



April 2, 2007

Michael A. Grassmueck
The Grassmueck Group
P.O. Box 3649
Portland, Oregon 97208

Re: **SEC v. C. Wesley Rhodes, Jr. et al**

**SUPPLEMENTAL FORENSIC ACCOUNTANTS' REPORT
(SECOND REPORT OF RECEIVER – EXHIBIT ONE)**

BACKGROUND

This Supplemental Forensic Accountants' Report (the "Report") details the findings resulting from our engagement as forensic accountants for Michael A. Grassmueck, Receiver, in regards to the following case citation:

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff

v.

C. WESLEY RHODES, JR., RHODES ECONOMETRICS, INC., THE RHODES COMPANY, and RESOURCE TRANSACTIONS, INC.

Defendants.

Case No. CV06-1353-MO

This Report has been issued to clarify our previously issued findings regarding the amounts "received from" and "due to" private fund investors. Contents from our Forensic Accountants' Report dated March 30, 2007, not revised are hereby incorporated in their entirety.

The forensic accounting investigation is ongoing and there are multiple data requests still outstanding. It is the Receiver's and financialforensics® intention to issue a supplemental accounting once the requested data is made available.

INVESTOR FUNDS FLOW

The following table summarizes the estimated investor funds flow per the forensic accounting completed to date.

Gross Amount Received from Private Fund Investors	\$38,908,000
Less: Distributions to Private Fund Investors	- \$14,342,000
Equals: Net Amount Still Owed to Private Fund Investors	= \$24,566,000

It is our opinion that these are reasonable, if not conservative, estimates of the net and gross amount of "private fund" investments. Nonetheless, further investigation, including identification/categorization of transactions and communications with investors, will result in revisions to these figures. The final number of investors and related amounts due to each investor, if any, from the Estate will not be available until the Receiver completes the claims process.

CLOSING

financialforensics® appreciates the opportunity to submit this Supplemental Report, and will keep the Receiver apprised of progress on the subsequent actions expected to be necessary.

With professional regards,



Gregory A. Gadawski, CPA/ABV, CVA, CFE

financialforensics®

Principal



Darrell D. Dorrell, CPA, MBA, ASA, CVA, CMA, DABFA, CMC

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