

Sonnet R. Kapila

Federal Bankruptcy Trustee
Southern District of Florida

Post Office Box 14213
Fort Lauderdale, Florida 33302

STATUS UPDATE #5

July 20, 2007

Re: **Louis J. Pearlman, Debtor**
– **Case No. 6-07-bk-00761-ABB**
Trans Continental Airlines, Inc., Debtor
– **Case No. 6:07-bk-00762-ABB**
United States Bankruptcy Court
Middle District of Florida
Orlando Division

Dear Investors and Potential Creditors:

This is an interim update to my previous communiqués, all of which can be viewed at www.pearlmantranscon.com – click on Status Reports.

Additional Appointments of Chapter 11 Trustee

I have recently been appointed as Chapter 11 Trustee in the following additional related cases:

Trans Continental Television Productions, Inc., Debtor
Case No. 6:07-bk-01856-ABB

Trans Continental Aviation, Inc., Debtor
Case No. 6:07-bk-2431-ABB

Trans Continental Management, Inc., Debtor
Case No. 6:07-bk-2432-ABB

Claims Bar Date Extended

On July 18, 2007, the Federal Bankruptcy Court approved our request to extend the time to file claims in the Louis J. Pearlman and Trans Continental Airlines, Inc., cases by an additional six months to **January 30, 2008**. As an investor/creditor, you will be required to file a "proof of claim" in the subject matter(s), which are now in the Federal Bankruptcy Court. Specific filing requirements are addressed on my website – www.pearlmantranscon.com.

Our office has received several calls from investors/claimants asking if they should file claims in ALL the cases. At the present time, we suggest that initial claims be filed in the Trans Continental Airlines, Inc., case for those who invested in the EISA accounts. Other individuals or entities who have case-specific claims against Louis J. Pearlman or any of the other companies in which I have been named Trustee, should file in those cases as well.

The claims bar date has been extended to JANUARY 30, 2008. Your claim must be filed with the Bankruptcy Court by that deadline.

Claims bar dates [the date your claim must be filed with the Federal Bankruptcy Court] are listed at my website – www.pearlmantranscon.com – click on "Claims".

Auction Set for August 25, 2007

A second auction is scheduled for August 25, 2007. Included in this auction will be personal property of Pearlman's residences that the Trustee has recovered.

Investigation

My professionals and I continue to pursue leads and investigate the business dealings of Trans Continental Airlines, LLC, Louis J. Pearlman and all of the related entities.

The deposition transcripts of individuals closely connected to Pearlman and his many companies are being dissected and investigated by our team and as leads/tangents develop, they are being followed.

I will share with you as much information as I am able; however, please understand that as Trustee, I am unable to reveal many of the details of communications with my lawyers and others which are considered "privileged" and confidential and sometimes limited in what I am able to disclose in a public forum.

Information Relating to Assets

We continue to gather information and recover assets. If you believe you have information or leads which would be of help to the Trustee to investigate for potential asset recovery, please forward these facts via email to: Pearlman@kapilaco.com.

* * * * *

Please feel free to visit the website at <http://www.pearlmantranscon.com>.
Yours sincerely,

Soneet R. Kapila

Soneet R. Kapila
Chapter 11 Trustee

SRK:cdm