

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
FEDERAL JUSTICE BUILDING
TENTH FLOOR
99 NORTHEAST 4TH STREET
MIAMI, FLORIDA 33132

FEDERICO A. MORENO
U.S. DISTRICT JUDGE

October 19, 2007

Dear Viatical Investor:

I write this letter in response to your concerns regarding the administration of your viatical insurance policy.

As you may know, in May 2004, the Securities and Exchange Commission first filed an action against Mutual Benefits Corporation, among others, to stop them from perpetrating a fraud upon investors.

At that time, the Court had no choice but to intervene and appoint a Receiver for MBC to safeguard the assets of the Receivership Entities and to take whatever action was necessary for the protection of the investors. Unfortunately, as in any scheme to defraud, once the scheme has been stopped by the authorities, in this case the S.E.C., there are no winners. Therefore, the role of the Receiver was to minimize the losses to the investors who were defrauded.

On September 14, and November 22, 2005 the Court entered two Orders detailing the choices investors would have with respect to how they wanted to go forward with their insurance policies. Although the Receiver wanted to sell all insurance policies at that time, the Court opted to give investors three choices. They could either: (1) consent to the sale of their interest by the Receiver, (2) retain or take over their interest in the policy and assume responsibility for payment of their share of the premiums and administrative fees or (3) to surrender their interests. The decision of how to dispose of each policy was determined by the vote of the majority (based upon a percentage of interest) of those voting.

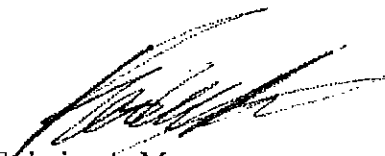
These choices were very difficult because under any of them the investors would lose money and under option (2) they would have to risk even more money. However, the Court believed it was a decision that the investors should make, not the Receiver or the Court. On February 6, 2007, premium billing to the investors who elected to keep their interests in the insurance policies began, which of course has placed the investors in a position of deciding whether to provide more money.

During this time, the Government has been actively criminally prosecuting those involved in the scheme. Such prosecution efforts have recently resulted in guilty pleas and prison sentences for two ex-managers and a doctor involved in the viatical scheme, and a 20 year federal prison sentence for Peter Lombardi, the former president of MBC.

There is no doubt that you, as an investor, are an innocent victim of a fraudulent scheme. The Court understands your concern and frustration over the process of placing the Entities into Receivership, and the unavoidable amount of time and money it costs to do so. The Court also understands, if you chose to maintain your policy, your displeasure at the high cost of premium payments to maintain an investment on which you may never see a return. However, you were given a choice as to whether to retain or dispose of your policy knowing there were potential benefits and risks associated with either choice. The Court would understand if you thought that would be "throwing good money after bad." The decision, however, should not be the Court's or the Receiver's, but that of the investors.

The Court reads each and every letter it receives from investors such as yourself. However, it is the Receiver that is responsible for the administration of your investment, not the Court. While the Court sympathizes with the less-than-ideal situation that has become of your investment, at this point there is nothing further it can do to alleviate the burdens, financial or otherwise, that attach to the decision you made regarding your policy. The only satisfaction that you may receive is that the culprits are doing jail time for their criminal wrongdoing and have been ordered to provide restitution. I hope that this short explanation has been helpful.

Sincerely,



Federico A. Moreno
United States District Judge