.00
8/4/2010	Telephone Service	-39.87
8/4/2010	Field Representative Services	-4,095.00
8/4/2010	Caretaker For Banjo Creek Rv Resort	-2,500.00
8/4/2010	Property/Casualty & Liability	-509.85
8/4/2010	Liability Coverage -	-746.75
8/4/2010	Property/Casualty & Liability	-257.50
8/4/2010	Processing & Organizing	-7,637.32
8/10/2010	Gardening Service	-149.80
8/13/2010	Electric Service Banjo Creek Rv Pk	-4,365.98
8/13/2010	Dumpster Service For July 2010	-318.00
8/13/2010	Petty Cash	-2,500.00
8/13/2010	Dumpster Service For May 2010	-75.00
8/18/2010	Telephone Service	-50.00
8/18/2010	Property Taxes	-4,124.31
8/27/2010	Certified Copy Of Order	-40.50

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8/27/2010	Rent For Office Space	-1,596.00
8/27/2010	Cost For Original And One Copy	-886.85
8/27/2010	Telephone Service	-836.24
8/30/2010	Telephone Service	-363.08
8/30/2010	Bond Premium On T.P.O.	-200.00
8/30/2010	Monitoring Of Well Water System	-387.00
9/1/2010	Property/Casualty & Liability	-509.85
9/1/2010	Liability Coverage -	-746.75
9/1/2010	Property/Casualty & Liability	-257.50
9/7/2010	Monthly Fee For	-2,500.00
9/7/2010	Pool Services	-85.00
9/13/2010	Petty Cash	-2,500.00
9/14/2010	Electric Service Banjo Creek Rv Pk	-4,251.15
9/14/2010	Field Representative Services	-3,060.00
9/14/2010	Costs Advanced	-124.66
9/15/2010	Payoff Charges	-364,579.30
9/15/2010	Proration /Adjustments - Taxes	-1,286.58
9/15/2010	Commissions	-30,000.00
9/15/2010	Titel/Taxes.Recording Charges	-4,232.50
9/15/2010	Escrow Charges	-1,315.00
9/15/2010	Other Debits/Credits	-114.00
9/23/2010	Water & Electric Services	-639.89
9/23/2010	Trash Service	-280.00
9/23/2010	Closing Invoice For Pool Services	-63.75
9/23/2010	Document Production	-4,032.29
9/23/2010	Document Production	-1,219.08
9/23/2010	Monthly Pay Telephone Contract	-50.00
9/23/2010	Monitoring Of Well Water System	-387.00
9/23/2010	Cost To Deliver 25 Boxes Of Records	-74.75
9/24/2010	Deposit For Engineering Services	-4,000.00
9/29/2010	Costs Advanced	-530.52
9/29/2010	Liability Coverage	-746.75
9/29/2010	Closing Statment	-28.01
	<b>Total Disbursements</b>	<b>-9,161,311.15</b>

**EXHIBIT "B"**

**DIVERSIFIED LENDING GROUP**

David A. Gill, Receiver, SEC vs. Diversified Lending Group, etc. et al SCHEDULE OF KNOWN ASSETS OF RECEIVERSHIP ESTATE AND RECEIPTS AS OF 09/30/10 (Excluding claims and unfiled causes of action under investigation or in negotiation)		Net Moneys Collected Through September 30, 2010 (after payment of direct expenses)
	<b>ASSETS OTHER THAN PENDING LITIGATION</b>	
<b>CASH</b>		
Caceres & Shamash, trust account	Trust account balance recovered from counsel.	\$ 150,000.00
Unencumbered cash, Wells Fargo Bank	Unencumbered funds in Wells Fargo Bank accounts. Recovered.	\$ 261,340.00
Cash in Bank, B. Friedman account	This was frozen by Court, and remains so.	\$ 74,188.00
Cash claimed by Charitable Foundation	\$17,676.30 is held; Receiver has not yet made claim thereto. (Avoidability of charitable contributions sourced from Diversified directly and through charitable foundation is under investigation.)	
Claimed to be encumbered in favor of Wells Fargo Bank	\$988,000 claimed by Wells Fargo Bank to be fully encumbered to Bank (related to Mydonose). Bank may have other collateral, and possible "equity" may exist for the estate.	\$ -
Misc. receivables and deposits	Tax refunds-\$18,321.16, excess funds from sale escrow (2460 Pesquera Dr., LA) \$2,912.94; Kaiser premium refund \$4,761.00, auto insurance refund \$3,647.00, Refund from SoCal. Gas- Malibu \$901.19.	\$ 30,543.29
<b>TANGIBLE ASSETS</b>		
Bentley automobile	Purchased for \$245,000; registered in name of Bruce Friedman, auctioned for \$127,500, which was between low and high appraisal but correction of registration, license problems would have cost \$25-40,000.	\$ 127,500.00
Jewelry on premises	Jewelry located on premises; 5.10K Diamond Ring, Yellow Diamond Necklace & Bracelet, Louis Vuitton Watch, all auctioned by Christies; net proceeds.	\$ 118,733.00
Lexus, 2008	Ultimately returned by Bruce Friedman and sold at auction. Net:	\$ 62,000.00
Office furniture, fixtures, equipment and owned artwork	Sold at auction except art claimed by Bruce Friedman, which is being held.	\$ 41,090.45
Artwork claimed by Bruce Friedman	In process of appraisal.	
Dodger Tickets	Held in name of Bruce Friedman, net receipts from online broker.	\$ 33,453.27
Furniture, 174 Upper Mountain, Montclair, NJ	Sold in connection with sale of real estate.	\$ 33,785.00
Net Jets	Diversified owned a non-marketable interest in at least four airplanes, and had an interest in one more. Almost \$9 million was transferred by Diversified to Net Jets. Net Jet asserts the right to offset charges due on some aircraft against credit balances due on others and alleges that, on balance, it is owed money. Settlement in principle has been reached with Net Jets, for mutual releases.	

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**EXHIBIT**     (B)

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<b>REAL PROPERTY</b>		
127 Upper Mountain Road, Montclair, NJ	Purchased by Bruce Friedman for \$737,500; appraised at \$650,000. Property sold for gross 650,000 net received:	\$ 647,164.00
174 Upper Mountain Road, Montclair, NJ	Single family residence vested in MMHIM purchased for \$2,880,000, appraised for \$2,555,000 with personal property; sold for appraised value. After payment of encumbrance and costs, this netted:	\$ 1,636,456.00
Cancun Condominium, interest in	Approximately \$340,000 was paid to Jeffrey Appel or an affiliate, for or on behalf of Bruce Friedman, who thereby acquired a 1/2 interest therein. Property is vested in Appel. Friedman has agreed that Receiver is entitled to the 50% interest. Estimated value is \$1,060,000; interest of estate is 50% less advances made by Appel. Property is being actively marketed. Listed at \$1,060,466. Market is very slow at this time.	
Malibu Real Property	Purchase price by Bruce Friedman of \$6,530,000 plus \$2 million in improvements plus \$174,101.24 expended by Receiver to complete. Sold for \$5,700,000 gross. Net received after payment of encumbrances was:	\$ 3,032,635.01
Victorville Real Property	Debtor purchased for \$5.6 million. No realizable equity. Lost through foreclosure.	
Residence of Bruce Friedman in Tarzana, CA	This property (alleged to have been inherited) is vested in a trust of which Bruce Friedman is beneficiary; it is believed that the original source of mortgage and refinance payments was Diversified. Under investigation.	
<b>NEGOTIABLE SECURITIES</b>		
Merrill Lynch unencumbered		\$ 177,410.87
Merrill Lynch encumbered, equity	Broker reports that it holds, in two separate accounts, securities in an account n/o MMHIM/Diversified Lending Group, which are pledged to Merrill Lynch to secure advances.	
4,500,000 shares Voyager Entertainment International, Inc.	On or about September 5, 2006, Diversified transferred at least \$1.25 million to Voyager. In 2006 and 2007, Diversified received 11,884,382 shares of common stock in Voyager, a publicly traded company and a \$50,000 commission, at the time the loan was made. During 2008, these securities had a market value of \$.00 to \$.06 per share over the counter. Present estimated value: \$.004/share; however brokers advise not marketable in bulk. Voyager alleges agreement by Bruce Friedman that nothing need be paid thereon until he provides a cash infusion of \$15 million. Receiver attempting to negotiate settlement.	
Claim to 50,000 common and 25,000 warrant shares of Innovative Card Technologies	Acquired for \$50,000 by Bruce Friedman and paid for by Diversified: estimated value. Receiver recovering shares. Current value: approximately \$13,000.00. Company denies existence of warrants. Brokers report problems marketing in bulk. Tolling agreement received relative to transfer claims.	

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<b>ANNUITIES</b>		
American National Life annuities Equity	Owned annuities net of pledges.	\$ 58,278.82
Jackson National Life annuities Equity	Diversified owned at least 144 annuities on the life of Bruce Friedman. Most of these were purported to be pledged to investors and includes amounts in excess of that claimed by the investors. The Receiver thus far realized on equities in unpledged accounts and from settlements with some collateral assignees who released certain amounts of collateral to the estate.:	\$ 1,402,419.00
<b>NOTES AND ACCOUNTS RECEIVABLE</b>		
Arevalo, Omar	July 2010 discovery of unbooked note secured by second td on residence, face amount \$110,000; interest at 15%, approximate balance \$100,000 principal plus interest and penalties. Debtor has filed chapter 13 bankruptcy and proposes to wipe out claim. Plan objections were filed by Receiver.	
Azimi, Seyed A.	Promissory Note Secured by Deed of Trust executed March 18, 2008. Principal in the amount of \$200,000, interest at 8% per annum. Monthly payments interest only in the amount of \$1,333.33 beginning on April 1, 2008 and continuing until March 12, 2010 when the any remaining principal and interest would be due. Collateral has limited value. Settlement discussions in process.	
Bermuda Dunes	Debtor loaned at least \$1.5 million and took back a deed of trust on real property in Riverside County, CA, consisting of three lots, contiguous to Bermuda Dunes Airport. Property was recovered through foreclosure by the Receiver for a credit bid of \$1,503,964. Property is listed for \$995,000 with CBRE. No interest has been shown thus far. Environmental issues. County assessments for clean up. Property taxes are not being paid.	
Brandt, Scott	Note of \$500,000 secured by trust deed payable interest only, due in 2018. Receiver collected payoff of:	\$ 540,900.00
Brandt, Timothy	4/14/08 Note secured by real property. Principal \$125,000 plus interest due in full on original term date of 4/13/09. Obligor alleges in process of refinance. Collateral has equity.	

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**DIVERSIFIED LENDING GROUP**

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Club Acquisition	In December 2007, Diversified transferred at least \$3.5 million and held a 14% note for \$4.2 million from San Felipe Beach Club and Club Acquisition Co. ("CAC"), which was reportedly secured by property in Mexico, guaranteed by principals, Patrick Butler and Frank Woltius. DLG to receive debt service payments tied to sales price of lots. The loan was due on December 14, 2008. The loan was made to develop 66 lots. Diversified could not perfect its security interest in the lots as collateral due to the re-zoning process, so, in lieu, Diversified purported to take a security interest in 66 lots in a different project in Mexico known as "Long Beach," allegedly worth \$20 million at the time of the loan. Prior to Receiver's appointment, CAC defaulted and requested an extension. Receiver has been in discussions with CAC regarding the status of their refinancing efforts and timing of payoff of the Receiver's claim.	
Club Acquisition (continued)	The Receiver has employed special counsel in Mexico to evaluate his rights in the property and to commence foreclosure proceedings, if appropriate. The Receiver has made demand on guarantors and intends to pursue them. Negotiations for settlement with guarantors are in process. Tolling agreement in effect.	
Coastal Ventures (Linville Development)	Diversified held a note for a \$1.3 million loan secured by trust deed, in conjunction with investment of \$2.3 million by ReProp. Receiver and ReProp acquired security through foreclosure. Development is sometimes called "the Linville Development," located in Linville, near Asheville, N.C. The Receiver's portion of the consists of 36.11% interest in a 159 acre golf course, approximately 96 residential "Finished Lots" comprising about 112 acres, 146 acres of unimproved property subdivided into 146 lots ("Unfinished Lots") and approximately 7.46 acres of "Raw Land." After failing to sell in bulk after marketing package for \$4.5 million cash or \$5 million, on terms. Receiver was authorized to transfer residential lots into a joint venture with ReProp called RDLG LLP, in which the Receiver has same percentage interest. A retail sales effort was not successful and has resulted in N.C. litigation between RDLG LLP and the sales agents.	
Coastal Ventures (Linville Development) (continued)	There remain vested in the Receiver the Unfinished Lots and Raw Land, to which sales efforts are on going. Total ultimate net value estimated at under \$1.5 million. Two guarantees; judgment entered against Obligor for \$540,773.54 plus interest, costs, etc. Moratorium agreement with one guarantor pending attempts to liquidate principal debt in partial consideration of promised assistance in development.	
Cortez, Liliana and Miguel A.	Note dated 10/17/08 for \$50,000 at a rate of 7.25% per annum - secured by a Deed of Trust. Payments were to begin on 10/31/2008 and be paid in full by 09/30/2013. The monthly payment should have been \$995.97. Loan secured by real estate; property has no equity; debtor is paying in monthly installments. Due 09/30/2013. Received through 09/30/10:	\$ 2,150.00

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Fabish, Charles	Loan agreement with Charles H. Fabish for \$100,000 on November 19, 2008. Terms of the original note stated that annual interest would be 12% and monthly repayments (for principal and interest) in the amount of \$8,884.88 would begin on January 1, 2009. The entire balance of the note was to be paid in full by December 1, 2009, amended November 19, 2008 revising the payment terms to monthly interest payments in the amount of \$1,000 for the first 11 months of the loan, then \$101,000 thereafter. The scheduled repayment period remained January 1, 2009 - December 1, 2009. Secured by Second TD with some apparent equity. Received through 09/30/10:	\$ 9,000.00
Goad, Steve (Wingate property)	Note and 2d trust deed for \$72,000. Payments interest only; current. Received through 09/30/10:	\$ 3,804.00
Hallmark Medical	Note and trust deed for \$3.25 million. Secured by real estate of an affiliate of Consolidated Health Services. Validity of lien disputed. Equity problematic.	
Hamilton, Ryan	Lease on real property at 127 Upper Mountain Road, Montclair, NJ. Rents paid. Vacated when property sold. Rents received, in full:	\$ 28,000.00
Nickolas, Steve	Trust deed recorded against Mr. Nickolas' residence for the principal amount of \$250,000 in favor of Diversified, arising from loans in the total principal amount of \$315,000 from Diversified. Residence collateralizing the debt, which is disputed, has limited equity. Validity of trust deed is disputed. Related to Sun West Bottlers and XND Technologies matters. Value of claim unknown.	
O'Callaghan, Karen	Diversified has a recorded trust deed on real property in Des Moines, Iowa, to secure an \$80,000 debt. Estimated value of property exceeds amount of encumbrance. No payments have been received. If a note exists, it has not been located. O'Callaghan is in chapter 7 bankruptcy. Her Trustee now owns the real property and has agreed to market it. (The Receiver also has a claim against O'Callaghan for more than \$1,300,000 in voidable transfers, and has an attachment lien on property transferred to an affiliate of O'Callaghan. This is discussed below in section dealing with pending litigation.	
Sam Bell Fitness, LLC	Bruce Friedman had obtained a judgment of \$561,200 and upon request transferred it to the Receiver. Prior to the receivership Mr. Friedman agreed to monthly installment payments of \$50.00, which are being paid currently. Present value of this judgment is minimal unless Debtor defaults and the debt is accelerated or the transaction is otherwise voidable.	\$ 900.00

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Sun West Bottlers, LLC	Diversified loaned or invested over \$4 million in this Arizona private label bottling venture. The nature of the interest of Diversified and of Bruce Friedman is disputed and unclear. The Receiver maintains that he is a secured creditor; his claim is disputed. The business is in a pending chapter 11 case in Phoenix, AZ. Recovery of the amount paid or any amount is highly unlikely. A court sale for a nominal amount was recently approved, and no material recovery is expected.	
Uwharrie Valley Ptnrs, LLC (Zooland)(Banjo Creek)	Diversified loaned \$930,000 secured by an RV campground in Asheboro, Randolph County, NC. \$772,664+/- was funded. DLG commenced foreclosure and Receiver recovered the real property collateral, which consists of 32.21 acres zoned residential agricultural with amenities designed and built in support of the park operation. The obligation was personally guaranteed. Marketing efforts continue. Receiver is operating the RV park in the interim, after failure of a \$900,000 lease option transaction. Current estimates of value in the \$600,000 range. Listed with CBRE for \$690,000. A possible sale for \$640,000 cash fell through due to recently discovered possibly serious environmental issues leading to a regulatory citation. Environmental engineers retained for required study. Gross operating proceeds received through 09/30/10:	\$ 31,205.38
Versten, Elizabeth (Mazzarino's)	Note dated 10/28/2008 for \$400,000 at a rate of 14% simple annual interest. The note does not define terms such as loan maturity or payment schedule, except that the unpaid principal and any unpaid interest would be due upon 30 days advance written notice by DLG. \$400,000 unsecured loan currently in default. Breach of contract litigation pending. Discovery in process.	
Knight, Robert	At least \$600,000 transferred; Bruce Friedman advised that it was a loan; Mr. Knight reports it was an investment and disputes any liability. Claims against Knight for transfer and possible wrongful retaking of property. Litigation tolled pending settlement discussions, which are ongoing. Investigation is in process re a senior lien.	

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<b>INVESTMENTS</b>		
Action Wobble, Inc.	In or about June 2008 DLG entered into a Convertible Loan Agreement with Action Wobble which provided DLG 50% of the voting rights in Action Wobble and the requirement to convert the loan into 45,000 shares of Class B stock - the convertible loan agreement was not to exceed \$15 million. DLG may have intended to convert the loan into these Class B shares immediately (a Notice of Conversion letter with the same date as the loan agreement was Exhibit A to the loan agreement). At some point in 2008, DLG may have entered into a Revolving Credit Facility Agreement with Action Wobble in which it pledged to provide Action Wobble with a Line of Credit not to exceed \$12 million. To date, we have identified a total of \$3,350,000 in transfers related to Action Wobble (\$3.1 million directly to Action Wobble and another \$250,000 to BBH Financial Services). Dispute over nature of interest and claim of offset for failure to complete loan or investment. Value unknown.	
All New Materials	In 2008, Diversified transferred at least \$900,000 to this entity. This entity was apparently formed for the purpose of acquiring an Ohio business from Ryan Hamilton to make and distribute toys and clothing for a start up business that Diversified was forming. All New Materials was formed as a New Jersey entity. It purchased Mr. Hamilton's Ohio business, its inventory and intellectual property for the sum of \$450,000. Receiver discussed unsuccessfully with Ryan Hamilton and All New Materials a possible sale of Diversified's interest in the company and resolution of my claims to recover the \$900,000. Receiver believed that there is little liquidation value. Debtor alleges it is in dissolution.	
Bethany Holding Group, LLC / Bethany Legend Oaks, LLC	Between March and September 2008, Diversified transferred at least \$14,131,755.00 to these entities re an apartment complex in Tampa Florida. Receiver is advised that \$5.9 million of that sum was actually paid in cash; the balance was supposedly prepaid interest, fees, points and the like retained by Diversified. Loan was to fund difference between the purchase money loan and the purchase price for a 416 unit apartment building to be held in the name of BHG's affiliate, Bethany Legend Oaks, LLC ("BLO"). (BHG owns 87.5% of BTA). It was proposed to sell to Diversified an 80% interest in BLO. Diversified could not receive a lien on the apartment building because of alleged adverse impact on the senior debt. Diversified apparently elected to receive 80% equity in BLO. The property held by BLO is still subject to the \$21 million senior note of GE, the holder of the first lien against the property. A receiver has been appointed over the property owned by BLO. No equity in BHG for the benefit of this estate. Diversified also loaned Bethany Holding about \$3 million. Loan undocumented and apparently worthless.	

**DIVERSIFIED LENDING GROUP**

David A. Gill, Receiver, SEC vs. Diversified Lending Group, etc. et al SCHEDULE OF KNOWN ASSETS OF RECEIVERSHIP ESTATE AND RECEIPTS AS OF 09/30/10 (Excluding claims and unfiled causes of action under investigation or in negotiation)		Net Moneys Collected Through September 30, 2010 (after payment of direct expenses)
Brown Field International Business Park (Now called Metropolitan Airpark)	Diversified invested \$3,250,000 with this venture, alleging a huge ultimate value, and promised to invest an additional \$17 million. According to the Limited Liability Company Agreement, DLG was to contribute 75% of the cash required for the project and would receive a 50% interest in the entity. Its co-investor and manager of the venture was Distinctive Products Co. ("DPC"). Disputes as to its interests were resolved with court approval by a settlement through which the estate received a release, the deal was transferred to a new entity, Metropolitan Airpark LLC, and the estate received and now holds a 25% interest in any proceeds received or to be received by DPC (now itself a minority interest holder) in the new venture. Received to date:	\$ 18,029.00
Consolidated Healthcare Systems (CHS)	CHS provides M.R.I. and related imaging services. Diversified transferred at least \$26 million for a minority interest in this venture to this entity and Ambulatory Services Corporation per a Loan Agreement of 7/05/2007 that required DLG to provide \$3,250,000 with 14% interest on \$2,750,000 and 15% interest on the remaining \$500,000. This also entitled DLG to convert \$2,500,000 of the loan amount into a 25% interest in ASC. Additional advances up to \$6,000,000 were agreed to by DLG (after \$1,557,733 in excess of the original loan had been advanced) 3/15/2008 as well as a purchase by DLG of Class D Units in CHS for \$3.25 million entitling it to a 50% equity interest in CHS. In the March '08 agreement, DLG agreed to fund acquisitions per Exhibit A to the agreement. According to a 09/2007 Operating Agreement for CHS, DLG was to contribute \$32,500,000 and have a 50% interest. Receiver is uncertain when or if the entity will attempt an IPO or other means of realizing on the investment. CHS has filed a claim in the amount of \$31,184,229 based on the investment agreement.	
Desert Land Ventures III	Diversified invested at least \$5.7 million in this venture, which owns 400 acres of vacant land in San Bernardino County, CA. Diversified has a 40% interest in the interests of DPC (and possibly 12.664% of the investment entity). The acreage is designed as a solar farm. Value is uncertain; it is reported that such land is not being successfully marketed and a positive change is not anticipated for the near future. It is being recapitalized. Receiver is not contributing. In September 2010, a portion of the property was annexed by the City of Desert Hot Springs, which, we are advised, will facilitate development.	
Diversified Lending Group International	Although mention is found in Diversified files, it is not clear that Diversified ever invested money into this company.	
Edgemere (55 Edgemere LLC)	Not initially disclosed. Bruce Friedman held a 50% interest in the entity purchased with \$800,000 from Diversified which owned real property located in Greenwood Lake, NY. The property was sold and the estate received its 50% share:	\$ 405,004.50

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**DIVERSIFIED LENDING GROUP**

David A. Gill, Receiver, SEC vs. Diversified Lending Group, etc. et al SCHEDULE OF KNOWN ASSETS OF RECEIVERSHIP ESTATE AND RECEIPTS AS OF 09/30/10 (Excluding claims and unfiled causes of action under investigation or in negotiation)		Net Moneys Collected Through September 30, 2010 (after payment of direct expenses)
Kidfresh	Diversified transferred at least \$3 million to this venture in May and June, 2008, which now claims that Diversified breached a promise to lend an additional \$15 million. Kidfresh is a company based in New York which is branding and distributing healthy, nutritious meals for children to distribute nationally. Kidfresh says that DLG was to become a 37% owner of Kidfresh when its investment was concluded. Kidfresh asserted defenses to Receiver's demand for return of \$3 million in that Diversified never funded the balance of the \$15 million. A settlement was approved by the court. The settlement provides for the issuance of 2,175 Class A-3 Units and 6,525 Common Units of Kidfresh to the Receiver in exchange for the \$3 million in funding previously provided by DLG, and the parties otherwise exchanged mutual releases. No apparent present value.	-
Las Flores Villas	Diversified originally loaned or invested approximately \$1 million. It holds a 50% interest in a 40 unit building in Brawley, CA, which is in foreclosure by the first trust deed holder. Equity is doubtful.	
Lenders Depot	There appear to be two companies with similar names, Lenders Depot, Inc. and Lenders Depot of Sherman Oaks, Inc. Bruce Friedman advises that Lenders Depot, Inc. is an unrelated entity, and that he owned Lenders Depot of Sherman Oaks, which he dissolved. Receiver has obtained court approval of treatment of investors in Lenders Depot notes by certain investors during certain periods as investment in Diversified. No apparent value.	
Makin' Fun, Inc.	Diversified has a 50% interest in this company which is in chapter 7 bankruptcy. A \$5.5 million claim has been asserted by the Receiver but on August 9, 2010, after hearing, the New Jersey Bankruptcy judge subordinated the claim to claims of other creditors under 11 U.S.C. §510(b). No appeal was taken by the Receiver.	
Mydonose/Mango	Diversified invested over \$6.3 million in this venture and was unsuccessful in court in its attempt to recover the funds or damages. Mydonose sold women's clothing under the trade name of "Mango." The stores are now closed. Pre-Receiver'ship litigation was unsuccessful. The value of the investment is limited to certain trust deeds securing promissory notes, whose validity is challenged.	-
MyDr'sPlan	Diversified invested \$480,000 or more in this venture, which apparently never went into business. Value unknown.	
RF Surgical Systems	Diversified transferred at least \$250,000 to this corporation. In response to demand for repayment, RF Surgical asserts that Diversified purchased 75,757 shares of its Common Stock and warrants to purchase an additional 15,151 shares of its Common Stock with this payment. The warrants are exercisable until May 1, 2011 and have an exercise price of \$0.01 per common share. A stock certificate was issued for the above amount of shares to Diversified as well as warrant documentation. Value and nature of ownership are under investigation.	

**DIVERSIFIED LENDING GROUP**

David A. Gill, Receiver, SEC vs. Diversified Lending Group, etc. et al <b>SCHEDULE OF KNOWN ASSETS OF RECEIVERSHIP ESTATE                      AND RECEIPTS AS OF 09/30/10</b> (Excluding claims and unfiled causes of action under investigation or in negotiation)		Net Moneys Collected Through September 30, 2010 (after payment of direct expenses)
RockDoc, LLC	Diversified invested the sum of at least \$800,000 in a film known as "Rock Prophecies." Following a dispute as to nature of the interest of the Receiver and claimed defenses by the producer, the parties agreed that the Receiver has a 35% interest in the entity which owns the film and not in the film itself, in consideration for which the LLC released claims against Diversified for failure to advance more per its alleged prior agreement. Marketing efforts are ongoing; and negotiations are in progress with PBS which might generate value. Status of marketing by LLC is at <a href="http://www.rockprophecies.com">www.rockprophecies.com</a> .	
RWSI, Inc.	Diversified owns 50% of RWSI, a Nevada corporation. \$3,275,000 was transferred for the purchase of the assets from the Rock and Waterscape bankruptcy and subsequently as advances to RWSI for business operations. The amount of the funds transferred to RWSI allocable to loans versus equity has not yet been fully determined at this time. RWSI has represented that it does not have sufficient assets or business operations at this time with which to pay on account of the funds transferred by Diversified to RWSI. Claim appears to be valueless.	
Wind Options, LLC	Diversified transferred \$4.3 million to this venture, a wind farm in Turkey, Texas. Demands for the return of funds have not been responded to other than pleas of poverty. The receiver is attempting to arrange for an evaluation of the assets of this venture.	
XND Technologies	Diversified Invested \$985,000 in this entity, which appears to have little or no value. Estate owns stock of no apparent value; related to Steve Nickolas and Sunwest.	

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**DIVERSIFIED LENDING GROUP**

David A. Gill, Receiver, SEC vs. Diversified Lending Group, etc. et al SCHEDULE OF KNOWN ASSETS OF RECEIVERSHIP ESTATE AND RECEIPTS AS OF 09/30/10 (Excluding claims and unfiled causes of action under investigation or in negotiation)		Net Moneys Collected Through September 30, 2010 (after payment of direct expenses)
	<b>PENDING LITIGATION</b>	
<b>VOIDABLE TRANSFERS, litigation and settlements</b>	<i>All amounts are approximate and no rights are waived by reason of inclusion, exclusion or error herein..</i>	
<b>Family Complaint</b>	The Receiver filed this action on March 2, 2010 asserting claims for fraudulent transfer against friends and relatives of Bruce Friedman in respect of transfers that Diversified had made to them. The case no. is CV10-01552 R SSx.	
Wendy Ann Mehlman	\$899,527.72 plus value of cars, jewelry or other property paid for by Diversified.	
Gary Friedman	\$362,880.00 plus value of ownership interest in Wind Options, LLC (see Wind Options, LLC entry) for which Diversified paid.	
Worldwide Financial Investments, Inc.	\$94,800.00 - Gary Friedman is the principal of Worldwide.	
Daryn I. Friedman	Case seeks \$469,117.62 plus value of cars, jewelry or other property paid for by Diversified, but investigation now reveals that the value transferred exceeds \$1 million.	
Dorothy Friedman	\$105,000.00 plus value of cars, jewelry or other property paid for by Diversified.	
Shawna Arielle Friedman	Dismissed with prejudice on 7/9/2010, per settlement approved 6/25/2010.	
Karry S. Friedman aka Liker	\$50,000.00 plus value of cars, jewelry or other property paid for by Diversified.	
Stephanie Mehlman	\$7,500.00 plus value of cars, jewelry or other property paid for by Diversified. Settlement pending.	
Kelly P. Mehlman	\$90,220.00 plus value of cars, jewelry or other property paid for by Diversified.	
Julie Sitomer and Robert G. Sitomer	\$209,894.87, plus \$130,599.00 as payments for the benefit of the Sitomers, plus value of cars, jewelry or other property paid for by Diversified. Settlement in principle being documented.	
<b>Net Winners Complaint</b>	The Receiver filed this action on March 2, 2010 against those who received returns from Diversified in excess of their principal investments, i.e. net winners. Many defendants in this action, after being served with the summons and complaint, produced documents establishing that they were net losers. The Receiver voluntarily dismissed such defendants.	
David R. Miller	Voluntarily dismissed without prejudice on 5/10/2010.	
Robert R. Rohn	Fraudulent transfer claim based on \$166,000.00 that Robert Rohn and Mary Rohn received from Diversified.	
Mary Rohn	Fraudulent transfer claim based on \$166,000.00 that Robert Rohn and Mary Rohn received from Diversified.	
Charles A. Mattera	Voluntarily dismissed without prejudice on 5/10/2010.	
Candi Ortiz	Voluntarily dismissed without prejudice on 5/17/2010.	
Gabino A. Ortiz	Voluntarily dismissed without prejudice on 5/17/2010.	

**DIVERSIFIED LENDING GROUP**

David A. Gill, Receiver, SEC vs. Diversified Lending Group, etc. et al SCHEDULE OF KNOWN ASSETS OF RECEIVERSHIP ESTATE AND RECEIPTS AS OF 09/30/10 (Excluding claims and unfiled causes of action under investigation or in negotiation)		Net Moneys Collected Through September 30, 2010 (after payment of direct expenses)
David L. Sardeson	Voluntarily dismissed without prejudice on 5/17/2010.	
Theresa M. Sardeson	Voluntarily dismissed without prejudice on 5/17/2010.	
Leslie W. Collett	Voluntarily dismissed without prejudice on 7/26/2010.	
Robert Michael Rohn	Fraudulent transfer claim for \$571,679.00 received from Diversified.	
Benicia Castro	Ms. Castro may have been a net loser and she died in April 2010. The Receiver will determine whether to dismiss Ms. Castro, pending receipt of records showing her to be a net loser.	
Charles M. Richardson	Settlement in process.	
William Frankenstein	Voluntarily dismissed without prejudice on 5/25/2010.	
William Frankenstein, as Trustee	Voluntarily dismissed without prejudice on 5/25/2010.	
Yakov Tentser	Voluntarily dismissed without prejudice on 3/25/2010.	
Yakov Tentser, as Trustee	Voluntarily dismissed without prejudice on 3/25/2010.	
Nata Tentser	Voluntarily dismissed without prejudice on 3/25/2010.	
Nata Tentser, as Trustee	Voluntarily dismissed without prejudice on 3/25/2010.	
Seena Sher Rothschild	Fraudulent transfer claim for \$289,868.00 that Ms. Rothschild and Ms. Kroner received from Diversified.	
Mallory A. Kroner	Fraudulent transfer claim for \$289,868.00 that Ms. Rothschild and Ms. Kroner received from Diversified.	
Sandy Smallwood, as Trustee	Dismissed with prejudice on 8/9/2010, per settlement approved 7/13/2010. Net received:	\$ 20,000.00
George Knopfler	Fraudulent transfer claim for \$330,992.00 received from Diversified.	
Seyed A. Azimi Farideh Azimi	Fraudulent transfer claim based on Seyed Azimi and Farideh Azimi having received \$276,732.42.	
<b>Jackson National Complaint</b>	The Receiver filed this action on March 2, 2010 against Bruce Friedman and those who assisted Mr. Friedman in perpetuating a Ponzi scheme. It asserts twelve causes of action and includes among its defendants Diversified's "insiders" and salespeople who marketed Diversified's alleged investments.	
Bruce F. Friedman	At least \$200 m.	
Karen O'Callaghan	At least \$200 m.	
Diane Marie Cano	At least \$200 m.	
Kevin Todd Mehlman	At least \$200 m.	
Shirley Howard	At least \$200 m.	
Brian Nathan Gledhill	At least \$200 m.	
Kevin Keller	At least \$200 m.	
Stephanie Izen	At least \$200 m.	
Giovanni Bellini	At least \$200 m -- Bellini is alleged to be the auditor of Diversified's financial statements.	
American Accounting Association	At least \$200 m.	
Belvani Associates Corp.	At least \$200 m.	
Belvani Associates, Inc.	At least \$200 m.	
Jackson National Life Insurance Company	At least \$200 m -- Annuities issued by Jackson National were represented as the security for investments placed with Diversified.	
American Benefit Concepts, Inc.	At least \$200 m.	
Milton Leonard Belfer	Received \$897,756.31 as commissions for selling investments.	

**DIVERSIFIED LENDING GROUP**

David A. Gill, Receiver, SEC vs. Diversified Lending Group, etc. et al SCHEDULE OF KNOWN ASSETS OF RECEIVERSHIP ESTATE AND RECEIPTS AS OF 09/30/10 (Excluding claims and unfiled causes of action under investigation or in negotiation)		Net Moneys Collected Through September 30, 2010 (after payment of direct expenses)
Milt L. Belfer Insurance Services, Inc.	(Same as transfers to Mr. Belfer.)	
Diane Tessie Boucher	Received \$33,145.71 as commissions for selling investments.	
Scott Thomas Brandt	Received \$1,159,063.93 as commissions for selling investments.	
California Financing, Inc.	Received \$532,629.84 as commissions for selling investments.	
Jason Robert Cavalier	Dismissed with prejudice 7/23/10, per settlement approved 6/11/10. Received:	\$60,000.00
Corzan Capital Management	Received \$952,456.09 as commissions for selling investments.	
Steven Joseph Corzan	(Same as transfers to Corzan Capital.)	
Diversified Financial Strategies, Inc.	Received \$70,021.58 as commissions for selling investments.	
Eric C. Cannon	Subsequent transferee for Strategic Benefits Planning Group and Diversified Financial Strategies.	
Strategic Benefits Planning Group, Inc.	Received \$1,700,502.33 as commissions for selling investments.	
J. Ray Ayevalo	Subsequent transferee for Strategic Benefits Planning Group and Diversified Financial Strategies.	
Andrew John Funnell	Received \$131,659.25 as commissions.	
Mark Steven Gutentag	Subsequent transferee for Lawton.	
Safe Equity Planning	Subsequent transferee for Lawton.	
Michael D. Erony	Subsequent transferee for Lawton.	
Alistair W. Waddell	Subsequent transferee for Lawton.	
Freddie Hooker	Received \$63,292.00 as commissions for selling investments.	
Ryan Lee Kroner	Received \$172,022.26 as commissions for selling investments.	
Robert E. Kroner Insurance Services, Inc.	Received \$741,956 as commissions for selling investments.	
Robert Edward Kroner	Received \$741,956 as commissions for selling investments.	
Gary Michael Lavintman	Received \$160,797 as commissions for selling investments.	
Dennis Allen Lawton	Received \$1.5 m as commissions for selling investments.	
Meyer Levy	Received \$69,531 as commissions for selling investments.	
Armond Madirossians	Received \$48,970 as commissions for selling investments.	
Adam Howard Markowitz	Received \$343,933.39 as commissions for selling investments.	
Stephen Louis Rivetti	Received \$24,436 as commissions for selling investments.	
Stephen L. Rivetti Insurance Services, Inc.	Received \$24,436 as commissions for selling investments.	
Tony Nile Russon	Received \$479,689 as commissions for selling investments.	
Frank W. Scroggins	Received \$72,063.38 as commissions for selling investments.	
Scott L. Siemers	Received \$120,000 as commissions for selling investments.	
Suzala, Inc.	Received \$716,416 as commissions for selling investments.	
Suzanne Appel	Subsequent transferee for Suzala.	
Your Platinum Insurance Marketing Co.	Received \$6,171,526.63 as commissions for selling investments.	
Forrest Nolan Jackson	Received \$6,171,526.63 as commissions for selling investments.	
DXB, Inc.	Received \$167,732 as commissions for selling investments.	
John Curtis	In the process of being dismissed.	

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**DIVERSIFIED LENDING GROUP**

David A. Gill, Receiver, SEC vs. Diversified Lending Group, etc. et al SCHEDULE OF KNOWN ASSETS OF RECEIVERSHIP ESTATE AND RECEIPTS AS OF 09/30/10 (Excluding claims and unfiled causes of action under investigation or in negotiation)		Net Moneys Collected Through September 30, 2010 (after payment of direct expenses)
Receiver v. PetroReal Energy, Inc., et al.	The Receiver filed this action on March 2, 2010 to recover payments that Diversified had made to PetroReal Energy, Inc. and to Lenders Depot, Inc. on account of an obligation that Lenders Depot, Inc. owed to PetroReal Energy, Inc. The action asserts that these payments were fraudulent transfers.	
PetroReal Energy, Inc.	Received payments from Diversified between June 2005 and December 2005 of \$511,000.00 on account of an obligation that Lenders Depot owed to PetroReal Energy, Inc.	
PetroReal of America, Inc.	Received payments from Diversified between June 2005 and December 2005 of \$511,000.00 on account of an obligation that Lenders Depot owed to PetroReal Energy, Inc.	
PetroReal of Louisiana, LLC	Received payments from Diversified between June 2005 and December 2005 of \$511,000.00 on account of an obligation that Lenders Depot owed to PetroReal Energy, Inc.	
Lenders Depot, Inc.	Received payments from Diversified between July 2005 and November 2005 of \$256,000.00 on account of Lenders Depot's obligation to PetroReal Energy, Inc.	
Receiver v. Tierra Rejada Golf Club, et al.	The First Amended Complaint in this action, filed on or about April 16, 2010, seeks to recover \$103,774.00 in connection with payments that Diversified made to Tierra Rejada Golf Club, LLC on account of an obligation that Lenders Depot, Inc. owed to Tierra Rejada.	
Tierra Rejada Golf Club, LLC	Received \$103,774.00 from Diversified on account of an obligation that Lenders Depot owed to Tierra Rejada.	
Lenders Depot, Inc.	Received \$103,774.00 from Diversified to satisfy its obligation to Tierra Rejada.	
Receiver v. Shawna Friedman	The Receiver filed this action on 12/7/2009 to avoid allegedly fraudulent transfers totaling \$345,000.00. The claim was settled on 6/22/2010 in exchange for Ms. Friedman's transfer of property located on Wish Avenue, Encino (sold by receiver for gross \$500,000, closing pending, equity estimated at more than \$100,000.00) and \$15,000.00 cash. Cash received so far, \$15,528.67 and \$114,001.29 net from real estate sale:	\$129,529.96
Receiver v. Julie and Robert Sitomer	The Receiver filed this action on 12/7/2009. It alleges that Diversified fraudulently transferred \$470,000.00 to fund the purchase of property located on Meadowcrest Road, Sherman Oaks, in the names of the Sitomers. Settlement in principle being documented.	

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**DIVERSIFIED LENDING GROUP**

<b>David A. Gill, Receiver, SEC vs. Diversified Lending Group, etc. et al</b> <b>SCHEDULE OF KNOWN ASSETS OF RECEIVERSHIP ESTATE</b> <b>AND RECEIPTS AS OF 09/30/10</b> <b>(Excluding claims and unfiled causes of action under investigation or in negotiation)</b>		<b>Net Moneys</b> <b>Collected</b> <b>Through</b> <b>September 30,</b> <b>2010 (after</b> <b>payment of direct</b> <b>expenses)</b>
<b>Receiver v. Karen O'Callaghan, et al.</b>	The First Amended Complaint in this action, filed on June 18, 2010, alleges that Diversified fraudulently transferred monies to fund purchase of O'Callaghan's house on Mecca Avenue, Tarzana. Other fraudulent transfers alleged in that matter are as set forth below. (This is in addition to the \$80,000 loan described above.)	
Karen O'Callaghan	Received \$1,314,985.00 to fund the purchase of Mecca Ave. property.	
KABR Shamrock, LLC	O'Callaghan transferred the Mecca Ave. property to KABR Shamrock. KABR also received \$415,000.00 from a line of credit on the Mecca Ave. property.	
Americana Construction, Inc.	Received at least \$320,000.00 in proceeds from the line of credit on the Mecca Ave. property.	
Gary Friedman	Received at least \$115,000.00 in proceeds from the line of credit on the Mecca Ave. property.	
Baruch C. Cohen	Received at least \$100,000.00 in proceeds from the line of credit on the Mecca Ave. property, presumably as attorney fees to defend O'Callaghan.	
<b>Receiver v. Kevin T. Mehlman</b>	The Receiver filed this action on August 7, 2009, in which he alleges that Diversified fraudulently transferred \$310,000.00 to fund the purchase for Mr. Mehlman of property located on Jumilla Avenue, Woodland Hills. Settlement has been approved.	
<b>Receiver v. Kevin M. Keller</b>	This claim alleged that Diversified had fraudulently transferred assets totaling more than \$1.3 million: Receiver settled and recovered property at 8102 Willoughby Ave., L.A., for \$975,000, net:	\$ 906,969.00
<b>Receiver v. Elizabeth Versten and Lizzi's Heavenly Stuff</b>	The Receiver filed this action on 3/1/2010 seeking recovery of \$400,000.00 in connection with an unpaid delinquent promissory note owed to Diversified.	
Elizabeth Versten	Received \$400,000.00 under promissory owed to Diversified and has not made a payment.	
Lizzi's Heavenly Stuff, Inc.	Received \$400,000.00 under promissory owed to Diversified and has not made a payment.	

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**DIVERSIFIED LENDING GROUP**

David A. Gill, Receiver, SEC vs. Diversified Lending Group, etc. et al SCHEDULE OF KNOWN ASSETS OF RECEIVERSHIP ESTATE AND RECEIPTS AS OF 09/30/10 (Excluding claims and unfiled causes of action under investigation or in negotiation)		Net Moneys Collected Through September 30, 2010 (after payment of direct expenses)
<b>CLAIMS SETTLED BY COUNSEL WITHOUT LITIGATION</b>	These moneys were received without the necessity of litigation.	
Fields, Robert	Unsecured loan of \$250,000; claimed to have been forgiven by Bruce Friedman. Receiver settled for sum of \$175,000, payable over 36 months. Down payment: \$50,000 plus 36 monthly payments of \$1,500 plus final balloon payment of \$71,000 at end of 3 years.	\$ 62,000.00
Friedman, Mark	Receiver discovered unrecorded transfer of \$6 million to Mark Friedman, a relative of Bruce Friedman. Mark Friedman has agreed to repay these moneys, \$50,000 down, \$5.95 million over 74 months, including 12 monthly payments of \$12,500, then payments of \$16,666.67 over next 12 months and \$20,833.33 per month for 47 months and balloon of \$4,600,000 in month 74. He has partially secured this debt with business real property.	\$ 137,500.00
Keller, Kevin	Claim for transfers of more than \$1,300,000 settled by recovery of residence at 8102 Willoughby Ave., Los Angeles, sold by Receiver for gross \$975,000 net:	\$ 906,969.00
Kovats, Diane Dubois	Claim for \$200,000 transfer, settled for \$180,000 cash and assignment of a \$2,000,000 life insurance policy on life of Ms. Kovats. Attempting to market insurance policy.	\$ 180,000.00

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PROOF OF SERVICE

I, Patricia Morris, declare:

I am employed by the law firm of DANNING, GILL, DIAMOND & KOLLITZ, LLP, in the County of Los Angeles, State of California. I am employed in the office of a member of the bar of this Court at whose direction the service was made. I am over the age of 18 years and am not a party to the within action. My business address is 2029 Century Park East, Third Floor, Los Angeles, California 90067-2904.

On October 13, 2010, I served the following document(s): **RECEIVER'S FOURTH SEMI-ANNUAL REPORT (MARCH 1, 2010 – SEPTEMBER 30, 2010)** on the interested parties addressed as follows:

[SEE ATTACHED SERVICE LIST.]

(By Mail) I placed the document for collection and deposit in the mail. I am familiar with this firm's practice for the collection and processing of correspondence for mailing. Under that practice, the document would be placed in a sealed envelope and deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at 2029 Century Park East, Third Floor, Los Angeles, California 90067-2904, in the ordinary course of business. The documents served are placed in sealed envelopes and placed for collection and mailing following ordinary business practices.

I declare under penalty of perjury under the laws of the State of California and of the United States of America that the foregoing is true and correct.

Executed on October 13, 2010, at Los Angeles, California.

Patricia Morris  
(Type or print name)

*Patricia Morris*  
(Signature)

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**SERVICE LIST**

**Attorneys for Plaintiff U.S. Securities Exchange Commission (via E-mail)**

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PROOF OF SERVICE

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I, Martha Gonzalez, declare:

I am employed by the law firm of DANNING, GILL, DIAMOND & KOLLITZ, LLP, in the County of Los Angeles, State of California. I am employed in the office of a member of the bar of this Court at whose direction the service was made. I am over the age of 18 years and am not a party to the within action. My business address is 2029 Century Park East, Third Floor, Los Angeles, California 90067-2904.

On November 8, 2010, I served the following document(s): **REQUEST FOR JUDICIAL NOTICE IN SUPPORT OF RECEIVER'S FOURTH REQUEST FOR APPROVAL OF PROFESSIONAL FEES AND EXPENSES** on the interested parties addressed as follows:

[SEE ATTACHED SERVICE LIST.]

(By Mail) I placed the document for collection and deposit in the mail. I am familiar with this firm's practice for the collection and processing of correspondence for mailing. Under that practice, the document would be placed in a sealed envelope and deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at 2029 Century Park East, Third Floor, Los Angeles, California 90067-2904, in the ordinary course of business. The documents served were placed in sealed envelopes and placed for collection and mailing following ordinary business practices.

I declare under penalty of perjury under the laws of the State of California and of the United States of America that the foregoing is true and correct.

Executed on November 8, 2010, at Los Angeles, California.

Martha Gonzalez  
(Type or print name)

  
(Signature)

**SERVICE LIST**

**Attorneys for Plaintiff U.S. Securities Exchange Commission**

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**Courtesy Copy (via Email)**

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