



IN THE COURT OF CHANCERY OF THE
STATE OF DELAWARE
IN AND FOR NEW CASTLE COUNTY

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IN RE INTEGRATED TELECOM EXPRESS,) C.A. No. 2215-VCL
INC.)

FOURTH QUARTERLY REPORT OF RECEIVER

James Williams, in his capacity as Receiver for Integrated Telecom Express, Inc. files this quarterly report.

1. On June 29, 2006, this Court appointed me as Receiver for Integrated Telecom Express, Inc. ("ITeX"), a dissolved Delaware corporation, pursuant to Section 279 of the Delaware Corporation Law.

2. As of the end of the quarter ended March 31, 2007, the liquid assets of ITeX were approximately \$1,389,000.00 of cash located at Silicon Valley Bank in Santa Clara, California. The liabilities of ITeX at March 31, 2007 were approximately \$426,000, consisting primarily of cash not distributed during the initial distribution for shares, which were not tendered, to the transfer agent, and prior years federal income tax accruals. Prior years Federal Tax returns on extensions are being reviewed by ITeX's independent accountants and when filed may reduce or eliminate the accrued liability.

3. In addition, a class action lawsuit has been filed against ITeX, and certain of its directors and officers and its investment bank underwriters for violation of the federal securities laws in the United States District Court for the Southern District of New York (the "Court"). These cases have been coordinated for pretrial proceedings as In re Initial Public Offering Securities Litigation, 21 MC 92 (SAS). On April 24, 2006, the Court held a fairness hearing in connection with the motion for final approval of the

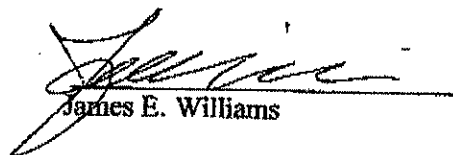
settlement. The Court has yet to issue a ruling on the motion for final approval. On December 5, 2006, the U.S. Court of Appeals for the Second Circuit ("Court of Appeals") issued a decision in *In re Initial Public Offering Securities Litigation* that six purported class action lawsuits containing allegations substantially similar to those asserted against ITeX may not be certified as class actions due, in part, to the Court of Appeals' determination that individual issues of reliance and knowledge would predominate over issues common to the proposed classes. ITeX is not one of the six cases, and it is unclear what impact this will have on our case. The settlement remains subject to a number of conditions, including final court approval. If the settlement is not achieved, ITeX will continue to aggressively defend the claims.

4. The Tax Board has requested information on the status of the previous Bankruptcy filed in 2002 by ITeX to determine whether an audit of the company's sales tax returns was appropriate. At this time the Franchise Tax Board has not scheduled an audit, however it has left open the possibility that any audit of years 2002 through 2005 could take place. During the audit period ITeX had no sales activities and all documents have been filed with the State of California, and are in good order.

5. ITeX will continue to maintain its web site until a final distribution of cash occurs and the office is officially closed. The web site is the major information source for remaining shareholders.

Respectfully submitted,

Dated: June 4, 2007


James E. Williams