

NOTICE TO INVESTORS & INTERESTED PARTIES
OF PROPOSED SALE OF POLICIES & BIDDING PROCEDURES

As you know, on May 3, 2004 the SEC filed a complaint against Mutual Benefits Corporation ("MBC"), Viatical Services Inc. ("VSI") and Viatical Benefactors, LLC ("VBLLC"). In connection with that Complaint the federal judge overseeing the SEC case, Judge Moreno, appointed Roberto Martínez as Receiver of MBC, VSI and VBLLC. Mr. Martínez is also the Receiver of Anthony Livoti and Anthony Livoti, P.A. but only in their capacity as named trustee with respect to the MBC policies. The Receiver was charged with the responsibility of overseeing the administration of over 7,000 policies, including the payment of premiums and the collection of death benefits. However, funds for premium payments will soon be exhausted, and the Receiver does not have enough money to continue paying the premiums on all policies until the policies mature.

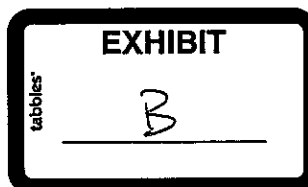
On September 14, 2005, Judge Moreno entered an *Order on Disposition of Policies and Proceeds* (the "Disposition Order") directing the Receiver to give investors a choice between (a) selling their interest in a policy, (b) keeping the interest and paying the cost of administering the policy, including, in most instances, the payment of premiums, or (c) surrendering their interest in the policy. A copy of the Disposition Order is posted on the Receiver's website at www.mbcreceiver.com. If you do not have access to a computer, you may obtain a copy of the Disposition Order by requesting a copy from the Receiver at MBC, 43 South Pompano Parkway, PMB #112, Pompano Beach, Florida 33069.

Most policies have several investors (in some cases over 100 investors) who have an interest in that particular policy. Under the Disposition Order, if the majority (measured by investment amount) of investors voted to sell a policy, then the investors' interests in the policy were to be assigned to the Receiver and the Receiver would seek to sell the policy. If the majority (measured by investment amount) chose to dispose of the policy by sale or surrender, investors are to receive their pro rata share of the proceeds less any expenses of sale. The Disposition Order provided for the Receiver to file a motion with the Court to approve a sale, and for investors to receive notice of that motion if a policy in which the investors has an interest is being sold.

Pursuant to the Disposition Order, the Receiver has identified an initial group of approximately 1,405 policies with an aggregate face value of \$119,355,247 that were designated to be sold pursuant to the Disposition Order (the "Initial Auction Portfolio"). The Initial Auction Portfolio consists of policies that had a cash surrender value of at least 5% of the face value. The approximate net cash surrender value of the Initial Auction Portfolio is \$12,728,867. The Receiver solicited offers from purchasers to serve as an initial "stalking horse" bidder to purchase the Initial Auction Portfolio, and as a result of those efforts has determined that the highest and best initial offer he has received is from SPCP Group, LLC, an affiliate of Silver Point Capital ("Buyer"), which has offered **\$13,350,000** (subject to adjustment) for the Initial Auction Portfolio, including all beneficial interests therein, pursuant to the terms and conditions of an Asset Purchase Agreement ("Asset Purchase Agreement") between Buyer and the Receiver.

You are receiving this Notice because a policy in which you have an interest is included in the Initial Auction Portfolio.

The Asset Purchase Agreement contains many terms and conditions that are described in greater detail in the *Receiver's Motion to Approve Stalking Horse Purchase Agreement and Bidding Procedures* ("Purchase Agreement and Bidding Procedures Motion") filed January 26, 2007. A copy of the Purchase Agreement and Bidding Procedures Motion, together with the Asset Purchase Agreement, are available on the Receiver's website, at www.mbcreceiver.com and can be obtained by requesting a copy from the Receiver at MBC, 43 South Pompano Parkway, PMB #112, Pompano Beach, Florida 33069. On February ____, 2007 the Court entered an *Order Granting Receiver's Motion to Approve Stalking Horse Purchase Agreement and Bidding Procedures* (the "Bidding Procedures Order"). Pursuant to the Bidding Procedures Order, the Court approved the Bidding Procedures attached hereto as Exhibit A. Additionally, pursuant to the Bidding Procedures Order, the Court approved the payment of a termination fee which is payable to Buyer upon the occurrence of certain events, including in the event that another bidder is approved as the purchaser pursuant to the Bidding Procedures or if the Receiver breaches the Asset Purchase Agreement or fails to close after all conditions to closing have been satisfied. Finally, pursuant to the Bidding Procedures Order, the Court approved this Notice and authorized the Receiver to send this Notice to investors and other interested parties.



Among other things, the Asset Purchase Agreement provides for Buyer to make a 10% deposit within two business days after execution of the Asset Purchase Agreement, provides for the Purchase Price to be paid to an escrow agent upon closing and to be released upon the Receiver's delivery of Policy Notices to the insurance companies requesting a change of ownership and/or beneficiary (or at the Buyer's direction, a surrender notice), provides for VSI to continue to service the policies for no more than a year prior to closing while the transfer process is effectuated, requires the Buyer to comply with all privacy, confidentiality and other similar laws governing information related to the Policies, and provides for forfeiture of the Buyer's deposit if it breaches the Asset Purchase Agreement or if the Receiver terminates the Agreement because Buyer has failed to close by April 15, 2007 after all conditions to close have been satisfied or waived. Additionally, the Asset Purchase Agreement provides for the sale of the Initial Auction Portfolio free and clear of all liens, claims, interests and encumbrances, including any beneficial interests in the Initial Auction Portfolio held by any investor, even investors who did not vote in favor of disposition pursuant to the procedures established in the Disposition Order. Please refer to the Asset Purchase Agreement for all terms and conditions of the sale.

In order to maximize the value of the Initial Auction Portfolio, the sale to Buyer will be subject to higher and better offers and the Receiver will solicit other purchasers to submit such offers pursuant to the Bidding Procedures, a copy of which is attached as Exhibit "A". If other qualified offers are submitted in accordance with the Bidding Procedures, an auction will be conducted on April 6, 2007 and the Receiver will present the highest and best offer obtained at the conclusion of such auction to the Court for approval at a Sale Hearing to be conducted on April ____, 2007 (the "Sale Hearing"). If no qualified offers are received in accordance with the Bidding Procedures, no auction will be conducted and the sale to Buyer pursuant to the Asset Purchase Agreement will be presented for approval at the Sale Hearing.

The Purchase Agreement and Bidding Procedures Motion does not seek to determine how the proceeds of the sale will be allocating and distributed to investors; the Receiver will file a further motion to address that issue after the sale has been completed. Any objections to the sale of the Initial Auction Portfolio to Buyer or another higher and better bidder pursuant to the terms and conditions described in the Purchase Agreement and Bidding Procedures Motion must be raised by filing any such objections with the Court on or before March 15, 2007. Any such objections shall be limited only to the proposed sale to Buyer or a higher and better bidder and not to relief approved in the Bidding Procedures Order, including the payment of a Termination Fee and the terms of the Bidding Procedures. Any person who fails to file an objection to the sale by March 15, 2007 shall be deemed to have consented to the sale to Buyer or a higher and better bidder.

If you do not object to the proposed sale of the Initial Auction Portfolio as described in this Notice (and as described in greater detail in the Purchase Agreement and Bidding Procedures Motion), you do not need to take any further action in response to this Notice.

EXHIBIT "A"

BIDDING PROCEDURES

Set forth below are the bidding procedures (the "Bidding Procedures") to be employed with respect to the Asset Purchase Agreement, dated as of January 25, 2007 (the "Agreement"), by and between Roberto Martinez, as the receiver (in such capacity, "Seller" appointed by the United States District Court for the Southern District of Florida (the "Court") for Mutual Benefits Corp., Viatical Services, Inc. and Viatical Benefactors, LLC, and SPCP Group, LLC ("Buyer"). Unless otherwise defined herein, all capitalized terms have the meanings ascribed to such terms in the Agreement.

The sale of the Purchased Assets under the Agreement to Buyer (the "Sale") is subject to competitive bidding upon the terms and conditions set forth in these Bidding Procedures and approval by the Court. No later than two (2) Business Days following the date hereof, Seller shall file with the Court one or more motions (collectively the "Bidding Procedures Motion"), in form and substance reasonably satisfactory to Buyer, (i) seeking approval from the Court of (A) the Agreement and all of the terms and conditions thereof and transactions contemplated thereby and (B) the Bidding Procedures, (ii) requesting the Court to enter an order approving the Purchase Agreement and Bidding Procedure Motion no later than February 16, 2007; and (iii) setting a hearing for the first available date after the Auction to approve the sale of the Purchased Assets contemplated hereby to Buyer and enter the Sale Order.

The Sale Hearing

Unless the Agreement has been terminated, the Court shall conduct a hearing (the "Sale Hearing") to consider entry of an order authorizing and approving the Sale to the Successful Bidder (defined below) pursuant to the terms and conditions of the Agreement or the agreement of the Successful Bidder. The Sale Hearing shall occur on the first available date following the Auction (defined below). The Sale Hearing may be adjourned or rescheduled without notice other than by an announcement of the adjourned date at the Sale Hearing.

Determination of Seller

Seller shall (i) determine whether any person, other than Buyer, is an Overbidder (defined below), (ii) coordinate the efforts of Overbidders, if any, in conducting their respective due diligence regarding the Purchased Assets, (iii) receive Bids (defined below) from Overbidders, if any, and (iv) negotiate any Bid made to purchase the Purchased Assets (collectively, the "Bidding Process"). No person other than an Overbidder will be allowed to participate in the Bidding Process and Seller shall not have the authority to supply any information regarding the Purchased Assets to any person who is not an Overbidder.

Participation Requirements

In order to participate in the Bidding Process, each person other than Buyer (such person, a "Potential Bidder") must deliver to Seller:

- (i) an executed confidentiality agreement in the same form as the confidentiality agreement executed by Buyer; and
- (ii) current financial statements (audited if available) of (A) the Potential Bidder or (B) if the Potential Bidder is an entity formed for the purpose of acquiring the Purchased Assets, current financial statements (audited if available) of the equity holder(s) of the Potential Bidder who shall either guarantee the obligations of the Potential Bidder or provide such other form of financial disclosure or credit-quality support information or enhancement acceptable by the Seller.

An "Overbidder" is a Potential Bidder (a) that delivers the documents described in subparagraphs (i) and (ii) above, (b) whose financial information or credit-quality support information or enhancement demonstrate to the satisfaction of Seller the financial capability of the Potential Bidder to consummate the Sale on the terms of the Agreement, and (c) that Seller determines based on its business judgment (based on availability of financing,

experience and other considerations) has the wherewithal to consummate the Sale on the terms of the Agreement, including the timing of the Closing, if selected as the Successful Bidder.

Within two (2) Business Days after a Potential Bidder delivers all of the materials described by subparagraphs (i) and (ii) above, Seller shall determine and shall notify the Potential Bidder and Buyer whether such Potential Bidder is an Overbidder. Buyer shall be an Overbidder.

At the same time Seller notifies a Potential Bidder that it is an Overbidder, Seller shall provide the Overbidder (i) access to the same confidential evaluation materials provided by Seller to Buyer containing data regarding the Purchased Assets and/or such other information as the Overbidder may reasonably request (provided that such additional informational be provided immediately to Buyer) and (ii) a copy of the Agreement without reference to the Termination Fee as such amount is payable only to Buyer.

Due Diligence

Only Overbidders may conduct due diligence. If any Overbidder receives any information related to the Purchased Assets from Seller or any of its designees not previously provided to Buyer, Seller shall immediately provide such information to Buyer.

Bid Deadline

An Overbidder that desires to make a Bid shall deliver written copies of its Bid to (i) Seller at Colson Hicks Eidson, 255 Aragon Avenue, Second Floor, Coral Gables, FL 33134, Telefacsimile: (305) 476-7444, Email: bob@colson.com, and (ii) Seller's counsel at, Kozyak Tropin & Throckmorton, P.A., at 2525 Ponce de Leon Boulevard, 9th Floor, Coral Gables, FL 33134, Attention: David L. Rosendorf, Esq., Telefacsimile: (305) 372-3508, Email: drosendorf@kttlaw.com, not later than 5:00 p.m. (prevailing Eastern time) on April 2, 2007 (the "Bid Deadline"). Seller shall immediately provide Buyer with a copy of any Bids submitted by the Bid Deadline.

Bid Requirements

A bid ("Bid") is a letter from an Overbidder (other than Buyer) stating that (i) the Overbidder offers to purchase the Purchased Assets upon the terms and conditions set forth in the Agreement, other than with respect to the Termination Fee, which shall only apply to Buyer (the "Overbid Agreement"), and (ii) the Overbidder's offer as set forth in the Overbid Agreement is irrevocable until the earlier of (a) 48 hours after closing of the sale to the Successful Bidder or (b) 20 days after the Sale Hearing. An Overbidder (other than Buyer) shall accompany its Bid with written evidence of an unconditional commitment for financing or other evidence of financial ability to consummate the transaction acceptable to the Seller and a cash deposit equal to 10% of the purchase price set forth in the Overbid Agreement (the "Good Faith Deposit").

Seller will consider a Bid as a higher and better offer (an "Overbid") only if in Seller's business judgment the Bid meets all of the following requirements:

- (i) the Bid is all cash and does not contain any form of contingent consideration or consideration that is dependent upon the maturity of the Policies;
- (ii) the Bid would produce value to the Seller that is at least \$100,000 greater than that produced by the Agreement, taking into consideration the Termination Fee and the speed and certainty of consummating the Sale;
- (iii) the Overbid Agreement is in the form of the Agreement other than with Respect to the identity of the Overbidder and the Termination Fee provisions;
- (iv) the Bid is not subject to a financing or due diligence contingency; and
- (v) the Bid is accompanied by such other information as reasonably requested by the Seller.

Seller may seek clarification of any Bid from an Overbidder after the Bidding Deadline. However, no Overbidder shall be allowed to revise or increase its Bid after the Bidding Deadline or submit any additional documents, materials or information that would have caused such Bid to be an Overbid had such documents, materials or information been submitted or supplied prior to the Bidding Deadline.

Auction

If Overbids have been received from at least one Overbidder (other than the Buyer), Seller will conduct an auction (the "Auction"). The Auction shall take place at 10:00 a.m. (prevailing Eastern time) on April 6, 2007 (the "Auction Date"), at the offices of Kozyak Tropin & Throckmorton, P.A., 2525 Ponce De Leon, 9th Floor, Coral Gables, Florida 33134, or such other place as Seller shall notify Buyer and each of Overbidder (if any) that has submitted an Overbid.

Only Overbidders who have submitted an Overbid and Buyer shall be allowed to participate in the Auction. Each Overbidder who has submitted an Overbid other than Buyer must inform Seller one (1) Business Day prior to the Auction Date of its intent to participate in the Auction (Buyer and any such Overbidder, an "Auction Participant"). Seller will inform each Auction Participant of the identity of the other Auction Participants. In addition, not later than 5:00 p.m. (prevailing Eastern time) on the Business Day prior to the Auction Date, Seller will give Buyer and the other Auction Participants a copy of the highest and best Overbid received as determined by Seller in accordance with these Bidding Procedures (the "Initial Successful Bid").

At the Auction (i) each Auction Participant will be permitted to increase its Bid, and (ii) all Bids shall be made and received in one room, on an open basis, and all other Auction Participants shall be entitled to be present for all bidding with the understanding that the true identity of each Auction Participant shall be fully disclosed to all other Auction Participants and that all material terms of each Bid will be fully disclosed to all other Auction Participants throughout the entire auction process. The bidding shall be in increments of not less than \$100,000 greater than the value proposed in the Initial Successful Bid and shall continue thereafter in cash increments of not less than \$100,000 and shall be on an all cash basis and shall not contain any form of contingent consideration or consideration that is dependent upon the maturity of the Purchased Assets. Buyer shall be entitled to credit bid the Termination Fee.

The Auction shall continue until such time as each Auction Participant has indicated its unwillingness to increase its Bid in accordance with these Bidding Procedures. Upon conclusion of the Auction, Seller shall identify the Overbid that in its business judgment based on the requirements of these Bidding Procedures is the highest and best Overbid (the "Successful Bid"). Seller shall notify all Auction Participants, prior to the adjournment of the Auction, of the identity of the maker of the Successful Bid (the "Successful Bidder"). At the Sale Hearing, Seller shall present the Successful Bid and the next highest and best Overbid (the "Back-Up Bid") to the Court for approval. The amount of the Back-Up Bid shall equal the highest and best bid solicited at the auction after excluding any bids made by the Successful Bidder at the Auction. No Overbidder shall be allowed to increase or otherwise modify any Overbid after the adjournment of the Auction or during the Sale Hearing.

Acceptance of Overbids

Subject to Court approval at the Sale Hearing, Seller shall effect the sale of the Purchased Assets in accordance with the terms of the Agreement (if Buyer is the Successful Bidder) or the Overbid Agreement (if Buyer is not the Successful Bidder) submitted by the Successful Bidder. If Buyer is the Successful Bidder, it shall be permitted to deduct from the Purchase Price the Termination Fee; provided, however that if the Successful Bid is the Purchase Price and bid as originally submitted by Buyer in the Agreement, the Termination Fee shall not be deducted. If the Successful Bidder fails to consummate a sale of the Purchased Assets approved by the Court because of a breach or failure to perform on the part of such Successful Bidder, the Back-Up Bid, as approved at the Sale Hearing, shall be deemed to be the Successful Bid and Seller shall be authorized to effect such sale without further order of the Court. Seller's presentation of the Successful Bid and the Back-Up Bid to the Court does not constitute Seller's acceptance thereof, except with respect to the bid of Buyer evidenced by the Agreement. Seller shall have accepted any other Overbid only when such Overbid has been approved by the Court at the Sale Hearing.

Failure to Consummate Purchase

If a Successful Bidder fails to consummate the sale of the Purchased Assets, and such failure is the result of a breach by the Successful Bidder, the Good Faith Deposit shall be forfeited to Seller and, except to the extent provided in the Agreement or the agreement of the Successful Bidder, Seller expressly reserves all rights to seek damages from such person.

Return of Good Faith Deposit

Good Faith Deposits of the Successful Bidder and the maker of the Back-Up Bid shall be held in escrow until the earlier of (A) the later of (x) two (2) Business Days after consummation of the sale of the Purchased Assets or (y) twenty (20) days after the Sale Hearing or (B) the date upon which the Agreement or the Overbid Agreement is terminated in accordance with its terms. All other Good Faith Deposits shall be returned within two (2) Business Days of the entry of the order approving the sale of the Purchased Assets.

Modifications

Seller may (a) determine, in its business judgment, which Overbid, if any, is the highest and best offer and (b) reject, at any time before entry of an order of the Court approving an Overbid, any Bid that is (i) inadequate or insufficient, (ii) not in conformity with these Bidding Procedures, any prior order of the Court or the terms and conditions of the Agreement or (iii) contrary to the best interests of the Seller; provided, however, that these provisions shall not apply to the bid made by Buyer in the Agreement or any subsequent bid made by Buyer.