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UNITED STATES DISTRICT COURT  
DISTRICT OF OREGON

MICHAEL A. GRASSMUECK as Receiver  
for The Rhodes Company, Rhodes  
Econometrics, Inc., Resource Transactions,  
Inc., et al.,

Plaintiff,

v.

ANNE LESLIE RHODES, an individual,

Defendant.

Case No. 07-840-MO  
RECEIVER'S STATUS REPORT

Michael A. Grassmueck, the court-appointed Receiver in the above-referenced matter, hereby files this status report regarding the pending proceedings against C. Wesley Rhodes, Jr. and Anne Rhodes (the "Rhodes") and specifically the status of the reported settlement between Anne Rhodes ("Anne") and the Receiver.

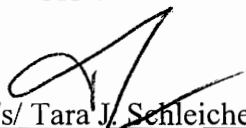
As the Court is aware, on April 2, 2008, the Receiver filed a Notice of Intent to Settle this declaratory action. The terms of the Settlement Agreement between the Receiver and Anne required Anne to provide a sworn list of her assets to the Receiver (the "Asset List"). The Asset List to be provided by Anne was to disclose all assets and should have included assets

about which the Receiver was already aware. Anne provided the Receiver the Asset List on or about April 1, 2008. Since that time, a dispute has arisen between the Receiver and Anne about the items listed on the Asset List. This has caused the Receiver to reconsider the terms of the Settlement Agreement.

In late May 2008, the Receiver began discussing with counsel for Rhodes, Jacob Wieselman, whether he had a non-waivable conflict of interest under Oregon's Rule of Professional Conduct by his joint representation of the Rhodes. Mr. Wieselman and the Receiver agreed to employ a special master to make this determination. The parties submitted evidence and submissions to attorney Jeff Batchelor ("Batchelor"). On Friday June 26, 2008, Batchelor found that Wieselman had a non-waivable conflict of interest and that he could not continue his joint representation. Mr. Wieselman is determining whether he will be able to continue to represent one of the parties and will make that determination shortly. Once this issue is resolved, the Receiver will continue to work towards a settlement with Anne or continue to litigate this matter.

DATED this 1st day of July, 2008.

FARLEIGH WITT

By:  /s/ Tara J. Schleicher

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