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Attorneys for Plaintiff Michael A. Grassmueck, Receiver

UNITED STATES DISTRICT COURT  
DISTRICT OF OREGON

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

Case No. CV-06-1353-MO

DECLARATION OF MICHAEL A.  
GRASSMUECK

v.

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

Defendants.

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I, Michael A. Grassmueck, hereby declare as follows:

1. I am the court-appointed receiver in the United States District Court for the above-captioned case. I was appointed with full power as an equity receiver for Rhodes Econometrics, Inc. (“Econometrics”), The Rhodes Company (“Rhodes Company”), Resource Transactions, Inc. (“RTI”) and their subsidiaries and affiliates, including but not limited to, Crossed Flags Farms, LLC, Northwest Collector Cars, LLC (fka Northwest Muscle Cars, LLC), Dollhouse Ventures, LLC, and an entity of unknown origin that is called PPPS or PPPS

Partnership (collectively the Receivership Entities”). I am authorized to make this Declaration and have personal knowledge of the facts stated herein.

2. The Receivership estate has approximately \$5,623,000 in funds, which consists of the assets obtained upon my appointment, assets I have sold during the course of administration, settlement payments resulting from litigation that I commenced, and assets obtained as a result of the contempt orders entered against C. Wesley Rhodes, Jr. and Anne Rhodes (Docket No. 254 and 255, respectively). I believe that there will be additional recoveries from pending settlements, pending litigation, and sales of additional assets left to be administered.

3. I would like the Court to approve a pro rata distribution of \$3,968,000 of the receivership proceeds at this time as an interim distribution, which I estimate will equate to an 18% distribution to claimants. I propose to withhold funds to pay the administrative and operating expenses of the receivership, as well as sufficient funds to pay the balance of the pro rata portion of the Allowed Claims. The amount I plan to set aside is \$1.6 million. I anticipate a final distribution equating to 22 to 23% of investors’ and creditors’ claims.

I HEREBY DECLARE THAT THE ABOVE STATEMENT IS TRUE TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT I UNDERSTAND IT IS MADE FOR USE AS EVIDENCE IN COURT AND IS SUBJECT TO PENALTY OF PERJURY.

DATED this 11<sup>th</sup> day of September, 2008.

/s/ Michael A. Grassmueck  
Michael A. Grassmueck

**CERTIFICATE OF SERVICE**

I hereby certify that on September 11, 2008, I served a true copy of the foregoing **DECLARATION OF MICHAEL A. GRASSMUECK** on the following individuals by facsimile, electronic mail and/or first class mail, addressed to their last known regular address and deposited in the Post Office at Portland, Oregon:

Michael R. Levine  
Law Office of Michael Levine  
400 SW 6th Ave Ste 600  
Portland OR 97204

**By Electronic Notification**  
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Attorneys for Patrick and Cynthia Ball

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DATED: September 11, 2008

FARLEIGH WADA WITT

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