

UNITED STATES DISTRICT COURT
Southern District of Florida
Miami Division

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

Case No.: 06-20975-CIV-HUCK
Magistrate Judge Simonton

vs.

JACK P. UTSICK,
ROBERT YEAGER,
DONNA YEAGER,
WORLDWIDE ENTERTAINMENT, INC.,
THE ENTERTAINMENT GROUP FUND, INC.,
AMERICAN ENTERPRISES, INC., and
ENTERTAINMENT FUNDS, INC.,

Defendants.

**RECEIVER'S SUPPLEMENTAL MEMORANDUM IN REGARD TO RECEIVER'S
MOTION FOR AUTHORIZATION TO CONTINUE WITH RECEIVERSHIP
ENTITIES' INVESTMENT IN OIL AND GAS WELL AND
SETTING FORTH ALTERNATIVE COURSES OF ACTION**

Michael I. Goldberg (the "Receiver"), in his capacity as the receiver of Worldwide Entertainment, Inc., The Entertainment Group Fund, Inc., American Enterprises, Inc. and Entertainment Funds, Inc. (collectively, the "Receivership Entities"), by and through undersigned counsel, hereby files his Supplement Memorandum In Regard To Receiver's Motion For Authorization To Continue With Receivership Entities' Investment In Oil And Gas Well And Setting Forth Alternative Courses Of Action, and states as follows:

1. On April 18, 2006, the Securities and Exchange Commission ("SEC") commenced this case in the United States District Court for the Southern District of Florida against Worldwide Entertainment, Inc., The Entertainment Group Fund, Inc., American Enterprises, Inc., Entertainment Funds, Inc. (collectively, the "Receivership Entities"), John P.

Utsick ("Utsick"), Robert Yeager ("Yeager") and Donna Yeager (Yeager and Donna Yeager are jointly referred to as "the Yeager's").

2. The SEC alleged that Utsick and the Yeagers sold unregistered securities in the form of loan agreements or units in special purpose limited liability companies to raise funds for a variety of entertainment ventures, violating various sections of the Securities Act of 1933 and the Securities Exchange Act of 1934.

3. On April 20, 2006, upon the request of the SEC, the Court entered an Order Appointing Receiver (the "Receivership Order") appointing Michael I. Goldberg as receiver over the Receivership Entities.

4. Pursuant to the Receivership Order, the Receiver is authorized, empowered and directed to take immediate possession of all the Receivership Entities' assets of every kind whatsoever and wheresoever located belonging to or in the possession of the Receivership Entities. Additionally, the Court entered an order freezing the Yeager's personal assets.

5. The Receiver is also authorized to investigate the manner in which the affairs of the Receivership Entities were conducted and institute legal proceedings against those parties which the Receiver may claim have improperly misappropriated or transferred money or other proceeds directly or indirectly traceable from investors in the Receivership Entities, including against the Receivership Entities' officers, directors, employees, affiliates, subsidiaries or any persons acting in concert or participation with them, or against any transfer of money or other proceeds directly or indirectly traceable from investors in the Receivership Entities.

6. Immediately after his appointment, the Receiver traveled to New Orleans to meet with the Yeagers in an effort to gather information concerning the Yeagers' assets and background information on the Yeagers' pre-receivership business operations.

7. During the meeting, the Yeagers informed the Receiver that in addition to engaging in investments in entertainment related projects, they also invested in oil and gas ventures. The Yeagers informed the Receiver that they had a pending investment, which was solely funded from the Yeagers' personal assets, in an oil and gas well prospect in southwestern Louisiana (the "Oil Well").

8. The Receiver discussed this with the Investor Advisory Panel ("IAP") and after some due diligence (as more fully set forth in the Oil Well Motion hereinafter defined), the IAP instructed the Receiver to proceed with the estate's investment in the Oil Well.

9. On or about March 8, 2007, the Receiver filed Receiver's Motion for Authorization To Continue With Receivership Entities' Investment In Oil And Gas Well (the "Oil Well Motion") seeking the Court's authorization to continue with the Receivership Entities' investment in the Oil Well. The Oil Well Motion made clear that the Receiver did not believe that the Oil Well investment was appropriate for a receiver and contained a notice requiring any investor who objected to the Receiver moving forward with the estate's investment in the Oil Well to serve the Receiver with a written objection. The Receiver received approximately thirty two (32) objections to the Motion -- which is relatively few in light of the total investors in this case.

10. Although the Receiver understands the IAP's and numerous other investors' reasoning for supporting the estate moving forward with the investment in the Oil Well, the Receiver fully agrees with the objectors' position. Simply put, the Receiver does not believe that it is appropriate for a receiver to invest a substantial portion of a receivership estate's assets in highly speculative investments such as oil wells. Although the Receiver has received some favorable reports on the prospects of this investment (as is more fully set forth in the Oil Well Motion), this is still a very risky investment and one in which the odds of the Oil Well coming up

"dry" far exceed any chance of success. Simply put, despite the IAP's decision to move forward with this investment, and the Receiver's receipt of relatively few objections in respect to the total amount of creditors, the Receiver does not think it is appropriate for him to utilize estate funds to move forward with this investment.

11. The Receiver is currently in a bind and to the best of his knowledge, has the following options:

- a) move forward with the Receivership Entities' investment in the Oil Well as is desired by the IAP and the seemingly vast majority of investors;
- b) do not move forward with the Receiver Entities' potential investment in the Oil Well despite the IAP's wishes and the seemingly vast majority of investors' wishes;
- c) allow investors who filed an objection to the Oil Well Motion, or otherwise do not wish to have their portion of the estate's funds utilized in connection with the investment, to "opt out" of this investment so that their portion of the estate's funds would not be utilized towards the Oil Well investment and they would not share in any profits in the event the Oil Well is successful. To that end, the Receiver would send each investor a form to execute affirmatively consenting to their participation. If a creditor did not return the form, it would be deemed as an opt out;¹ or
- d) send each investor a letter detailing the potential Oil Well investment, including the reports the Receiver received from the geophysicist, and allow each investor to make a new, independent decision as to whether or not they wish to participate in the Oil Well investment. If an investor wishes to participate in the Oil Well investment, depending on the amount of investors who decide to participate, the Receiver shall require each creditor who

¹ This option is not perfect because some investors may elect to participate, however, at this time it is too early to determine if each investor who filed a claim, in fact has a claim.

wishes to participate to execute a written election form and to send a check to the Receiver (based on the amount needed divided by the amount of such participating investors) so that estate funds are not utilized for the investment.²

12. Although Option D is more complicated from an administrative standpoint than Option C, the Receiver would prefer to utilize Option D based on the fact that the Receiver believes that it is highly inappropriate for any estate funds to be utilized for this investment. Option D allows only those investors who want to participate to risk their own funds to participate in this investment.³

WHEREFORE, the Receiver respectfully requests the Court to conduct a hearing wherein the pros and cons of each of the foregoing options can be discussed with creditors being given the opportunity to be heard.

Respectfully submitted,

AKERMAN SENTERFITT
Counsel for Receiver
Las Olas Centre II, Suite 1600
350 East Las Olas Boulevard
Fort Lauderdale, FL 33301-2229
Telephone: (954) 463-2700
Facsimile: (954) 463-2224
Email: joan.levit@akerman.com

By: /s/ Michael I. Goldberg
Michael I. Goldberg, Esq.
Florida Bar Number: 886602

² The Receiver is mindful that this is not a perfect solution either based on the fact that this option will provide for equal participation in the Oil Well Investment rather than on a pro-rata basis according to the amount of each investor's claim.

³ The estate could take a two percent interest in the investments to reimburse it for these additional administrative expenses.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 4th day of April, 2007, I electronically filed the foregoing with the Clerk of the Court by using the Electronic Filing System and that a copy of same was electronically emailed by the Court to all parties on the attached Service List.

/s/Michael I. Goldberg

SERVICE LIST

Robert K. Levenson
Regional Trial Counsel
Securities and Exchange Commission
801 Brickell Avenue, Suite 1800
Miami, Florida 33131
(305) 982-6341 (Direct Dial)
(305) 982-6300 (Telephone)
(305) 536-4154 (Facsimile)
E-Mail: levensonr@sec.gov
gonzalezlm@sec.gov
almontei@sec.gov
Counsel for Plaintiff

Richard Kraut, Esq.
Dilworth Paxson LLP
1133 Connecticut Ave, N.W., Suite 620
Washington, DC 20036
(202) 452-0900 (Telephone)
(202) 452-0930 (Facsimile)
Counsel for Jack P. Utsick

David R. Chase, Esq.
David R. Chase, P.A.
1700 East Las Olas Blvd.
Penthouse 2
Fort Lauderdale, Florida 33301
(954) 920-7779 (Telephone)
(954) 923-5622 (Facsimile)
E-Mail: david@davidchaselaw.com
Counsel for Jack P. Utsick

Richard A. Serafini, Esq.
Greenberg Traurig, P.A.
401 East Las Olas Blvd., Suite 2000
Ft. Lauderdale, Florida 33301
(954) 768-8256 (Direct)
(954) 765-0500 (Telephone)
(954) 765-1477 (Facsimile)
E-Mail: serafinir@gtlaw.com
Counsel for Robert Yeager, Donna Yeager
American Enterprises, Inc. and
Entertainment Funds, Inc.

Katherine A. Compton, Esq.
Penelope Brobst Blackwell, Esq.
Greenberg Traurig, LLP
13155 Noel Road, Suite 600
Dallas, Texas 75240
(972) 419-1250 (Telephone)
(972) 419-1251 (Facsimile)
Co-Counsel for Robert Yeager, Donna
Yeager, American Enterprises, Inc. and
Entertainment Funds, Inc.

Howard J. Berlin, Esq.
Kluger Peretz, Kaplan, et al.
201 South Biscayne Blvd. - 17th Floor
Miami, Florida 33131
(305) 379-9000 (Telephone)
(305) 379-3428 (Facsimile)
E-Mail: hberlin@kpkh.com
Counsel for Receiver

David M. Levine, Esq.
Tew Cardenas LLP
Four Seasons Tower, 15th Floor
1441 Brickell Avenue
Miami, Florida 33131-3407
(305) 536-1112 (Telephone)
(305) 536-1116 (Facsimile)
E-Mail: dml@tewlaw.com
Counsel for First Source Bank