

**IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TENNESSEE AT MEMPHIS**


REGIONS BANK,)	
as Indenture Trustee,)	
)	
Plaintiff,)	
)	
v.)	Case No. 06-cv-2239-JPM
)	
CME-CORNERS, INC., and)	
THE HEALTH, EDUCATIONAL AND)	
HOUSING FACILITY BOARD OF THE)	
COUNTY OF SHELBY, TENNESSEE,)	
)	
Defendants.)	

**RECEIVER'S NOTICE OF RECEIVER'S REPORT
PURSUANT TO ORDER APPOINTING RECEIVER, GRANTING
INJUNCTIVE RELIEF, AND SETTING BOND**

TO THE HONORABLE JON PHIPPS MCCALLA
AND ALL PARTIES IN INTEREST:

PLEASE TAKE NOTICE THAT attached hereto is the Receiver's Report of actions taken for the periods November 1, 2006 – December 7, 2006, with May 6, 2006 through November 30, 2006 operating results and November 29, 2006 Sale Closing Statement Summary. This Notice is in compliance with that certain Order Appointing Receiver, Granting Injunctive Relief, and Setting Bond, which was entered on May 4, 2006 and amended on May 9, 2006.

Respectfully submitted:


Cumberland & Ohio Co. of Texas
James A. Skinner, President
732 Harpeth Trace Drive
Nashville, Tennessee 37221
TEL (615) 352-2351
FAX (615) 352-9117
jaskinner@comcast.net

CERTIFICATE OF SERVICE

I hereby certify that I have caused a true and correct copy of the foregoing Notice to be served via first-class mail, postage pre-paid, upon the following named parties to this action on this the 7th day of December, 2006.

CME-Corners, Inc. (Attention: Legal Department)
4466 Elvis Presley Boulevard, Suite 300
Memphis, TN 38116

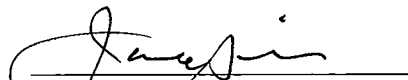
Dr. Annie J. Carter
2513 Oak Forrest Drive
Antioch, TN 37013

Farris Mathews Branam Bobango Hellen & Dunlap PLC (Attn: James E. Bailey III)
1 Commerce Square, Suite 2000
Memphis, TN 38103

The Health, Educational and Housing Facility Board
of the County of Shelby, Tennessee
c/o Donnie Wilson, County Attorney
160 North Main Street, Suite 801
Memphis, TN 38103

The Winchester Law Firm (Attn: Stephen L. Anderson)
6060 Poplar Avenue, Suite 295
P.O. Box 17236
Memphis, Tennessee 38187

Neal & Harwell, PLC
One Nashville Place, Suite 2000
150 4th Avenue North
Nashville, Tennessee 37219-2498
Attention: Tom Dundon, Esq.


James A. Skinner

RECEIVER'S REPORT DECEMBER 7, 2006

The sale of The Corners Apartments and disbursement of proceeds was concluded on November 29, 2006.

Remaining open matters are the final payment and settlement of the Memphis Light, Gas & Water Division payment from the security deposit, negotiate the settlement and payment of the fire insurance claims and notification to the Proof of Claim holders.

EXHIBITS:

Exhibit A: Receipts and Disbursements November 1, 2006 – December 7, 2006

Exhibit B: May – November 2006 Operating Summary

Exhibit C: Summary of the Sale. Closing Sources and Users.

EXHIBIT A

CME - Corners, Inc.- Operating account
Cash receipts and disbursements

<u>Date</u>	<u>Ck #</u>		<u>Debits</u>	<u>Credits</u>	<u>Adjusted Balance</u>
		Balance forward			34,434.36
11/01/06	1091	Baer, Baer and Baer - collection work on rent		(540.00)	33,894.36
11/01/06	1092	MCI/Verizon		(131.92)	33,762.44
11/01/06	1093	ADT Security Services Inc.		(35.00)	33,727.44
11/01/06	1094	Memphis Light Gas and Water-utilities		(4,175.00)	29,552.44
11/02/06	deposit	Rent	1,186.00		30,738.44
11/02/06	1095	Petty cash reimbursement		(345.76)	30,392.68
11/02/06	1096	Anthony Sledge - cell phone		(94.67)	30,298.01
11/02/06	1097	Memphis City Wide Security		(1,889.00)	28,409.01
11/02/06	1098	T and J Carpet Cleaning		(105.00)	28,304.01
11/02/06	1099	Bowes Sewer and Drain - sewer services		(97.00)	28,207.01
11/02/06	1100	Budget Premium Co - liab and prop insur		(8,760.75)	19,446.26
11/02/06	auto w/d	Payroll, net		(1,874.36)	17,571.90
11/03/06	auto w/d	Payroll taxes		(589.16)	16,982.74
11/03/06	1101	Puryear Hamilton Hausman and Wood - acctg		(2,570.62)	14,412.12
11/06/06	1102	C & C Construction - repair water break		(2,765.00)	11,647.12
11/06/06	1103	VOID			11,647.12
11/06/06	1104	Memphis Business Journal - advertising sale		(290.25)	11,356.87
11/07/06	deposit	Rent	2,475.00		13,831.87
11/08/06	deposit	Rent	945.00		14,776.87
11/08/06	cr	Returned check - tenant stopped payment		(320.00)	14,456.87
11/08/06	cr	Return item fee		(6.00)	14,450.87
11/09/06	1105	Memphis Business Journal - advertising sale #2		(290.25)	14,160.62
11/09/06	1106	Crocker and Niarhos - legal services		(2,110.01)	12,050.61
11/10/06	deposit	Rent and laundry	1,056.25		13,106.86
11/10/06	deposit	Wire - loan from Regions Bank	10,000.00		23,106.86
11/10/06	cr	Wire fee		(15.00)	23,091.86
11/10/06	cr	Paychex EIB		(101.96)	22,989.90
11/16/06	auto w/d	Payroll, net		(1,874.36)	21,115.54
11/17/06	auto w/d	Payroll taxes		(589.16)	20,526.38
11/16/06	cr	Cash draft for motel rooms for displ tenants from fire		(200.00)	20,326.38
11/16/06	cr	Lasco Fire Protection Inc. deductible for fire damage		(500.00)	19,826.38
11/16/06	cr	Shelby County Code Enforcer - for fire damages		(177.00)	19,649.38
11/16/06	cr	Home Depot - for fire damages		(375.46)	19,273.92
11/16/06	deposit	Rent	579.00		19,852.92
11/20/06	deposit	Rent	1,220.00		21,072.92
11/21/06	1107	MCI/Verizon		(130.02)	20,942.90
11/21/06	1108	ADT Security Services Inc.		(81.93)	20,860.97
11/27/06	deposit	Transfer forfeited security deposits to operations	450.00		21,310.97
11/27/06	deposit	Transfer forfeited security deposits to operations	650.00		21,960.97
11/28/06	deposit	Rent	390.00		22,350.97
11/28/06	1109	Mwaniki Tabor		(950.00)	21,400.97
11/30/06	auto w/d	Payroll, net		(4,189.08)	17,211.89
11/30/06	deposit	interest income for checking acct for Nov	4.49		17,216.38
11/30/06	auto w/d	Maintenance fee		(10.00)	17,206.38
11/30/06	auto w/d	Bank charges		(10.24)	17,196.14

Total November 2006

Total from inception through Nov 30, 2006

		Balance forward			17,196.14
12/01/06	auto w/d	Payroll taxes		(1,723.53)	15,472.61
12/01/06	deposit	Transfer from Cumberland in settlement on sale of Corners	5,000.00		20,472.61
12/01/06	1110	Puryear Hamilton Hausman and Wood - acctg		(2,703.35)	17,769.26
12/07/06	1111	Crocker and Niarhos - legal		(4,342.41)	13,426.85

EXHIBIT B

Corners, Inc.
Year to date actual - Operating account through November 30, 2006
Cash Basis

Through
11/30/2006
Year to date
Total

Beginning Cash Balance

	May-06	June-06	July-06	August-06	September-06	October-06	November-06
	-	163,640.50	77,431.86	54,877.40	48,930.69	19,537.22	34,434.36

Cash receipts:

Rental income	16,000.50	11,147.00	11,502.00	10,664.00	9,454.00	10,630.00	6,815.00
Other income	172,671.99	39.08	5,072.40	24,351.43	285.66	1,014.84	1,280.74
Priority loan	-	-	-	-	-	40,000.00	10,000.00
Total cash receipts	188,672.49	11,186.08	16,574.40	35,015.43	9,739.66	51,644.84	18,095.74

	188,672.49	11,186.08	16,574.40	35,015.43	9,739.66	51,644.84	18,095.74	330,928.64
--	------------	-----------	-----------	-----------	----------	-----------	-----------	------------

Cash disbursements:

Petty Cash	500.00	517.44	394.87	-	921.13	557.26	345.76	3,236.46
Utilities	18,763.13	6,319.09	5,709.11	4,378.61	4,118.39	4,200.37	4,175.00	47,663.70
Utilities - Security deposit	-	5,335.00	-	-	-	-	-	5,335.00
ADT Security	80.00	80.00	80.00	80.00	80.00	80.00	116.93	596.93
MCI/Phone	130.49	217.41	312.45	148.55	82.51	110.20	356.61	1,358.22
Security services-Memphis City Wide	-	3,778.00	312.45	1,889.00	1,889.00	1,889.00	1,889.00	11,334.00
Lawn service	1,600.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	-	9,100.00
Payroll and payroll taxes	2,986.85	7,703.81	5,824.88	5,115.15	5,029.00	5,109.74	9,218.08	40,987.51
Equipment lease (computer, fax, etc.)	91.78	-	-	-	-	-	-	91.78
General maintenance	779.74	850.00	800.00	419.00	1,970.00	490.00	202.00	5,510.74
Major repairs or replacements	-	8,323.50	1,080.69	3,000.00	-	-	4,967.46	17,371.65
Refund of security deposits to tenants	-	550.00	(550.00)	-	-	-	-	-
Late fees and bank charges	-	172.96	72.02	21.25	52.08	49.43	41.24	408.98
Background checks/credit reports	100.00	-	-	-	-	-	-	100.00
Property and General liability insurance	-	35,922.51	8,760.75	8,760.75	8,760.75	8,760.75	8,760.75	79,726.26
Accounting and legal	-	5,250.00	3,519.09	4,649.83	6,748.09	2,966.40	5,261.13	28,394.54
Appraisal	-	5,500.00	-	-	-	-	-	5,500.00
Receiver expenses	-	15,375.00	11,625.00	11,000.00	7,982.18	11,034.55	-	57,016.73

Total cash disbursements	25,031.99	97,394.72	39,128.86	40,962.14	39,133.13	36,747.70	35,333.96	313,732.50
--------------------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	------------

Net cash receipts (disbursements)	163,640.50	(86,208.64)	(22,554.46)	(5,946.71)	(29,393.47)	14,897.14	(17,238.22)	17,196.14
-----------------------------------	------------	-------------	-------------	------------	-------------	-----------	-------------	-----------

Ending Cash Balance	163,640.50	77,431.86	54,877.40	48,930.69	19,537.22	34,434.36	17,196.14	17,196.14
---------------------	------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------

NOTE: There is an additional \$28,599.25 payable to Cumberland and Ohio Co. of Texas for the period 5-04-06 to 5-31-06. Plus the Receiver's fees for November are to be paid from the proceeds of the sale.

EXHIBIT C

CME Corners, Inc.
Closing statement
November 29, 2006

Total sales proceeds		\$ 1,650,000.00
Disbursement of sales proceeds per terms of the Settlement Sheets:		
Escrow fees	(250.00)	
Regions Bank:		
Proceeds to Indentured Trustee	(1,430,893.93)	
Repayment of Priority loans and related interest	(50,489.73)	
CB Richard Ellis sales commission	(66,000.00)	
Stalking Horse fee	(41,250.00)	
Cumberland and Ohio of Texas:		
Receiver's fee through November 29, 2006	(53,122.12)	
Operating advance	(5,000.00)	
Security deposits	(2,000.00)	
Pro rated taxes, rent, escrow and recording fees	<u>(994.22)</u>	
Total disbursement of sales proceeds		<u>(1,650,000.00)</u>
Net		<u><u>-</u></u>