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Receiver's Quarterly Report  
(Quarter Ending September 30, 2011)  
Exhibit 1

1 DAVID A. GILL (State Bar No. 32145)  
dgill@dgdgk.com  
2 2029 Century Park East, Third Floor  
Los Angeles, California 90067-2904  
3 Telephone: (310) 277-0077  
Facsimile: (310) 277-5735

4 Receiver  
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7

8 UNITED STATES DISTRICT COURT  
9 CENTRAL DISTRICT OF CALIFORNIA  
10 WESTERN DIVISION

11 SECURITIES AND EXCHANGE  
COMMISSION,  
12  
Plaintiff,  
13  
vs.  
14  
DIVERSIFIED LENDING GROUP,  
15 INC.; APPLIED EQUITIES, INC.;  
AND BRUCE FRIEDMAN,  
16  
Defendants.

Case No. cv 09-01533-R-SS  
**RECEIVER'S QUARTERLY  
REPORT (QUARTER ENDING  
SEPTEMBER 30, 2011**  
[No Hearing Required]

17  
18  
19 Comes now DAVID A. GILL, Receiver, and files this, his Quarterly Report  
20 for the third quarter of 2011, as follows:  
21

22 **BACKGROUND**

- 23 1. I am the duly appointed, qualified and acting Permanent Receiver in this  
24 case.  
25 2. From appointment, I filed semi-annual reports pursuant to Local Rule  
26 66-6.1. On December 6, 2010, in open court, this Court ordered that I file monthly  
27 reports. Accordingly, I filed monthly reports on a monthly basis for November, 2010  
28 [*Document No. 262*] and December, 2010 [*Document No. 266*].

1           3.     On or about January 21, 2011, the Clerk advised me that the Court  
2 wished that the reports be filed on a quarterly basis. On or about April 27, 2011, I  
3 filed my first Quarterly Report, covering the period January 1, 2011- March 31, 2011  
4 [*Document No. 278*] and on or about July 22, 2011, I filed my second Quarterly  
5 Report, covering the period April 1, 2011- June 30, 2011 [*Document No. 313*]. This  
6 is the third Quarterly Report, covering the period July 1, 2011- September 30, 2011  
7 (the "Reporting Period").

8  
9     **SUMMARY OF CONTENTS**

10           4.     In addition to the usual contents of my reports I have analyzed all  
11 receipts and disbursements from the inception of the case and have categorized them,  
12 such that the nature of expenditures of the estate are clarified. (See Paragraph 22,  
13 *infra.*)

14  
15     **RECEIVER'S ACTIVITIES**

16           5.     During the Reporting Period, my non-legal staff and I expended  
17 recorded time doing those things described in Exhibit "C." This Exhibit is organized  
18 by task and by individual. The initials on that chart other than "DAG," being the  
19 undersigned, are paraprofessional or paralegal assistants. Total time and associated  
20 fees accrued for each month included in this Report are as follows:

<u>July 2011</u>	<u>August 2011</u>	<u>September 2011</u>
\$17,958.50	\$11,237.00	\$29,310.50

21  
22  
23  
24           6.     During the period covering my third Quarterly Report, I sold or settled  
25 numerous assets and claims from which I recovered in excess of \$1.3 million cash. I  
26 also continued collecting and, in conjunction with my general counsel, settling  
27 accounts, filing and contesting tax returns and assessments, attempting to market  
28 properties individually and in bulk, supervising litigation and settlement activities,

1 investigating matters for which special contingent fee counsel have been retained,  
2 and attended a mediation which resulted in a settlement of a pending litigation  
3 matter. All of these efforts are detailed in Exhibit "C." I have continued my efforts  
4 in approaching the parties related to each of the assets to solicit offers for the  
5 purchase of the estate's interest in those assets. In the past I have also communicated  
6 with several parties regarding a possible bulk sale of the remaining assets, but have  
7 not received any offers of significant value.

8         7. In addition to my routine but necessary administrative tasks, including  
9 supervision of employees and professionals, banking, tax returns and reports, liaison  
10 with investigative agencies, and the like, I have done the following during the  
11 Reporting Period which I deem worthy of note.

12             A. I have concluded substantially all pending litigation requiring  
13 compensated attorney's fees, except two matters. Legal services are still needed in  
14 connection with several claims, in support of currently pending sales and settlements,  
15 claims distribution motions and procedures, mediation and support contingency of  
16 counsel on malpractice cases, and to document such transactions as may occur in the  
17 future relative to disposition of remaining assets and claims.

18             B. As to major litigation, during the Billing Period, I have negotiated  
19 a settlement of my lawsuit against Jackson National Insurance Company and one of  
20 the two outstanding malpractice claims for which I have contingency counsel. I will  
21 be participating in mediation of the second malpractice case in November. My  
22 General Counsel and forensic accountants have provided and will continue to support  
23 for those matters in terms of information transfer based on discovery conducted by  
24 general counsel prior to approval of employment of Contingent Fee Counsel.

25             C. My counsel have been involved in scrutinizing the approximately  
26 1200 remaining claims on file herein and are working with me and my staff on a  
27 motion with respect to proposed distributions and related matters, which we  
28

1 anticipate filing in the near future. This is discussed in more detail below at  
2 paragraphs 20 and 21, *infra*.

3  
4 **RECEIPTS AND DISBURSEMENTS**

5 8. During the Reporting Period I received \$1,340,566.95 net of re-  
6 deposited funds, and disbursed \$160,005.71, and on September 30, 2011, had cash  
7 on hand of \$6,918,446.28, all as set forth in the summary which is the first page of  
8 Exhibit "B" attached hereto. As of November 1, 2011, my account balance increased  
9 to \$7,266,754.18. It is held in FDIC insured accounts at interest.

10 9. During the Reporting Period, the major categories of my receipts are as  
11 follows:

12	A.	Sales of Real and Personal Property	\$841,000.00
13	B.	Received on New Settlements	\$481,100.00
14	C.	Collections on accounts and old settlements	<u>\$16,500.00</u>
15		Total Receipts	\$1,338,600.00
16		Adjustment (returned items)	-\$165.77
17		Interest Income	\$2,132.72
18		Total Receipts During Reporting Period	\$1,340,566.95

19  
20 10. I have not paid myself or any of my professionals during the Reporting  
21 Period. Neither I nor professionals have been paid for any services provided after  
22 August 31, 2010. There remained unpaid on September 30, 2011 (subject to court  
23 approval) professional fee claims of approximately \$1.75 million on account of fees  
24 which were the subject of previously filed fee applications for services provided  
25 prior to August 31, 2010, and additional fees and expenses have been incurred by me  
26 and my professionals from September 1, 2010, through September 30, 2011, in the  
27 approximate amount of \$1.55 million.

1 **ASSETS ON HAND**

2 11. I am chargeable also with the assets of the receivership not yet  
3 liquidated. There are several categories of such assets. They have been detailed in  
4 the several reports filed by me, some of which were filed under seal and not suitable  
5 for discussion herein. Accordingly, to the extent that I am able to report on the status  
6 of remaining assets of the estate, I have attached a list of the remaining assets in  
7 Exhibit "F" with comments as to status where appropriate. That list continues to  
8 shrink as we sell or otherwise dispose of assets.

9  
10 **GENERAL COUNSEL LITIGATION AND OTHER SERVICES**

11 12. During the Reporting Period, the time expended on the many tasks  
12 charged to General Counsel and the extensions thereof at the approved hourly rates  
13 are set forth in Exhibit "D" hereto. They are summarized as follows:<sup>1</sup>

14	<u>July 2011</u>	<u>August 2011</u>	<u>September 2011</u>
15	\$39,020.50	\$49,171.50	\$57,897.00

16 13. During the Reporting Period these services are categorized generally as  
17 follows; the details of which are at Exhibit "D."

18	Claims, subpoena compliance, 19 miscellaneous		\$54,930.00
20	Assist in negotiation and 21 documenting and obtaining 22 approval of settlements and 23 legal aspects of sales		\$22,535.50
24	Litigation to recover assets, 25 fraudulent transfers, fictitious 26 profits		\$68,623.50

27 <sup>1</sup> This year I accrued \$6,796.00 in my earned fees on the contingency litigation now  
28 settled. During that period General Counsel accrued \$11,839.00 in fees while  
supporting contingency counsel.

1           14. Highlights of activities performed by my General Counsel during this  
2 Reporting Period are as follows:

3           A. General Counsel and my staff expended considerable effort in  
4 investigating issues relative to a Distribution Motion to be filed shortly. The  
5 description of these efforts is discussed below at I have been instructed to file  
6 relative to distributions.

7           B. General counsel negotiated and prepared the legal documentation,  
8 including agreements and motions, and do that otherwise necessary to consummate  
9 the following transactions negotiated by me:

10                   (1) L-26 (Bermuda Dunes) – Sale for the gross purchase price  
11 of \$215,000 from which I received net proceeds from the sale in the amount of  
12 \$96,990.73.

13                   (2) L-30 (Kidfresh LLC) – Settlement and sale of my interest  
14 in this company for \$40,169.00.

15                   (3) L-33 (Robert Knight and Knight Bilham Photography) –  
16 Settlement for the total sum of \$300,000 over time of a \$640,000 voidable transfer.  
17 As of September 30, 2011, I have received a total of \$7,500 from this settlement.

18                   (4) L-51 (Charles Fabish) – Settlement with Charles Fabish  
19 \$16,500.00.

20                   (5) L-43 (Karen O’Callaghan) – A default judgment was  
21 entered against Karen O’Callaghan on September 13, 2011, determining that the  
22 judgment obtained against her in District Court for \$1,354,985, is a debt that cannot  
23 be discharged in her bankruptcy.

24                   (6) L-56 (Sue Krembs) – Settlement with Sue Krembs for  
25 \$120,000 over time, which was approved by the Court on July 1, 2011 As of  
26 September 30, 2011, I have received a total of \$37,666 from this settlement

27                   (7) L-60 (Gill v. Kevin Mehlman, Case No. CV10-01554-R  
28 (SSx)) – Settlement with Kevin Mehlman for \$400,000 over time which was

1 approved by the Court on June 28, 2011. The settlement is secured by a Promissory  
2 Note and a Deed of Trust, which has been recorded against property and a UCC-1  
3 has been recorded with the Secretary of State. On September 21, 2011, I received  
4 the first installment payment of \$100,00 from this settlement.

5 (8) L-68 (Gill v. Miller, etc., et al. Net Winners Litigation,  
6 Case No. CV10-1551-R-(SSx)) – Settlement with law offices of George Knopfler,  
7 A.P.C. for \$35,000.

8 (9) L-68 (Gill v. Miller, etc., et al. Net Winners Litigation,  
9 Case No. CV10-1551-R-(SSx)) – Settlement with Seyed A. Azimi and Farideh  
10 Azimi for a lump sum payment of \$100,000, which has been received.

11 (10) L-72 (PetroReal Oil Corp., Case No. CV10-1468 R  
12 (SSx)) – Default judgment in the amount of \$818,710.12, was obtained against  
13 PetroReal Energy, Inc., PetroReal of America, Inc., PetroReal of Louisiana, LLC,  
14 and Lenders Depot, Inc., jointly and severally, on August 10, 2011. Default  
15 judgment in the amount of \$306,456.41, was entered against Lenders Depot, Inc.,  
16 only on August 10, 2011, as well.

17 (11) L-70 (Lender's Depot/Tierra Rejada, Case No. CV 10-  
18 01475-R (SSx)) – Settlement with Tierra Rejada on June 27, 2011 regarding my  
19 claim against Tierra Rejada for \$14,000 over time. On September 20, 2011, I  
20 received the second installment payment of \$3,000 for a total of \$6,000 received to  
21 date. A default judgment in the amount of \$130,014.03 was obtained against  
22 Lenders Depot, Inc., on August 10, 2011.

23 (12) L-73 (Gill vs. Wendy Ann Mehlman, et al., Friedman  
24 Family Litigation, Case No.CV 10-01552-R(SSx)) – Settlement with Daryn and  
25 Kerry Friedman for a lump sum payment of \$150,000, was paid.

1 (13) L-31 (Elizabeth Versten/Mazzarino's) – With respect to  
2 claims against Elizabeth Versten (“Ms. Versten”) and her corporation, Lizzi’s  
3 Heavenly Stuff, Inc. (“Lizzi’s”), I finally received a stock certificate for 50% of the  
4 total shares in Ms. Versten's company. I am not sure what I can or will do to realize  
5 thereon. Ms. Versten continues to fail to cooperate, has advised that she has a  
6 \$300,000 sale which will generate nothing for equity, and I do not know yet if that is  
7 correct.

8  
9 **FINANCIAL CONSULTANTS<sup>2</sup>**

10 15. During the Reporting Period, the time expended on the many tasks  
11 charged to Financial Consultants and the extensions thereof at the approved hourly  
12 rates are set forth in Exhibit “E” hereto. They are summarized as follows:

	<u>July</u>	<u>August</u>	<u>September</u>
	\$21,618.00	\$8,755.00	\$9,604.00

15 16. Highlights of activities performed by my Financial Consultants for the  
16 Reporting Period are as follows, they:

- 17 A. prepared quarterly report describing professional services  
18 provided and fees incurred during April 2011 through June 2011 in response to  
19 request from the Court;

---

22 <sup>2</sup> Pursuant to this Court’s order of March 18, 2011 [Document No. 274] new  
23 Financial Consultants were substituted in lieu of LECG. The personnel theretofore  
24 involved on my behalf moved to two firms: Berkeley Research Group, LLC (“BRG”) and LitiNomics. We have not distinguished herein between services rendered by  
25 LECG or BRG, since that does not affect the administrative claim amount, and is best worked out between them. Similarly, some personnel who went to LitiNomics  
26 will be rendering services on a contractual basis with BRG. If another order is  
27 required in order to comply with applicable rules and policies, we will seek such  
28 relief.

1 B. prepared report of all fees incurred between March 2009 and June  
2 2011 in response to request from Receiver's office;

3 C. prepared expert report, declaration and various analyses of  
4 transactions to support Receiver's efforts recover assets for benefit of investors;

5 D. prepared analyses to respond to various requests from the  
6 Receiver and counsel primarily relating to investor information and assets of  
7 Diversified Lending Group;

8 E. worked with Receiver's office to analyze claims information and  
9 related documentation;

10 F. prepared for and met with Receiver and Federal Agency  
11 Investigators to discuss ongoing case-related matters including scheduling,  
12 documentation, and information related to Bruce Friedman;

13 G. reviewed documentation and prepared responses to requests from  
14 counsel for third parties relating primarily to investor transactions and data;

15 H. reviewed and responded to correspondence regarding tax-related  
16 matters;

17 I. reviewed 2010 Diversified Lending Group tax return, revised  
18 work papers to reflect reclassification of distributions and to adjust gains and losses,  
19 and prepared corrected 2010 Diversified Lending Group tax return and operating loss  
20 schedules; and

21 J. reviewed documentation and prepared tax-related documents for  
22 Applied Equities, Inc.

23  
24 **SPECIAL LITIGATION COUNSEL**

25 **Susman Godfrey, L.L.P. (Receiver vs. Bruce Friedman,**  
26 **Jackson Life, et al.)**

27 17. During the Second Quarter of 2011, through contingency counsel, we  
28 made significant progress in the litigation against Bruce Friedman and the more than

1 fifty additional defendants in this Action. I collected recoveries on behalf of the  
2 estate by reaching a settlement agreement with five defendants, all of whom have  
3 been dismissed from the Action at my request. Additionally, I obtained and recorded  
4 an attachment against Bruce Friedman's last known residence in California, which I  
5 believe to have value, and encumbrances on which may be subject to challenge by  
6 me. I am preparing to execute on this property if necessary; alleged liens having  
7 been purportedly perfected on such property after the recordation of the Temporary  
8 Restraining Order and Preliminary Injunction. I am currently continuing to negotiate  
9 with multiple other defendants regarding possible settlements in the future and  
10 prosecuting the litigation against the remaining defendants.

11 18. A settlement has been negotiated after mediation with Jackson National  
12 Life Insurance company, and is in the process of documentation.

13 **The Sall Law Firm and the law firm of Waldron & Braggs, LLP**

14 19. Other Contingent Fee Counsel continue to investigate into claims and  
15 causes of action, have obtained tolling agreements as appropriate, conducted  
16 appropriate discussions with potential defendants or their counsel and prepared for  
17 mediations thereon. During this period they, my general counsel and I participated  
18 with Contingency Counsel in a lengthy mediation before Judge Tevrizian, which  
19 resulted in a confidential settlement of \$2,750,000 gross, subject to the agreed  
20 contingency fee, which settlement has been approved by the Court. Proceeds are  
21 anticipated to be received in late 2011 or early 2012. (Since the transactions may  
22 generate taxes for the estate, I hope to time receipt of the settlement with  
23 disbursement of approved professional fees and expenses so as to maximize  
24 deductions and tax benefits.)

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1 **STATUS OF CLAIMS**

2 20. I propose to report to the Court in the near future as to a proposed initial  
3 distribution plan and related claims matters. General Counsel, my staff and I  
4 carefully reviewed the about 1200 claims remaining on hand, in terms of comparison  
5 with their status on the books and records that I have compiled. General Counsel  
6 researched and recommended to me the appropriate treatment, *inter alia*, of claims of  
7 investors which claims substantially exceeded my understanding of the principal  
8 amount of indebtedness, claims of creditors others than investors and also relevant  
9 defenses, claims of investors against whom I have offsetting claims and the  
10 appropriate legal and procedural means to recommend to the Court in the anticipated  
11 distribution motion, for disbursement and for reserves.

12 21. I anticipate proposing to pay Investors before payment of other  
13 creditors. If that proposal is approved I will recommend an initial distribution to (or  
14 reservation of funds for) Investors in the approximate amount of \$5.1 million on  
15 about \$175 million in claims would generate a dividend approximately \$.03.

16  
17 **ANALYSIS OF FUNDS RECEIVED AND DISBURSED FROM INCEPTION**  
18 **OF THIS CASE THROUGH SEPTEMBER 30, 2011**

19 22. I am mindful of this Court's concern over costs and expenses of  
20 administration, although nothing has actually been paid to the Receiver or  
21 professionals since March 18, 2011, and that part payment for services rendered  
22 through August of 2010. I have carefully reviewed the receipts and disbursements  
23 herein and have summarized that analysis at Exhibit "A" hereto. That analysis,  
24 further condensed, reveals gross receipts of \$17,493,172.44 through September 30,  
25 2011 and expenditures as follows:

1	Total Receipts through September 30, 2011 <sup>3</sup>	\$17,493,172.44
2	Disbursements through September 30, 2011	\$10,574,726.16
3	Secured Creditors paid	\$4,192,115.20
4	Sales costs and commissions	\$829,707.97
5	Expenses of asset preservation	\$675,804.65
6	Post filing employee wages and taxes	\$177,757.43
7	Misc. Court approved expenses	\$308,660.30
8	Professional fees and costs paid	
9	Receiver	\$656,748.37
10	General Counsel	\$1,589,200.30
11	Out of State Real Estate Counsel	\$274,535.87
12	Forensic Accountants	\$1,700,136.26
13	Field Representatives and Consultants	\$120,566.61
14	Claims Management Database	\$49,493.20
15	Net Balance as of September 30, 2011 <sup>4</sup>	\$6,918,446.28

16 **REMAINING TO BE DONE**

17 23. The following remains to be done.

18 A. continued efforts to settle, sell and realize on the assets described  
19 in Exhibit "F";

20 B. submission and determination of necessary motions concerning  
21 the claims process, determination of priorities of payment, amounts to be distributed,  
22 procedures for objections to claims, manner of distribution and provision and  
23 reserves for accrued to accruing expenses of administration, including applicable  
24 taxes;  
25

26 <sup>3</sup> As of November 1, 2011, total receipts had increased to \$17,838,867.75.

27 <sup>4</sup> As of November 1, 2011, net balance had increased to \$7,266,754.18.

1 C. collection of remaining liquidated claims and documentation of  
2 settlements already negotiated;

3 D. prosecution of certain claims not yet in litigation, conclusion of  
4 litigation against two parties and one settlement or litigation of remaining  
5 malpractice claim;

6 E. preliminary distribution;

7 F. a delay of uncertain length while other assets mature and are  
8 collected; and any necessary legal process initiated and concluded; and

9 G. ultimately final distribution; necessary reports and allowance,  
10 closing tax returns and delay for the mandatory substantial period of time wherein  
11 taxing authorities may audit returns unless I am able to persuade them to sooner  
12 approve final tax returns.

13  
14 Respectfully submitted at Los Angeles, California, on November 09, 2011.

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18 David A. Gill, Receiver  
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Summary of All Receipts and  
Disbursements through 9/30/11  
Exhibit "A"

Diversified Lending Group, Inc. U.S.D.C. Case No. 09-CV-01533 RSS	Summary of Receipts & Disbursements Though 9/30/11		
	<b>Description</b>		<b>Total Amount</b>
<b>Receipts</b>			
<b>Gross Proceeds of Sales and Operation of Real Estate</b>	Rents and revenues	\$138,556.04	
	Real Estate Gross Sales	\$12,048,776.15	
	<b>Total Gross Proceeds of Sales and Operation of Real Estate</b>		\$12,187,332.19
<b>Gross Proceeds from Sale of Personal Property</b>	Collections of Prefiling Notes and Accounts Receivable	\$712,852.02	
	Liquidation of Personal Property	\$831,628.72	
	<b>Total Gross Proceeds from Sale of Personal Property</b>		\$1,544,480.74
<b>Proceeds of Settlements and Litigation</b>	Settlements/Litigation	\$1,553,180.39	
	<b>Total Proceeds of Settlements and Litigation</b>		\$1,553,180.39
<b>Miscellaneous Receipts</b>	Cash on hand, Liquidation of Annuities (Jackson Nat'l and American Nat'l)	\$2,175,294.46	
	Tax Refunds, Interest Income, Utility Refunds and Reimbursements	\$32,884.66	
	<b>Total Miscellaneous Receipts</b>		\$2,208,179.12
<b>Total Receipts</b>			<b>\$17,493,172.44</b>
<b>Disbursements</b>			
<b>Secured Creditors</b>	<b>Total Secured Creditor Payoff Liens and Encumbrances - Real and Personal Property</b>		\$4,192,115.20
<b>Sales and Closing Costs &amp; Commissions</b>	Commissions for Sale Real & Personal Property	\$569,196.56	
	Closing Costs	\$233,338.51	
	Appraisal, investigation fees	\$27,172.90	
	<b>Total Sales Costs &amp; Commissions</b>		\$829,707.97

Diversified Lending Group, Inc. U.S.D.C. Case No. 09-CV-01533 RSS	Summary of Receipts & Disbursements Though 9/30/11		
	<b>Description</b>		<b>Total Amount</b>
<b>Expenses of Preservation of Assets</b>	<i>Expenses of Preservation:</i>		
	Insurance	\$110,087.74	
	Costs to Secure Property (Locksmith)	\$1,691.85	
	Foreclosure Costs and Expenses	\$59,331.18	
	<b>Total Expenses of Preservation:</b>		\$171,110.77
	<i>Asset Preservation:</i>		
	Operation and Maintenance of Banjo Creek and Other Properties Sold	\$243,760.17	
	Banjo Creek Caretaker	\$41,333.10	
	Banjo Creek Environmental Consultant	\$22,285.30	
	Capitalization of Linville LLP	\$197,315.31	
	<b>Total Asset Preservation:</b>		\$504,693.88
<b>Post Filing Employee Wages &amp; Taxes</b>	Administrative Taxes and Wages	\$177,757.43	
	<b>Total Post Filing Employee Wages &amp; Taxes</b>		\$177,757.43
<b>Miscellaneous Expenses</b>	Costs of Service & Notice	\$113,820.44	
	Clerk of the Court Costs	\$1,775.00	
	Jackson Beneficiaries	\$51,183.54	
	Bruce Friedman, Per Court Order	\$13,500.00	
	Diversified Counsel For Transition	\$16,038.58	
	Rent of Record Storage Facility	\$111,742.74	
	Bond Premiums	\$600.00	
	<b>Total Miscellaneous Expenses</b>		\$308,660.30
<b>Professional Fees and Costs Paid</b>	Receiver	\$656,748.37	
	General Counsel	\$1,589,200.30	
	Local Real Estate Counsel	\$274,535.87	
	Forensic Accountants	\$1,700,136.26	
	Field Representatives and Consultants	\$120,566.61	
	Claims Management Company	\$49,493.20	
	<b>Total Professionals Fees and Costs Paid</b>		\$4,390,680.61
<b>Total Disbursements</b>			<b>\$10,574,726.16</b>
<b>Net Balance</b>			<b>\$6,918,446.28</b>

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Receipts and Disbursements  
7/1/11 – 9/30/11  
Exhibit "B"

Diversified Lending Group, Inc.  
USDC Case No. 09-CV-01533

Summary of Receipts & Disbursements 7/1/11 to 9/30/11			
	Description		Total Amount
<b>Receipts</b>			
<b>Gross Proceeds of Sales and Operation of Real Estate</b>	Real Estate Gross Sales	\$441,000.00	
	<b>Total:</b>		\$441,000.00
<b>Gross Proceeds from Sale of Personal Property</b>	Collections of Prefiling Notes and Accounts Receivable	\$16,500.00	
	Liquidation of Personal Property	\$400,000.00	
	<b>Total:</b>		\$416,500.00
<b>Proceeds of Settlements and Litigation</b>	Settlements/Litigation	\$481,100.00	
	<b>Total:</b>		\$481,100.00
<b>Miscellaneous Receipts</b>	Interest Income	\$2,132.72	
	<b>Total:</b>		\$2,132.72
	<i>Adjustment (returned items)</i>		-\$165.77
<b>Total Receipts</b>			<b>\$1,340,566.95</b>
<b>Disbursements</b>			
<b>Sales and Closing Costs &amp; Commissions</b>	Commissions for Sale Real & Personal Property	\$28,880.78	
	Closing Costs	\$116,906.07	
	<b>Total:</b>		\$145,786.85
<b>Expenses of Preservation of Assets</b>	<i>Expenses of Preservation:</i>		
	Insurance	\$2,676.26	
	<b>Total:</b>		\$2,676.26
	<i>Asset Preservation:</i>		
	Operation and Maintenance of Banjo Creek and Other Properties Sold	\$346.23	
	<b>Total:</b>		\$346.23
<b>Miscellaneous Expenses</b>	Costs of Service & Notice	\$1,263.42	
	Rent of Record Storage Facility	\$7,212.95	
	Bond Premiums	\$200.00	
	<b>Total:</b>		\$8,676.37
<b>Professional Fees and Costs Paid</b>	Field Representatives	\$2,520.00	
	<b>Total:</b>		\$2,520.00
<b>Total Disbursements</b>			<b>\$160,005.71</b>
<b>Account Balance as of September 30, 2011</b>			<b>\$6,918,446.28</b>

Exhibit "B"

0036

Diversified Lending Group, Inc.  
USDC Case No. 09-CV-01533-RSS

Summary of Receipts & Disbursements Through 9/30/11			
	Description		Total Amount
<b>Receipts</b>			
<b>Gross Proceeds of Sales and Operation of Real Estate</b>	Rents and revenues	\$138,556.04	
	Real Estate Gross Sales	\$12,048,776.15	
	<b>Total Gross Proceeds of Sales and Operation of Real Estate</b>		\$12,187,332.19
<b>Gross Proceeds from Sale of Personal Property</b>	Collections of Prefiling Notes and Accounts Receivable	\$712,852.02	
	Liquidation of Personal Property	\$831,628.72	
	<b>Total Gross Proceeds from Sale of Personal Property</b>		\$1,544,480.74
<b>Proceeds of Settlements and Litigation</b>	Settlements/Litigation	\$1,553,180.39	
	<b>Total Proceeds of Settlements and Litigation</b>		\$1,553,180.39
<b>Miscellaneous Receipts</b>	Cash on hand, Liquidation of Annuities (Jackson Nat'l and American Nat'l)	\$2,175,294.46	
	Tax Refunds, Interest Income, Utility Refunds and Reimbursements	\$32,884.66	
	<b>Total Miscellaneous Receipts</b>		\$2,208,179.12
<b>Total Receipts</b>			<b>\$17,493,172.44</b>
<b>Disbursements</b>			
<b>Secured Creditors</b>	<b>Total Secured Creditor Payoff Liens and Encumbrances - Real and Personal Property</b>		\$4,192,115.20
<b>Sales and Closing Costs &amp; Commissions</b>	Commissions for Sale Real & Personal Property	\$569,196.56	
	Closing Costs	\$233,338.51	
	Appraisal, investigation fees	\$27,172.90	
	<b>Total Sales Costs &amp; Commissions</b>		\$829,707.97

Diversified Lending Group, Inc.  
USDC Case No. 09-CV-01533-RSS

Summary of Receipts & Disbursements Through 9/30/11			
	Description		Total Amount
<b>Expenses of Preservation of Assets</b>	<i>Expenses of Preservation:</i>		
	Insurance	\$110,087.74	
	Costs to Secure Property (Locksmith)	\$1,691.85	
	Foreclosure Costs and Expenses	\$59,331.18	
	<b>Total Expenses of Preservation:</b>		\$171,110.77
	<i>Asset Preservation:</i>		
	Operation and Maintenance of Banjo Creek and Other Properties Sold	\$243,760.17	
	Banjo Creek Caretaker	\$41,333.10	
	Banjo Creek Environmental Consultant	\$22,285.30	
	Capitalization of Linville LLP	\$197,315.31	
	<b>Total Asset Preservation:</b>		\$504,693.88
<b>Post Filing Employee Wages &amp; Taxes</b>	Administrative Taxes and Wages	\$177,757.43	
	<b>Total Post Filing Employee Wages &amp; Taxes</b>		\$177,757.43
<b>Miscellaneous Expenses</b>	Costs of Service & Notice	\$113,820.44	
	Clerk of the Court Costs	\$1,775.00	
	Jackson Beneficiaries	\$51,183.54	
	Bruce Friedman, Per Court Order	\$13,500.00	
	Diversified Counsel For Transition	\$16,038.58	
	Rent of Record Storage Facility	\$111,742.74	
	Bond Premiums	\$600.00	
	<b>Total Miscellaneous Expenses</b>		\$308,660.30
<b>Professional Fees and Costs Paid</b>	Receiver	\$656,748.37	
	General Counsel	\$1,589,200.30	
	Local Real Estate Counsel	\$274,535.87	
	Forensic Accountants	\$1,700,136.26	
	Field Representatives and Consultants	\$120,566.61	
	Claims Management Company	\$49,493.20	
	<b>Total Professionals Fees and Costs Paid</b>		\$4,390,680.61
<b>Total Disbursements</b>			<b>\$10,574,726.16</b>
<b>Net Balance</b>			<b>\$6,918,446.28</b>

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*8502 GENERAL ACCOUNT

Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

1	2	3	4	5	6	7	
Transaction Date	Check or Reference	Paid To / Received From	Description Of Transaction	Uniform Tran Code	Deposits (\$)	Disbursements (\$)	Account / CD Balance (\$)
07/01/11	58	REPROP FINANCIAL MORTGAGE INVESTORS, LLC	BALANCE FORWARD	1229-000	400,000.00		99,999.98
07/01/11	001767	BOND SERVICES OF CALIFORNIA, LLC P O BOX 515318 LOS ANGELES, CA 90051-6618	SALE OF RECEIVERS INTEREST IN RDLG BOND PREMIUM - 8/14/11 THRU 8/14/12 WRIT OF ATTACHMENT BOND RE DAVID GILL FOR FTC VS. KEVIN T. MEHLMAN BOND # 449344	2300-000		200.00	499,799.98
07/01/11	001768	RANDOLPH TELEPHONE MEMBERSHIP CORP. 3733 OLD COX ROAD ASHEBORO, NC 27205-9470	FINAL INVOICE FOR TELEPHONE SERVICE BANJO CREEK RV PARK ACCOUNT NO. 2703300	6950-710		346.23	499,453.75
07/06/11	61	KNIGHT BILHAM PHOTOGRAPHY LLC	SETTLEMENT PAYMENT RE ROBERT KNIGHT	1249-000	2,500.00		501,953.75
07/06/11		RETURNED CHARGE	ACH DEBIT	1230-000		22.17	501,931.58
07/06/11		RETURNED CHARGE	ACH DEBIT	1230-000		26.24	501,905.34
07/06/11		RETURNED CHARGE	ACH DEBIT	1230-000		117.36	501,787.98
07/08/11	001769	ADB BANK P O BOX 1750 CEDAR CITY, UT 84721	INSURANCE FOR BANJO CREEK RV RESORT AND CAMP ACCT # 117356	2420-750		1,004.08	500,783.90
07/11/11	17	RACHEL A BELL	PAYMENT ON JUDGMENT RE SAM BELL	1249-000	50.00		500,833.90
07/11/11	001770	CENTURY PARK CENTER, LLC C/O HINES SC ASSOCIATES P O BOX 79562	RENT FOR OFFICE SPACE 9911 PICO BLVD STE BL219 JULY 2011	6920-000		1,596.00	499,237.90
07/11/11	001771	CITY OF INDUSTRY, CA 91716-9562 TRUSTEE INSURANCE AGENCY, INC 2813 WEST MAIN STREET KALAMAZOO, MI 49006	LIABILITY COVERAGE COUNTRY CLUB FOR COUNTRY CLUB DR JULY 2011	2420-750		128.75	499,109.15
07/11/11	001772	TRUSTEE INSURANCE AGENCY, INC 2813 WEST MAIN STREET KALAMAZOO, MI 49006	LIABILITY COVERAGE - PICO FOR PICO BLVD BUSINESS LEASE FOR JULY 2011	2420-750		746.75	498,362.40

Page Subtotals 402,550.00 4,187.58

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

FORM 2  
 ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*8502 GENERAL ACCOUNT

Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

0040

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	5 Uniform Tran. Code	6 Deposits (\$)	7 Disbursements (\$)	8 Account / CD Balance (\$)
07/11/11	001773	KENNETH B. ROELKE & ASSOCIATES, INC. 2355 WESTWOOD BLVD STE 403 LOS ANGELES, CA 90064	FIELD REPRESENTATIVE SERVICES FOR PERIOD 05/02/11 - 05/31/11 6.2 HOURS @ \$150.00/HR	6700-400	930.00	497,432.40	
07/12/11	62	SUSAN J. KREMBES	SETTLEMENT PAYMENT	1249-000	25,000.00	522,432.40	
07/14/11	17	RACHEL A. BELL	PAYMENT ON JUDGMENT RE SAM BELL	1249-000	50.00	522,482.40	
07/18/11	10	CHARLES H. FABISH, JR.	NOTE PAYMENT -FINAL PAYMENT	1221-000	16,500.00	538,982.40	
		315 - 317 1/2 N. SYCAMORE RD., LOS ANGELES, CA					
07/20/11	001774	PROLEGAL P O BOX 714142 LOS ANGELES, CA 90071	MESSENGER SERVICE FOR DELIVERY OF DOCUMENTS TO AND FROM USDC	6990-000	125.81	538,856.59	
07/20/11	001775	FEDEX P O BOX 7221 PASADENA, CA 91109-7321	FEDEX CHARGES FOR ACCT # 1077-0356-0 FOR DELIVERY OF DOCUMENTS TO BROOK MORRIS, PRISM REALTY CORP	6990-000	14.84	538,841.75	
07/20/11	63	WIRES (ZOO LAND FAMILY CAMPGROUND) WIRES MACNELL & CARLINO, PLLC	BANJO CREEK SALE PROCEEDS		200,703.20	739,544.95	
			Memo Amount: 226,000.00 SALE PROCEEDS	1210-000			
			Memo Amount: ( 5,960.00 ) ATTORNEY FEES	2500-000			
			Memo Amount: ( 3,126.90 ) ADJ FOR CREDIT CARD FEES	2500-000			
			Memo Amount: ( 450.00 ) REVENUE STAMPS	2500-000			
			Memo Amount: ( 2,259.90 ) SELLERS PORTION 2011 TAXES	2500-000			
RANDOLPH COUNTY TAX COLLECTOR							

Page Subtotals 242,253.20

1,070.65

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

FORM 2  
 ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*8502 GENERAL ACCOUNT

Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

0041

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	5 Uniform Tran. Code	6 Deposits (\$)	7 Disbursements (\$)	8 Account / CD Balance (\$)
07/22/11	31	ROBERT S. FIELDS, DDS SHARLYN FIELDS CENTURY PARK CENTER, LLC C/O HINES SC ASSOCIATES P O BOX 79562 CITY OF INDUSTRY, CA 91716-9562	Memo Amount: ( 13,500.00 ) COMMISSIONS REUND OF DEPOSIT FOR DWP SERVICE RE MEADOWCREST RD PROPERTY 18TH PAYMENT FROM ROBERT FIELDS ON SETTLEMENT RENT FOR OFFICE SPACE 9911 PICO BLVD STE BL219 AUGUST 2011	6510-000	1,500.00	-1,004.25	740,549.20
07/26/11	001776	DEPARTMENT OF WATER AND POWER	COSTS ADVANCED RELATING TO LITIGATION IN RE GILL V. FRIEDMAN, ET AL THROUGH 06/30/2011 CLIENT # 09732 MATTER # 011870 INVOICE # 242341	6920-000		2,252.64	738,200.56
07/26/11	001777	SUSMAN GODFREY, LLP SUITE 5100 1000 LOUISIANA HOUSTON, TX 770020	ATTORNEY SERVICE FOR DELIVERY OF DOCUMENTS TO DISTRICT COURT INVOICE # 98860 CUST # 376	6990-000		59.17	738,141.39
07/26/11	001778	PROLEGAL P O BOX 714142 LOS ANGELES, CA 90071	CHARGES FOR TELEPHONIC APPEARANCE HEARING RE KAREN OCALLAGHAN ON 05/19/11 CCID#4235512	6990-000		30.00	738,111.39
07/26/11	001779	COURTCALL, LLC 6383 ARIZONA CIRCLE LOS ANGELES, CA 90045	REUND OF DEPOSIT 6/30/11 ORIGINAL DEPOSIT RETURNED 17TH PAYMENT IN SETTLEMENT WITH	6950-000		1,004.25	737,107.14
07/29/11	32	DEPARTMENT OF WATER AND POWER FRIEDMAN AND MACFADYEN PA		1249-000	16,666.67		753,773.81

Page Subtotals 18,166.67 3,937.81

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

FORM 2  
 ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*8502 GENERAL ACCOUNT

Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	5 Uniform Tran. Code	6 Deposits (\$)	7 Disbursements (\$)	8 Account / CD Balance (\$)
07/29/11	61	Transfer to Acct #*****8968 KNIGHT BILHAM PHOTOGRAPHY, LLC	MARK FRIEDMAN AND MACFADYEN PA Transfer of Funds Per Melvin SETTLEMENT	9999-000	2,500.00	253,773.81	500,000.00
08/08/11	65	DANNING, GILL, DIAMOND & KOLLITZ, LLP CLIENT TRUST ACCOUNT	SETTLEMENT PAYMENT FORM KNOPFLER	1249-000	35,000.00		502,500.00
08/12/11	66	ALAN F BROIDY Reverses Deposit # 260	SETTLEMENT WITH SUSANNE APPEL OPERATING PROCEEDS FROM MERCHANT DUPLICATE OF DEPOSIT #263, DATED 2/28/11	1249-000	10,000.00		537,500.00
08/16/11	001780	TRUSTEE INSURANCE AGENCY, INC 2813 WEST MAIN STREET KALAMAZOO, MI 49006	LIABILITY COVERAGE COUNTRY CLUB FOR COUNTRY CLUB DR AUGUST 2011	2420-750	-68.00	128.75	547,432.00
08/16/11	001781	TRUSTEE INSURANCE AGENCY, INC 2813 WEST MAIN STREET KALAMAZOO, MI 49006	LIABILITY COVERAGE - PICO FOR PICO BLVD BUSINESS OFFICE LEASE AUGUST 2011	2420-750		746.75	545,556.50
08/16/11	001782	PUBLIC STORAGE 11259 W. OLYMPIA BLVD. LOS ANGELES, CA 90064-1720	STORAGE AND INSURANCE CHARGES FOR STORAGE OF RECORDS REMOVED FROM LECG FOR JULY AND AUGUST 2011	6920-000		398.95	546,157.55
08/16/11	001783	FEDEX P O BOX 7221 PASADENA, CA 91109-7321	PROPERTY # 07024 RENTAL UNIT # 2201 ACCOUNT NO 14143067	6990-000		264.52	545,893.03
08/16/11	001784	KENNETH B. ROELKE & ASSOCIATES, INC. 2355 WESTWOOD BLVD STE 403 LOS ANGELES, CA 90064	FIELD REPRESENTATIVE SERVICES FOR PERIOD 06/14/11 - 07/31/11 10.6 HOURS @ \$150.00/HR = \$1,590.00	6700-400		1,590.00	544,303.03
08/16/11	001785	FEDEX P O BOX 7221	FEDEX CHARGES FOR ACCT # 1077-0356-0	6990-000		66.13	544,236.90

Page Subtotals 47,432.00 256,968.91

**FORM 2  
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD**

Page: 5

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC  
 Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*8502 GENERAL ACCOUNT  
 Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	Uniform Tran Code	5 Deposits (\$)	6 Disbursements (\$)	7 Account / CD Balance (\$)
08/16/11	001786	PASADENA, CA 91109-7321 PROLEGAL P O BOX 714142 LOS ANGELES, CA 90071	INVOICE # 5-940-12835 ATTORNEY SERVICE FOR DELIVERIES TO DISTRICT COURT INVOICE # 99220 CUST # 376	6990-000		212.74	544,024.16
08/17/11	62	SUSAN J KREMBBS PUBLIC STORAGE 11239 W. OLYMPIC BLVD. LOS ANGELES, CA 90064-1720	PAYMENT RE KREMBBS SETTLEMENT STORAGE AND INSURANCE CHARGES VOID PER TRUSTEE	1249-000 6920-000	6,333.33	-398.95	550,357.49 550,756.44
08/17/11	001782	LOS ANGELES, CA 90064-1720 FIRST AMERICAN TITLE INSURANCE CO FIRST AMERICAN TITLE INSURANCE CO	BERMUDA DUNES PROCEEDS	1210-000	96,990.73		647,747.17
08/19/11	60	NAI CAPITAL INC \$6450.00	Memo Amount: 215,000.00 BERMUDA DUNES PROCEEDS	2820-000			
			Memo Amount: ( 1,262.55 ) COUNTY TAXES	3510-000			
			Memo Amount: ( 12,900.00 ) COMMISSIONS	2500-000			
			Memo Amount: ( 1,806.00 ) ESCROW CLOSING	2820-000			
			Memo Amount: ( 102,040.72 ) TAXES TO RIVERSIDE CTY.	1249-000	150,000.00		797,747.17
08/22/11	67	ALPERT, BARR & GRANT, APLC DARYN FRIEDMAN, IOLTA TRUST ACCOUNT PROLEGAL	SETTLEMENT WITH DARYN AND KERRY FRIEDMAN	6990-000		215.85	797,531.32
08/23/11	001787	P O BOX 714142 LOS ANGELES, CA 90071	MESSENGER SERVICE INVOICE # 99148	6990-000		168.87	797,362.45
08/23/11	001788	FEDEX P O BOX 7221 PASADENA, CA 91109-7321	FEDEX CHARGES INVOICE # 5-940-12835	6920-000		613.95	796,748.50
08/23/11	001789	KENNETH B. ROELKE & ASSOCIATES, INC.	REIMBURSEMENT OF STORAGE CHARGES	6920-000			
<b>Page Subtotals</b>					253,324.06	812.46	

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*8502 GENERAL ACCOUNT

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

1	2	3	4	5	6	7	
Transaction Date	Check or Reference	Paid To / Received From	Description Of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account / CD Balance (\$)
08/24/11	31	2355 WESTWOOD BLVD STE 403 LOS ANGELES, CA 90064	FOR PERIOD JULY, AUGUST AND SEPTEMBER 2011		1,500.00		798,248.50
08/31/11	32	ROBERT S. FIELDS, DDS SHARLYN FIELDS FRIEDMAN AND MACFADYEN PA	19TH PAYMENT FROM ROBERT FIELDS ON SETTLEMENT	1249-000	16,666.67		814,915.17
08/31/11	68	FRAN F. AND SEVED A. AZIMI BANK OF AMERICA, N.A.	18TH PAYMENT IN SETTLEMENT WITH MARK FREIDMAN AND MACFADYEN PA SETTLEMENT WITH AZIMI	1249-000	100,000.00		914,915.17
09/01/11	INT	SUSMAN GODFREY, LLP SUITE 5100 1000 LOUISIANA HOUSTON, TX 770020	INTEREST REC'D FROM BANK AUGUST 2011	1270-000	320.45		915,235.62
09/01/11	001790		COSTS ADVANCED RELATING TO LITIGATION IN RE GILL V. FRIEDMAN, ET AL THROUGH JULY 31, 2011	6220-610		228.14	915,007.48
09/01/11	001791	CENTURY PARK CENTER, LLC C/O HINES SC ASSOCIATES P O BOX 79562	CLIENT # 09732 MATTER # 011870 INVOICE # 242602	6920-000		1,596.00	913,411.48
09/02/11	001792	CITY OF INDUSTRY, CA 91716-9562 PROLEGAL P O BOX 714142 LOS ANGELES, CA 90071	RENT FOR OFFICE SPACE 9911 PICO BLVD STE BL219 SEPTEMBER 2011	6990-000		38.21	913,373.27
09/09/11	61	KNIGHT BILHAM PHOTOGRAPHY, LLC SUSAN J KREMB	MESSNGER SERVICE RE ELIZABETH VERSTEN INVOICE # 100092	1249-000	2,500.00		915,873.27
09/16/11	62	LEAVITT RECREATION & HOSPITALITY INSURANCE FIRST AMERICAN TTLE INSURANCE CO	3RD STTLEMENT PAYMENT SEPTEMBER SETTLEMENT PAYMENT RE KREMB	1249-000	6,333.33		922,206.60
09/20/11	*		REFUND OF UNEARNED PREMIUM RE INSURANCE FOR BANJO CREEK BERMUDA DUNES PROCEEDS	2420-750		-1,701.07	923,907.67
					96,490.73		1,020,398.40

Page Subtotals

223,811.18

161.28

Ver: 16.04d

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

FORM 2

Page: 7

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*8502 GENERAL ACCOUNT

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	5 Uniform Tran. Code	6 Deposits (\$)	7 Disbursements (\$)	8 Account / CD Balance (\$)
09/20/11	60	FIRST AMERICAN TITLE INSURANCE CO	Memo Amount: 215,000.00 BERMUDA DUNES PROCEEDS	1210-000			
		RIVERSIDE COUNTY TAX COLLECTOR	Memo Amount: ( 1,262.55 ) COUNTY TAXES	2500-000			
		NAI CAPITAL INC \$6450.00	Memo Amount: ( 12,900.00 ) COMMISSIONS	6510-000			
		FIRST AMERICAN TITLE	Memo Amount: ( 1,806.00 ) ESCROW CLOSING	2500-000			
		RIVERSIDE COUNTY TAX COLLECTOR	Memo Amount: ( 102,540.72 ) TAXES TO RIVERSIDE CTY	2500-000			
		FIRST AMERICAN TITLE INSURANCE CO	BERMUDA DUNES PROCEEDS	1210-000			
		FIRST AMERICAN TITLE INSURANCE CO	INCORRECT AMOUNT	1210-000			
			Memo Amount: ( 215,000.00 BERMUDA DUNES PROCEED )	1210-000	-96,990.73		923,407.67
			Memo Amount: 1,262.55 COUNTY TAXES	2820-000			
		NAI CAPITAL INC \$6450.00	Memo Amount: 12,900.00 COMMISSIONS	3510-000			
			Memo Amount: 1,806.00 ESCROW CLOSING	2500-000			
			Memo Amount: 102,040.72 TAXES TO RIVERSIDE CTY	2820-000			
		TIERRA REJADA GOLD CLUB, LLC	SETTLEMENT PAYMENT	1249-000			
		FEDDEX	FEDDEX CHARGES	1249-000	3,000.00		926,407.67
		P O BOX 7221	INVOICE # 7-623-39604	6990-000		67.28	926,340.39
		PASADENA, CA 91109-7321	ACCT NO 1077-0356-0				
		KEVIN TODD MEHLMAN	SETTLEMENT WITH KEVIN TODD	1249-000	100,000.00		1,026,340.39
		MEHLMAN	BERMUDA DUNES PROCEEDS	1249-000			
		FIRST AMERICAN TITLE INSURANCE CO		1210-000	-96,490.73		929,849.66

Page Subtotals -90,481.46

67.28

Ver: 16.04d

Case No: CV09-01333R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*8502 GENERAL ACCOUNT  
 Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	Uniform Tran. Code	5 Deposits (\$)	6 Disbursements (\$)	7 Account / CD Balance (\$)
09/23/11	INT	RIVERSIDE COUNTY TAX COLLECTOR	AMENDED ESCROW STATEMENT Memo Amount: ( 215,000.00 BERMUDA DUNES PROCEED )	1210-000			1,026,519.94
09/26/11	31	ROBERT S. FIELDS, DDS SHARILYN FIELDS	Bermuda Dunes Proceeds	1249-000	1,500.00		1,028,019.94
09/26/11	001794	CENTURY PARK CENTER, LLC C/O HINES SC ASSOCIATES P O BOX 79562	Memo Amount: ( 1,262.55 ) COUNTY TAXES MEMO AMOUNT: 12,900.00 COMMISSIONS MEMO AMOUNT: 1,806.00 ESCROW CLOSING MEMO AMOUNT: 102,540.72 TAXES TO RIVERSIDE CTY BERMUDA DUNES PROCEEDS	6920-000		1,596.00	1,026,423.94
09/23/11	60	FIRST AMERICAN TITLE INSURANCE CO FIRST AMERICAN TITLE INSURANCE CO	Memo Amount: ( 1,306.00 ) COMMISSIONS MEMO AMOUNT: ( 102,540.72 ) ESCROW CLOSING TAXES TO RIVERSIDE CTY INTEREST RECD FROM BANK INCORRECT 20TH PAYMENT FROM ROBERT FIELDS ON SETTLEMENT RENT FOR OFFICE SPACE 9911 PICO BLVD STE BL219 OCTOBER 2011	2500-000	-320.45		
		NAI CAPITAL INC \$6450.00					
		FIRST AMERICAN TITLE					
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		FIRST AMERICAN TITLE INSURANCE CO					
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		NAI CAPITAL INC \$6450.00					
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		RIVERSIDE COUNTY TAX COLLECTOR					
		FIRST AMERICAN TITLE INSURANCE CO	</				

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

**FORM 2**  
**ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD**

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*8502 GENERAL ACCOUNT

Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	Uniform Tran. Code	5 Deposits (\$)	6 Disbursements (\$)	7 Account / CD Balance (\$)
09/26/11	001795	CITY OF INDUSTRY, CA 91716-9562 KENNETH B. ROELKE & ASSOCIATES, INC. 2355 WESTWOOD BLVD STE 403 LOS ANGELES, CA 90064	REIMBURSEMENT OF STORAGE AND INSURANCE CHARGES FOR STORAGE OF RECORDS REMOVED FROM LECG FOR OCTOBER 2011 PROPERTY # 07024; RENTAL UNIT # 2201; ACCOUNT NO 14143067	6920-000		215.00	1,026,208.94
09/27/11	001796	TRUSTEE INSURANCE AGENCY, INC 2813 WEST MAIN STREET KALAMAZOO, MI 49006	LIABILITY COVERAGE - 9911 W PICO BLVD SEPTEMBER & NOVEMBER 2011	2420-750		1,493.50	1,024,715.44
09/27/11	001797	TRUSTEE INSURANCE AGENCY, INC 2813 WEST MAIN STREET KALAMAZOO, MI 49006	LIABILITY COVERAGE COUNTRY CLUB FOR COUNTRY CLUB DR SEPTEMBER 2011	2420-750		128.75	1,024,586.69

Memo Allocation Receipts: 441,000.00  
 Memo Allocation Disbursements: 143,306.07  
 Memo Allocation Net: 297,693.93

COLUMN TOTALS  
 Less: Bank Transfers/CD's 0.00  
 Subtotal 1,195,225.93  
 Less: Payments to Debtors 0.00  
 Net 1,195,225.93

Page Subtotals 0.00 1,837.25

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*8515 MONEY MARKET

Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

Page: 10  
 0048

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	5 Uniform Tran. Code	6 Deposits (\$)	7 Disbursements (\$)	8 Account / CD Balance (\$)
			BALANCE FORWARD				0.00

Memo Allocation Receipts: 0.00 COLUMN TOTALS 0.00  
 Memo Allocation Disbursements: 0.00 Less: Bank Transfers/CDs 0.00  
 Memo Allocation Net: 0.00 Subtotal 0.00  
 Net Less: Payments to Debtors 0.00

Page Subtotals 0.00 0.00

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

FORM 2  
 ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*8528 MMA - DLG/KAREN

Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	5 Uniform Trans. Code	6 Deposits (\$)	6 Disbursements (\$)	7 Account / CD Balance (\$)
			BALANCE FORWARD				0.00

Memo Allocation Receipts: 0.00 COLUMN TOTALS 0.00 0.00  
 Memo Allocation Disbursements: 0.00 Less: Bank Transfers/CD's 0.00 0.00  
 Memo Allocation Net: 0.00 Subtotal 0.00 0.00  
 Net Less: Payments to Debtors 0.00 0.00

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*8557 MMA - FRIEDMAN

Page: 12

0050

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

FORM 2  
 ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	Uniform Tran. Code	5 Deposits (\$)	6 Disbursements (\$)	7 Account / CD Balance (\$)
			BALANCE FORWARD				0.00

Memo Allocation Receipts: 0.00 COLUMN TOTALS 0.00 0.00  
 Memo Allocation Disbursements: 0.00 Less: Bank Transfers/CD's 0.00  
 Memo Allocation Net: 0.00 Subtotal 0.00  
 Net Less: Payments to Debtors 0.00

Page Subtotals 0.00 0.00

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.

Account Number / CD #: \*\*\*\*\*8654 MMA - MEDICAL ACCOUNT

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

FORM 2  
 ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

0051

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	5 Uniform Tran. Code	6 Deposits (\$)	7 Disbursements (\$)	8 Account / CD Balance (\$)
			BALANCE FORWARD				0.00

Memo Allocation Receipts:	0.00	COLUMN TOTALS	0.00	0.00	0.00
Memo Allocation Disbursements:	0.00	Less: Bank Transfers/CD's	0.00	0.00	0.00
Memo Allocation Net:	0.00	Subtotal	0.00	0.00	0.00
		Less: Payments to Debtors	0.00	0.00	0.00
		Net	0.00	0.00	0.00

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*8670 MMA - DLG/KAREN

Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

FORM 2  
 ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

0052

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	Uniform Tran. Code	5 Deposits (\$)	6 Disbursements (\$)	7 Account / CD Balance (\$)
07/29/11	INT	BANK OF AMERICA, N.A.	BALANCE FORWARD	1270-000	0.30		36,485.23
08/31/11	INT	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.32		36,485.85
09/30/11	INT	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.30		36,486.15

Memo Allocation Receipts: 0.00  
 Memo Allocation Disbursements: 0.00  
 Memo Allocation Net: 0.00

COLUMN TOTALS  
 Less: Bank Transfers/CD's 0.00  
 Subtotal 0.92  
 Less: Payments to Debtors 0.00  
 Net 0.92

Page Subtotals

0.92

0.00

FORM 2  
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC  
 Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*8683 MMA - FRIEDMAN  
 Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	Uniform Tran. Code	5 Deposits (\$)	6 Disbursements (\$)	7 Account / CD Balance (\$)
07/29/11	INT	BANK OF AMERICA, N.A.	BALANCE FORWARD	1270-000	0.51		60,737.02
08/31/11	INT	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.52		60,737.53
09/30/11	INT	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.50		60,738.05

Memo Allocation Receipts: 0.00 COLUMN TOTALS 1.53 0.00 60,738.55  
 Memo Allocation Disbursements: 0.00 Less: Bank Transfers/CD's 0.00  
 Memo Allocation Net: 0.00 Subtotal 1.53 0.00  
 Net Less: Payments to Debtors 0.00

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*8696 MMA - MEDICAL

Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

FORM 2  
 ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

0054

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	Uniform Tran Code	5 Deposits (\$)	6 Disbursements (\$)	7 Account / CD Balance (\$)
07/29/11	INT	BANK OF AMERICA, N.A.	BALANCE FORWARD	1270-000	0.02		2,766.93
08/31/11	INT	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.03		2,766.95
09/30/11	INT	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.02		2,766.98
							2,767.00

Memo Allocation Receipts: 0.00  
 Memo Allocation Disbursements: 0.00  
 Memo Allocation Net: 0.00

COLUMN TOTALS  
 Less: Bank Transfers/CD's 0.00  
 Subtotal 0.07  
 Less: Payments to Debtors 0.00  
 Net 0.07

Page Subtotals 0.07 0.00

FORM 2  
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC  
 Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Taxpayer ID No: \*\*\*\*\*9019  
 Account Number / CD #: \*\*\*\*\*8722 MMA - JACKSON NATIONAL LIFE  
 For Period Ending: 09/30/11  
 Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	Uniform Tran. Code	5 Deposits (\$)	6 Disbursements (\$)	7 Account / CD Balance (\$)
07/29/11	INT	BANK OF AMERICA, N.A.	BALANCE FORWARD	1270-000	0.72		85,356.80
08/31/11	INT	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.73		85,357.52
09/30/11	INT	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.70		85,358.25
							85,358.95

Memo Allocation Receipts: 0.00  
 Memo Allocation Disbursements: 0.00  
 COLUMNS TOTALS  
 Less: Bank Transfers/CD's 0.00  
 Subtotal 2.15  
 Less: Payments to Debtors 0.00  
 Net 2.15

Memo Allocation Net: 0.00  
 Page Subtotals 2.15 0.00

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*8968 MONEY MARKET

Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

FORM 2  
 ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

0056

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	Uniform Tran. Code	5 Deposits (\$)	6 Disbursements (\$)	7 Account / CD Balance (\$)
07/29/11	INT	BANK OF AMERICA, N.A.	BALANCE FORWARD	1270-000	1.99		210,091.05
07/29/11	INT	Transfer from Acct #*****8502	Interest Rate 0.010	9999-000	253,773.81		210,093.04
08/31/11	INT	BANK OF AMERICA, N.A.	Transfer of Funds Per Melvin	1270-000	3.94		463,866.85
09/30/11	INT	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	3.81		463,870.79
			Interest Rate 0.010				463,874.60

Memo Allocation Receipts: 0.00  
 Memo Allocation Disbursements: 0.00  
 Memo Allocation Net: 0.00

COLUMN TOTALS 253,783.55 0.00 463,874.60  
 Less: Bank Transfers/CD's 253,773.81 0.00  
 Subtotal 9.74 0.00  
 Less: Payments to Debtors 9.74 0.00  
 Net 0.00 0.00

FORM 2

ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*625 MMA - MARK FRIEDMAN

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	5 Uniform Tran Code	6 Deposits (\$) , Disbursements (\$)	7 Account / CD Balance (\$)
			BALANCE FORWARD			0.00

Memo Allocation Receipts: 0.00 COLUMN TOTALS 0.00 0.00 0.00  
 Memo Allocation Disbursements: 0.00 Less: Bank Transfers/CD's 0.00  
 Memo Allocation Net: 0.00 Subtotal 0.00 0.00 0.00  
 Net Less: Payments to Debtors 0.00 0.00

Case No: CY09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

FORM 2  
 ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Trustee Name: David A. Gill, Receiver  
 Bank Name: BANK OF AMERICA, N.A.  
 Account Number / CD #: \*\*\*\*\*7213 MMA - RESERVE FOR ATTY FEES

Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	5 Uniform Tran. Code	6 Deposits (\$)	7 Disbursements (\$)	8 Account / CD Balance (\$)
07/29/11	INT	BANK OF AMERICA, N.A.	BALANCE FORWARD	1270-000	0.20		24,004.38
08/31/11	INT	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.21		24,004.58
09/30/11	INT	BANK OF AMERICA, N.A.	Interest Rate 0.010	1270-000	0.20		24,004.79

Memo Allocation Receipts: 0.00  
 Memo Allocation Disbursements: 0.00  
 Memo Allocation Net: 0.00

COLUMN TOTALS  
 Less: Bank Transfers/CD's 0.00  
 Subtotal 0.61  
 Less: Payments to Debtors 0.00  
 Net 0.61

FORM 2  
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC  
 Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

Trustee Name: David A. Gill, Receiver  
 Bank Name: CITY NATIONAL BANK  
 Account Number / CD #: \*\*\*\*\*8349 CITY NAT - MONEY MARKET  
 Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	Uniform Tran. Code	5 Deposits (\$)	6 Disbursements (\$)	7 Account / CD Balance (\$)
07/29/11	INT	CITY NATIONAL BANK	BALANCE FORWARD	1270-000	130.31		318,041.66
07/29/11	INT	Transfer from Acct #*****5VC2	INTEREST REC'D FROM BANK JULY 2011	9999-000	4,901,466.40		318,171.97
08/31/11	INT	CITY NATIONAL BANK	INTEREST REC'D FROM BANK	1270-000	320.45		5,219,638.37
08/31/11	INT	Transfer to Acct #*****1344	AUGUST 2011	9999-000		4,000,000.00	5,219,958.82
09/30/11	INT	CITY NATIONAL BANK	Bank Funds Transfer	1270-000	0.54		1,219,959.36
09/30/11	INT	CITY NATIONAL BANK	INTEREST REC'D FROM BANK SEPT	1270-000			1,220,159.36
09/30/11	INT	CITY NATIONAL BANK	INTEREST REC'D FROM BANK SEPT	1270-000	200.00		

Memo Allocation Receipts: 0.00  
 Memo Allocation Disbursements: 0.00  
 Memo Allocation Net: 0.00

COLUMN TOTALS  
 Less: Bank Transfers/CD's 4,902,117.70  
 Subtotal 4,901,466.40  
 Less: Payments to Debtors 651.30  
 Net 4,902,117.70

Page Subtotals 4,902,117.70 4,000,000.00

FORM 2  
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC  
 Trustee Name: David A. Gill, Receiver  
 Bank Name: CITY NATIONAL BANK  
 Account Number / CD #: \*\*\*\*\*5VC2 CITY NAT - MMA - INVESTMENT  
 Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11  
 Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	Uniform Tran. Code	5 Deposits (\$)	6 Disbursements (\$)	7 Account / CD Balance (\$)
07/13/11			BALANCE FORWARD				4,900,469.98
* 07/29/11	INT	Transfer to Acct #*****1344 CITY NATIONAL BANK	Bank Funds Transfer	9999-000	130.31	469.98	4,900,000.00
07/29/11	INT	CITY NATIONAL BANK	INTEREST RECD FROM BANK JULY 2011	1270-000	1,466.40		4,901,130.31
07/29/11		REVERSE OF TRANSFER OF INTEREST	INTEREST RECD MATURED 7/28/11	1270-000	130.31		4,901,596.71
07/29/11		INCORRECT POSTING	REVERSE OF TRANSFER OF INTEREST	9999-000		130.31	4,901,727.02
07/29/11		Transfer to Acct #*****1344	REVERSE INTEREST POSTED IN ERROR	9999-000		130.31	4,901,596.71
07/29/11		Transfer to Acct #*****8349	Transfer of Funds Per Melvin	9999-000		4,901,466.40	4,901,466.40
* 08/25/11	INT	Reverses Interest on 07/29/11	INTEREST RECD FROM BANK JULY 2011	1270-000	-130.31		0.00
08/25/11		REVERSE DEBIT (INCORRECT DATE)	REVERSE INTEREST POSTED IN ERROR				-130.31
			CORRECTION OF 8/25 INCORRECT POSTG	9999-000	130.31		0.00

Memo Allocation Receipts: 0.00  
 Memo Allocation Disbursements: 0.00  
 Memo Allocation Net: 0.00

COLUMN TOTALS  
 Less: Bank Transfers/CD's 0.00  
 Subtotal 1,727.02  
 Less: Payments to Debtors 0.00  
 Net 1,727.02

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Trustee Name: David A. Gill, Receiver  
 Bank Name: CITY NATIONAL BANK  
 Account Number / CD #: \*\*\*\*\*1344 CITY NAT - INVESTMENT  
 Old Account #: 1: \*\*\*\*\*8134  
 Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	5 Uniform Tran Code	6 Deposits (\$)	7 Disbursements (\$)	8 Account / CD Balance (\$)
07/13/11		Transfer from Acct #*****5VC2	BALANCE FORWARD	9999-000	469.98		0.01
07/29/11		Transfer from Acct #*****5VC2	Bank Funds Transfer	9999-000	130.31		469.99
07/29/11		REVERSE TRANSFER	Transfer of Funds Per Melvin REVERSE TRANSFER OF INTEREST POSTED/(TRANSFERRED IN ERROR)	1270-000		130.31	600.30
08/31/11		Transfer from Acct #*****8349	Bank Funds Transfer	9999-000	4,000,000.00		469.99

Memo Allocation Receipts: 0.00  
 Memo Allocation Disbursements: 0.00  
 Memo Allocation Net: 0.00

COLUMN TOTALS  
 Less: Bank Transfers/CD's  
 Subtotal  
 Less: Payments to Debtors  
 Net

Total Allocation Receipts: 441,000.00  
 Total Allocation Disbursements: 143,306.07  
 Total Memo Allocation Net: 297,693.93

TOTAL - ALL ACCOUNTS  
 GENERAL ACCOUNT - \*\*\*\*\*8502  
 MONEY MARKET - \*\*\*\*\*8515  
 MMA - DLG/KAREN O'CALLAGHAN - \*\*\*\*\*8528  
 MMA - FRIEDMAN - \*\*\*\*\*8557  
 MMA - MEDICAL ACCOUNT - \*\*\*\*\*8654  
 MMA - DLG/KAREN O'CALLAGHAN - \*\*\*\*\*8670  
 MMA - FRIEDMAN - \*\*\*\*\*8683  
 MMA - MEDICAL - \*\*\*\*\*8696  
 MMA - JACKSON NATIONAL LIFE - \*\*\*\*\*8722  
 MONEY MARKET - \*\*\*\*\*8968  
 MMA - MARK FRIEDMAN SETTLEMENT - \*\*\*\*\*6625  
 MMA - RESERVE FOR ATTY FEES - \*\*\*\*\*7213  
 CITY NAT - MONEY MARKET - \*\*\*\*\*8349  
 CITY NAT - MMA - INVESTMENTS - \*\*\*\*\*5VC2  
 CITY NAT - INVESTMENT INTEREST - \*\*\*\*\*1344

Page Subtotals 4,000,600.29 130.31

Case No: CV09-01533R -XXX  
 Case Name: DIVERSIFIED LENDING GROUP, INC

Taxpayer ID No: \*\*\*\*\*9019  
 For Period Ending: 09/30/11

ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Trustee Name: David A. Gill, Receiver  
 Bank Name: CITY NATIONAL BANK  
 Account Number / CD #: \*\*\*\*\*1344 CITY NAT - INVESTMENT  
 \*\*\*\*\*8134

Blanket Bond (per case limit): \$ 0.00  
 Separate Bond (if applicable):

0062

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	5 Uniform Tran. Code	6 Deposits (\$)	7 Disbursements (\$)	8 Account / CD Balance (\$)
					1,197,619.27	117,126.03	6,918,446.28

(Excludes Account Transfers) (Excludes Payments To Debtors) Total Funds On Hand

Page Subtotals

0.00

0.00