

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 04 60573 CIV MORENO

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

MUTUAL BENEFITS CORP., et al.,

Defendants,

VIATICAL BENEFACTORS, LLC, et al.,

Relief Defendants.

RECEIVER'S MOTION TO APPROVE AUCTION SALES OF POLICIES,
NOTICE OF SALES, AND INCORPORATED MEMORANDUM OF LAW

Roberto Martínez, court-appointed receiver ("Receiver") of Mutual Benefits Corp. ("MBC"), Viatical Benefactors, LLC ("VBLLC"), Viatical Services, Inc. ("VSI"), and Anthony Livoti, Jr. and Anthony Livoti, Jr., P.A., solely in their capacity as trustee (collectively the "Receivership Entities"), moves for this court to approve the proposed sale of a certain "Sell Policies" (insurance policies designated by investors therein for sale), and gives notice of the sale of certain "Undersubscribed Keep Policies" or fractional interests therein, and related rights, including beneficial interests, free and clear of all liens, claims, interests and encumbrances. In support, the Receiver states:

BACKGROUND

On May 3, 2004 the Securities and Exchange Commission ("SEC") filed an action seeking entry of a temporary restraining order, preliminary injunction, permanent injunction and other relief with respect to the Receivership Entities (DE#1). On May 4, 2004, the Court entered

a Temporary Restraining Order and Other Emergency Relief (DE#25), and entered an Order Appointing Receiver (DE#26). On February 14, 2005 this Court entered its Order Granting Motion for Preliminary Injunction (DE#711), sustaining the Report and Recommendation of Judge Garber dated November 10, 2004 (DE#522), as supplemented on November 16, 2004 (DE#529).

THE RECEIVERSHIP ORDER

The Order Appointing Receiver (DE#26) authorizes and directs the Receiver to “take immediate possession of all MBC, VBLLC and VSI property, assets and estate, and all other property of MBC, VBLLC and VSI of every kind whatsoever and wheresoever located belonging to or in the possession of MBC, VBLLC and VSI,” and further authorizes and directs the Receiver to “administer such assets as is required in order to comply with the directions contained in this Order, and to hold all other assets pending further order of this Court.” The Order provides that “[t]itle to all property, real or personal, all contracts, rights of action and all books and records of MBC, VBLLC and VSI and their principals, wherever located within or without this state, is vested by operation of law in the Receiver.” It further authorizes the Receiver to “make, or authorize the making of, such agreements as may be reasonable, necessary and advisable in discharging the Receiver’s duties. ...”

THE DISPOSITION ORDER

On September 14, 2005, this Court entered its Order on Disposition of Policies and Proceeds (DE#1339)(the “Disposition Order”). On November 22, 2005, the Court entered its Order Clarifying Disposition Order and Approving Form of Notice (DE#1474) (the “Clarification Order”). These Orders collectively directed that investors be provided an opportunity to vote on whether to keep, sell or surrender the policy(s) in which they had an interest, and authorized the manner by which the Receiver was to solicit investors’ elections.

The decision as to how to dispose of each policy was to be determined by the vote of the majority of the interests in a policy that properly submitted votes with respect to the policy, as a result of which policies were either designated to be sold ("Sell Policies") or designated to be kept by investors ("Keep Policies"), with the investors being responsible for payment of ongoing administrative fees and their prorated share of the policy premiums.

THE UNDERSUBSCRIBED KEEP POLICIES ORDER

On September 14, 2007, the Receiver filed an Emergency Motion to Authorize Dispositions of "Undersubscribed Keep Policies" and Incorporated Memorandum of Law (DE#1949), by which the Receiver sought the authority, with respect to "Keep Policies" for which investors had failed to fully fund required administrative and premium obligations after notice of a shortfall ("Undersubscribed Keep Policies"), to take steps including the sale of the policy or fractional interests therein by means of an abbreviated auction process in order to potentially avoid either lapse or the continued burden of premium obligations being borne by the receivership. On September 26, 2007, the Court entered its Order Granting Receiver's Emergency Motion to Authorize Dispositions of "Undersubscribed Keep Policies" (DE#1964), in which it granted the relief requested, including authorizing the Receiver to sell such policies or interests therein through an abbreviated auction process.

It should be noted that the sale process for Undersubscribed Keep Policies did not contemplate any additional advance notice to holders of interests in such policies, since notice of the possibility of such a sale in the event of a shortfall had already been provided to the investors. The Court concurred, and directed that reports of such dispositions be filed on a periodic basis.

THE SALE PROCESS

On January 22, 2008, the Court authorized the Receiver to engage Life Settlement Insights, LLC ("LSI") to conduct auctions of Undersubscribed Keep Policies (DE#2019). On April 28, 2008, the engagement of LSI was expanded to include the sale of fractional interests in Undersubscribed Keep Policies through an abbreviated auction process (DE#2072). On June 23, 2008, the Court further authorized the expansion of LSI's engagement to conduct auctions of "Sell" policies as might be identified by the Receiver to be sold by LSI (DE#2115).

Auction I Policies

Pursuant to the procedures approved by the Court, in early July 2008, notice was provided to dozens of prospective purchasers (including over 50 potential buyers identified by the Receiver and his staff and many additional potential buyers identified by LSI) of the opportunity to bid on several portfolios of policies or fractional interests, by means of a Notice of Proposed Sale in substantially the form that had been approved by the Court in connection with LSI's engagement. The portfolios for which bids were sought in the initial auction (the "Auction I Policies") consisted of the following:

"Bid 3" – a portfolio of 97 Sell Policies with an aggregate face value of approximately \$21,467,683 and an aggregate net surrender value of approximately \$15,271, consisting of Term, Universal Life, Whole Life and Group Term policies, for which the primary medical diagnosis of the insureds was HIV-positive.

"Bid 4" – a portfolio of 57 zero-subscribed or whole Keep Policies with an aggregate face value of approximately \$2,840,636 and an aggregate net surrender value of approximately \$52,898, consisting of Term, Universal Life, Whole Life and Group Term policies, for which the primary medical diagnosis of the insureds was HIV-positive.

"Individual Policies" – five individual policies with an aggregate face value of approximately \$14,551,135 consisting of Universal Life policies with face amounts ranging from \$500,000 to \$9,107,500 (MBC AP Nos. 99-00008568, 9-00009000, 50-00000116, 50-00000078, 99-00007863).

"Fractional Interests" – four tranches of Fractional Interests in Undersubscribed Keep Policies, representing partial interests in the death benefit of policies managed by VSI. The

aggregate face values of fractional interests offered in the four tranches were approximately \$11,768,737, \$10,705,086, \$11,292,345, and \$5,473,088, for a total of \$39,239,256. The estimated annual premium obligation for each of the four tranches, respectively, was \$646,093, \$573,892, \$527,199 and \$63,574, for a total of \$1,810,758.

(all of these values are approximations and were subject to final adjustment).

The deadline for submission of bids for the Auction I Policies was July 28, 2008. In order to maximize the value to be realized for the Auction I Policies, the Bidding Procedures provided an opportunity for qualified bidders to submit an initial qualifying bid for each or any of the Portfolios, and if multiple qualifying bids were received for any of the Portfolios, for an auction to be conducted in order to determine the highest and best bid for such Portfolio. To be considered as a potential bidder, a party was required to provide: (1) an affidavit of non-affiliation with the Receivership Entities; (2) a confidentiality agreement with respect to information on the policies to be disclosed during due diligence; and (3) proof of financial capability to close the transaction to the Receiver's satisfaction. Parties who satisfied these requirements were provided with due diligence information in computerized form. The Bidding Procedures required that all initial bids for any of the Portfolios be accompanied by a deposit in the amount of 10% of the initial bid.

Twelve prospective purchasers satisfied the initial requirements for becoming a prospective bidder, and bids for various of the Auction I Policies were submitted by four different bidders. Upon the passing of the bid deadline and conclusion of the auction for portfolios where multiple bids had been submitted, the Receiver had received the following highest bids which he deemed sufficient and appropriate for the following portfolios:

"Bid 3" - \$1,000,000, submitted by Acheron Portfolio Corporation (Luxembourg) S.A. ("Acheron");

"Bid 4" - \$115,000, submitted by Acheron;

"Fractional Interests" - \$4,800,000 (for all four tranches). submitted by Acheron.

The foregoing bids were determined to satisfy the Receiver's minimum bid requirements for each of the respective portfolios. The bids received on the Individual Policies were deemed insufficient and were not accepted. Notice of the determination and acceptance of the high bids identified above was provided to each of the bidders, and deposits of all bidders other than the high bidder were returned. The Receiver has received the full purchase price for each of the foregoing portfolios, with the purchase price for the "Bid 3" Sell Policies currently held in the Receiver's counsel's trust account. Pursuant to the Disposition Order and the Undersubscribed Keep Policies Order described above, the only one of the foregoing sales which requires further notice or court approval is the sale of the "Bid 3" Sell Policies.

Auction II Policies

In early September 2008, LSI gave notice of an opportunity to bid on a second group of portfolios (the "Auction II Policies"). The Auction II Policies consisted of:

"Individual Policies" – four individual Universal Life policies and one Term Life policy with an aggregate face value of approximately \$14,551,135 that had been included in the Auction I Policies, but which were removed due to insufficient bids (Policy No. 99-0009000 is a policy owned by the Receivership in which no MBC investors hold an interest).

"Bid 2" – a portfolio of approximately 29 Sell Policies with an aggregate face value of approximately \$12,617,300, and an aggregate available face value of \$7,974,179 (the difference being retained by the insured's designee as beneficiary), consisting of Group Term policies for which the predominant medical diagnosis of the insureds was HIV-positive.

"Fractional Interests" – five tranches of Fractional Interests in Undersubscribed Keep Policies with aggregate face values of approximately \$14,573,213. \$14,923,200, \$14,758,971, \$4,943,679, and \$1,961,799, with estimated annual premium obligations, respectively, of approximately \$109,993, \$954,000, \$884,992, \$186,473, and \$78,368.

The deadline for submission of bids on the Auction II Policies was September 23, 2008. The bidding procedures were the same as those described above for the Auction I Policies.

The only portfolios, Fractional Interest tranches or individual policies for which the Receiver received a bid at or exceeding the minimum bid that had been established prior to auction were:

Fractional Interests (Tranche 1) - \$150,000, submitted by Acheron.

"Bid 2" Sell Policies - \$250,000, submitted by Acheron.

Individual Policy AP No. 99-00007863 - \$191,000, submitted by Life Settlement Holdings, LLC (the face value of the policy is \$500,000).

No portfolio, Fractional Interests tranche or individual policy received multiple bids, and accordingly no auction was conducted. The bids identified above were accepted by the Receiver.

Bids below the minimum bid were submitted by Acheron for the remaining four Fractional Interests tranches. The Receiver ultimately accepted a bid from Acheron on the remaining Fractional Interests tranches:

Fractional Interests (Tranches 2 – 5) - \$3,800,000, submitted by Acheron.

A below-minimum bid for Policy AP No. 99-0009000 of \$250,000 was rejected. No bids were submitted for two Universal Life policies and one Term Life policy in the "Individual Policies" category.

Post-auction, after the auction bids had been rejected, two additional below-minimum bids on Individual Policies were submitted by Acheron, as Investment Manager on behalf of the Lorenzo Tonti 2006 Trust. After further negotiation, the following bids were ultimately accepted:

Policy AP No. 99-0009000 - \$300,000, submitted by Lorenzo Tonti 2006 Trust.

Policy AP No. 50-0000078 - \$50,000, submitted by Lorenzo Tonti 2006 Trust.

Also post-auction, the Receiver solicited a bid from the original viator of one of the Bid 2, Portfolio 3 policies to repurchase the policy (Policy AP No. 50-0000116), as a result of which the Receiver received and accepted the following bid:

Policy AP No. 50-0000116 - \$43,723, submitted by William Linton.

THE PURCHASE AGREEMENT

The Purchase Agreements for the sales of Policies described above (other than the Policy repurchased by the original viator, which has been effectuated by a Bill of Sale) are substantially in the form which had been attached to the Motion to engage LSI, which was approved by the Court on January 22, 2008. With respect to the purchase of Fractional Interests, and with respect to the purchase of the Individual Policy by Life Settlement Holdings, the Purchase Agreements contemplate that VSI will remain in place as the servicer of the Policies (and, with respect to the Life Settlement Holdings policy, VSI may be replaced as servicer only upon the Receiver's approval of a substitute servicer).

NOTICE

With respect to the Sell Policies for which sufficient offers have been received (specifically, from Auction I, the "Bid 3" Sell Policies, and from Auction II, the "Bid 2" Sell Policies and Individual Policies No. 99-0007863 and 50-0000078), simultaneously with the filing of this Motion, the Receiver has sent notice of the proposed sale described herein, including (a) that the Policy is being sold to Buyer free and clear of all Encumbrances (including any beneficial interests), and (b) that following the closing, Buyer and each subsequent owner of the Policy will have the right to effect a change in the named owners and beneficiaries of the Policy (including any irrevocable beneficiaries), to the Provider, and to all Mutual Benefits investors with respect to the Policy. The form of notice is attached hereto as Exhibit "A."

REIMBURSEMENT OF ADVANCES TO MBC

In many instances, with respect to Policies and Fractional Interests included within both the Auction I and Auction II groups as well as prior sales approved by this Court, the Receivership has advanced premium payments in order to preserve and maintain Policies until a sale can be concluded. The Receiver has kept detailed records of all such expenditures with the intention of reimbursing the Receivership Estate from the sale proceeds of such Policies or Fractional Interests when such interests are sold. The Receiver has conducted a reconciliation of these advances, pursuant to which as of October 7, 2008 the Receivership Estate had advanced \$7,916,800 in premium payments to preserve the Policies and Fractional Interests sold in the Auction I and Auction II groups. The Receiver accordingly intends to treat \$7,916,800 of the proceeds from the sales described above, and those approved by prior Court orders (which collectively total approximately \$46 million), as reimbursement to the Receivership Estate for such advances.

LEGAL AUTHORITY

By virtue of this Court's Disposition Order, the Receiver has been authorized and directed to sell Policies which have been designated for sale in accordance with the election process directed by this Court. Accordingly, the sale contemplated by this Motion has already been authorized by the Court. It is clear that the Receiver of a company engaged in the viatical business may properly sell the interests in those Policies where in the best interests of the Receivership estate and investors. *See, e.g., Davis v. LifeTime Capital, Inc.*, 2006 WL 1580211 (S.D. Ohio 2006) (describing approval of bidding and sale procedures for receiver's sale of viatical policies); *Quilling v. Trade Partners, Inc.*, 2006 WL 1134227 (W.D. Mich. 2006) (same). The sale procedures implemented by the Receiver with respect to the sale of the Policies were

designed to maximize the value of the Receivership's assets, which is the appropriate goal of any such procedure. In re Integrated Resources, Inc., 147 B.R. 650 (S.D.N.Y. 1992).

The Receiver respectfully submits that the sale process implemented for the Policies was reasonable and appropriate and served to foster participation in the sale process, that the offer made for the Sell Policies identified herein were the highest and best bona fide offers that the Receiver has received for the purchase of the Policies, and that the sale of the Policies in accordance with the terms of the Purchase Agreement is in the best interests of the Receivership estate and constitutes the best way to maximize the value of the Policies, and accordingly requests that the sale of the Policies be approved.

CONCLUSION

For the foregoing reasons, the Receiver respectfully requests that the Court enter an Order in the form of the attached Exhibit "B": (1) approving the form and method of notice of the proposed sale as described herein; and (2) approving the sale of the Sell Policies and other Acquired Assets.

Respectfully submitted.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing motion was served in accordance with the attached Receiver's Service List on December 10, 2008.

By: 
David L. Rosendorf

SERVICE LIST OF RECEIVER
Case No.: 04-60573 CIV-Moreno

VIA ELECTRONIC MAIL		
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NOTICE TO INVESTORS & PROVIDERS OF SALES OF POLICIES

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 Martinez as Receiver of MBC, VSI and VBLLC. Mr. Martinez 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. Most policies have several investors (in some cases over 100 investors) who have an interest in that particular policy. A policy would be designated for sale (a "Sell Policy") if the majority (measured by investment amount) of investors voted to sell a policy; the investors' interests in the policy were to be assigned to the Receiver and the Receiver would seek to sell the policy, and 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 of a Sell Policy, and for investors to receive notice of that motion if a Sell Policy in which the investors have an interest is being sold.

Pursuant to the Disposition Order, the Receiver sought bids for the purchase of certain of the Sell Policies. After the conclusion of the marketing process, the Receiver has received bids for the following Sell Policies or portfolios of Sell Policies, which the Receiver has determined are the highest and best bids submitted for the Policies:

Auction I "Bid 3" Portfolio (Policy AP numbers listed in attached Schedule A) - \$1,000,000 submitted by Acheron Portfolio Corporation (Luxembourg) S.A. ("Acheron").

Auction II "Bid 2" Portfolio (Policy AP numbers listed in attached Schedule B) - \$250,000 submitted by Acheron.

Policy AP No. 99-0007863 - \$191,000 submitted by Life Settlement Holdings, LLC

Policy AP No. 50-0000078 - \$50,000 submitted by Lorenzo Tonti 2006 Trust.

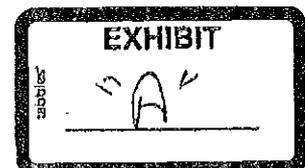
You are receiving this Notice because you have an interest in one of the Sell Policies identified above.

Simultaneously with this Notice, the Receiver filed his *Receiver's Motion to Approve Auction Sales of Policies, Notice of Sales, and Incorporated Memorandum of Law* ("Sale Motion") seeking approval of the sale of the Sell Policies, including all beneficial interests therein, to the purchasers described above. The Policies are to be sold pursuant to the terms and conditions of Asset Purchase Agreements the Receiver and the purchasers. A copy of the Sale Motion is 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.

The Asset Purchase Agreements provide for the sale of the Sell Policies free and clear of all liens, claims, interests and encumbrances, including any beneficial interests in the policies held by any investor, even investors who did not vote in favor of disposition pursuant to the procedures established in the Disposition Order. All terms and conditions of sale are described in the Asset Purchase Agreements.

The Sale Motion does not seek to determine how the proceeds of the sale will be allocated 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 Policy in accordance with the Sale Motion pursuant to the terms and conditions described in the Asset Purchase Agreement must be raised by filing any such objections with the Court. The rules of the Court generally require that any objections to a motion be filed within ten days after service of the motion. As calculated under applicable rules, that date would be December 24, 2008. Any person who fails to file with the Court an objection to such sale of the Sell Policies identified herein by December 24, 2008 will be deemed to have consented to such sale.

If you do not have any objection to the proposed sale of the Sell Policies as described in this Notice (and as described in greater detail in the Sale Motion), you do not need to take any further action in response to this Notice. Your failure to object will not prevent you from filing a claim in the Receivership, will not constitute a basis for your claim in the Receivership to be denied, and will not result in unfair treatment of you in determining the ultimate recovery on your claim in the Receivership.



AVISO A INVERSIONISTAS Y ENCARGADOS DE LAS VENTAS DE LAS PÓLIZAS

El 3 de mayo de 2004, la Comisión de Valores y Bolsas (llamada en lo sucesivo simplemente la "SEC") incoó una demanda contra Mutual Benefits Corporation (llamada en lo sucesivo simplemente "MBC"), Viatical Services, Inc. (llamada en lo sucesivo simplemente "VSI"), y Viatical Benefactors, LLC (llamada en lo sucesivo simplemente "VBLLC"). Como resultado de esa demanda, el juez federal que entiende el caso, el juez Federico Moreno, nombró a Roberto Martínez síndico de MBC, VSI, y VBLLC. El Sr. Martínez es también el síndico de Anthony Livoti y de Anthony Livoti, P.A., pero únicamente en la capacidad de ambos como fiduciarios nombrados con respecto de las pólizas de MBC. Al Síndico se le encomendó la responsabilidad de supervisar la administración de más de 7,000 pólizas, tarea ésta que incluye el pago de primas y el cobro de los beneficios pagaderos por las pólizas a su vencimiento. Sucede, sin embargo, que los fondos de que se dispone para el pago de primas pronto se agotarán, y el Síndico carece del dinero necesario para seguir pagando las primas de todas las pólizas hasta que éstas se venzan.

El 14 de septiembre de 2005, el juez Moreno registró un Mandamiento sobre la Disposición de Pólizas y el Producto de su Venta (llamado en lo sucesivo simplemente el "Mandamiento de Disposición") en que dio instrucciones al Síndico de ofrecerles a los inversionistas las opciones de (a) vender sus intereses en las respectivas pólizas; (b) conservar esos intereses y pagar los costos de administración de las respectivas pólizas, inclusive, en la mayoría de los casos, el pago de las primas; o (c) entregar sus intereses en las respectivas pólizas. La mayoría de las pólizas cuentan con varios inversionistas (en algunos casos, hasta más de 100 inversionistas), cada uno de los cuales posee un interés en la póliza en cuestión. Una póliza dada (conocida como "Póliza de Venta") se pondría a la venta si la mayoría de los inversionistas en ella (determinada por el monto de sus inversiones) votase por vender dicha póliza; los intereses de los inversionistas en esa póliza se le cederían al Síndico y éste, a su vez, vendería la póliza y los inversionistas recibirían su porción prorataada del producto de dicha venta, menos los costos de venta. El Mandamiento de Disposición dispuso que el Síndico le elevara al Tribunal un pedimento de aprobación de la venta de una Póliza de Venta, y que se les cursara aviso de ese pedimento a los inversionistas si se fuese a vender una Póliza de Venta en la que los inversionistas estuvieran interesados.

El Síndico, a tenor del Mandamiento de Disposición, solicitó pujas u ofertas para la compra de algunas de las Pólizas de Venta. Concluidos ya esos trámites, el Síndico ha recibido pujas con respecto de las siguientes Pólizas de Venta o carteras de Pólizas de Venta y ha determinado que dichas ofertas son las mejores y más altas entre las que se hicieron con por esas pólizas:

Subasta I "Puja 3" Cartera (Los números AP de las pólizas se enumeran en la Cédula A adjunta) - \$1,000,000, hecha por Acheron Portfolio Corporation (Luxembourg) S.A. (llamada en lo sucesivo simplemente "Acheron").

Subasta II "Puja 2" Cartera (Los números AP de las pólizas se enumeran en la Cédula B adjunta) - \$250,000, hecha por Acheron.

Póliza AP No. 99-0007863 - \$191,000, hecha por Life Settlement Holdings, LLC.

Póliza AP No. 50-0000078 - \$50,000, hecha por Lorenzo Tonti 2006 Trust.

Recibe usted este aviso por cuanto posee un interés en una de las Pólizas de Venta que se enumeraron anteriormente.

Simultáneamente con este Aviso, el Síndico ha radicado su *Pedimento del Síndico de Aprobación de Venta de Pólizas en Subasta, Aviso de Ventas, y Memorial de Derecho* (llamado en lo sucesivo simplemente el "Pedimento de Venta") en el que solicita la aprobación de la venta de las Pólizas de Venta, con todos los intereses beneficiosos en ellas, a los compradores indicados anteriormente. Las Pólizas se venderán de acuerdo con los términos y las condiciones de Convenios de Compra de Activos concertados entre el Síndico y los compradores. El Pedimento de Venta puede consultarse en la página web del Síndico, www.inbereceiver.com, y los interesados pueden pedirle un ejemplar al Síndico escribiéndole a MBC, 43 South Pompano Parkway, PMB #112, Pompano Beach, Florida 33069.

Los Convenios de Compra de Activos disponen la venta de las Pólizas de Venta exentas de todo gravamen, reclamación, interés o afectación, inclusive los intereses beneficiosos que en dichas pólizas puedan tener los inversionistas, incluso los que no votaron a favor de disponer de ellas como parte de los trámites que estableció el Mandamiento de Disposición. Todos los términos y las condiciones de venta se explican en los Convenios de Compra de Activos.

El Pedimento de Venta no abriga el propósito de determinar la manera de distribuir y repartir el producto de la venta entre los inversionistas; una vez concluida la venta, el Síndico elevará otro pedimento al Tribunal en que se abordará esa cuestión. Toda objeción a la venta de las Pólizas con arreglo al Pedimento de Venta y a tenor de los términos y las condiciones contenidos en los Convenios de Venta de Activos deberán interponerse ante el Tribunal. Los reglamentos del Tribunal por lo general disponen que las objeciones a un pedimento se interpongan en un plazo de diez días después de recibido el pedimento. Esa fecha, calculada de acuerdo con los reglamentos pertinentes, es el 24 de diciembre de 2008. Se entenderá que toda persona que no interponga ante el Tribunal, a más tardar el 24 de diciembre de 2008, su objeción a la susodicha venta de las Pólizas de Venta ha consentido en dicha venta.

Si no tiene usted objeción que hacer al proyecto de venta de las Pólizas de Venta que se explica en este Aviso (y con mayor lujo de detalles en el Pedimento de Venta), no es preciso que tome medida alguna en respuesta a este Aviso. El hecho de que no interponga usted una objeción no será óbice para que radique una reclamación en la Sindicatura, no será fundamento para que se deniegue su reclamación en la Sindicatura, y no dará lugar a que se le trate de forma no justa y equitativa cuando se determine el monto que finalmente recibirá por su reclamación en la Sindicatura.

Schedule (Cédula) A		Schedule (Cédula) B
10-0000130	99-0006161	10-0000490
10-0000172	99-0006381	99-0000430
10-0000183	99-0006514	99-0000861
10-0000330	99-0006615	99-0001015
10-0000488	99-0006702	99-0001714
70-0000022	99-0006703	99-0002034
90-0000153	99-0007084	99-0002138
90-0000189	99-0007423	99-0002142
99-0000026	99-0008075	99-0002247
99-0000043	99-0009011	99-0002803
99-0000059	90-0000068	99-0003104
99-0000070	90-0000223	99-0003392
99-0000098	99-0000040	99-0003755
99-0000272	99-0000416A	99-0003833
99-0000402	99-0000606	99-0004096
99-0000507	99-0001037	99-0004184
99-0000624	99-0001092	99-0004263
99-0000993	99-0001293	99-0004382
99-0001014	99-0001535	99-0004817
99-0001743	99-0001621	99-0005016
99-0001840	99-0001642	99-0005037
99-0001910	99-0001997	99-0005263
99-0002101	99-0002096	99-0005303
99-0002132	99-0002457	99-0005356
99-0002160	99-0002566	99-0005452
99-0002171	99-0002738	99-0008001
99-0002273	99-0003052	99-0008106
99-0002332	99-0003065	99-0008108
99-0002370	99-0003287	99-0008521
99-0002831	99-0004305	
99-0003490	99-0004345	
99-0003491	99-0004621	
99-0003500	99-0004640	
99-0003746	99-0004687	
99-0003768	99-0004943	
99-0003962	99-0005117	
99-0004186	99-0005181	
99-0004253	99-0005590	
99-0004486	99-0005978	
99-0004514	99-0006026	
99-0004521	99-0006051	
99-0004581	99-0006410	
99-0004787	99-0006469	
99-0004855	99-0006481	
99-0005019	99-0007704	
99-0005295	99-0007718	
99-0005614	99-0008508	
99-0005775	99-0008532	
99-0006068		

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 04-60573 CIV-MORENO

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

MUTUAL BENEFITS CORP., et al.,

Defendants,

VIATICAL BENEFACTORS, LLC, et al.,

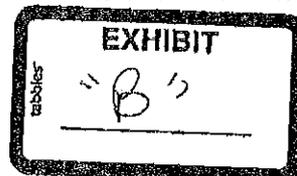
Relief Defendants.

**ORDER GRANTING RECEIVER'S MOTION TO APPROVE
AUCTION SALES OF POLICIES**

On December 10, 2008, Roberto Martinez, court-appointed receiver ("Receiver") of Mutual Benefits Corp. ("MBC"), Viatical Benefactors, LLC ("VBLLC"), Viatical Services, Inc. ("VSI"), and Anthony Livoti, Jr. and Anthony Livoti, Jr., P.A., solely in their capacity as trustee (collectively the "Receivership Entities"), filed a motion (the "Auction Sale Motion") requesting this Court to approve the proposed sales of certain insurance policies or fractional interests therein (the "Auction Policies") and all related rights, including beneficial interests, free and clear of all liens, claims, interests and encumbrances.

This Court has considered the Auction Sale Motion, the representations of the Receiver therein, the record in these cases, and relevant authorities, and being duly advised, makes the following findings and conclusions:

A. Simultaneously with the filing of the Auction Sale Motion, the Receiver served a *Notice to Investors & Providers of Proposed Sale of Policies* upon all investors who held interests in the Auction Policies and to the Providers that issued the Policies. The Court finds



that due and adequate notice of the sale of the Auction Policies on the terms set forth in the Auction Sale Motion has been provided to all interested parties, and that no further notice or opportunity to object is required.

B. The Court finds that: (i) the sale of the Policies on the terms set forth in the Auction Sale Motion is in the best interest of the Receivership Entities, the creditors thereof, the investors in the Receivership Entities, and the beneficiaries of the Policy and other acquired assets (the "Acquired Assets") and all other persons and entities with an interest in the Receivership Proceeding; (ii) the sale procedures were designed to obtain the highest and best offer for the sale of the Acquired Assets, and the sale to the respective buyer of each of the Policies as set forth in the Auction Sale Motion constitutes the highest and best offer for the Acquired Assets; (iii) the consideration being provided for the Acquired Assets, and the terms of the proposed sales, are fair and reasonable, constitute the highest and best offers for the Acquired Assets, and constitute reasonably equivalent value for the Acquired Assets, and (iv) accordingly that the sale of the Acquired Assets to the respective buyers pursuant to the Auction Sale Motion should be authorized and approved.

C. This Court further finds that each of the buyers has at all times acted without collusion and in good faith in bidding on, and negotiating the purchase of, the Acquired Assets and is a good faith purchaser of the Acquired Assets and is entitled to all of the protections under law accorded to a party with such status. The terms of purchase were negotiated, proposed and entered into by the Receiver and each buyer without collusion and in good faith, and are the end result of arms' length.

Accordingly, it is hereby ORDERED, ADJUDGED AND DECREED as follows:

1. The Receiver has the sole and absolute authority, on behalf of the Receivership Entities, to convey all claims, options, privileges, right, title and interest in, to and under the Policy and other Acquired Assets.

2. The sale of the Acquired Assets to each of the buyers as identified in the Auction Sale Motion is approved, and the Receiver is authorized to consummate all of the transactions contemplated thereby. Without limiting the generality of the foregoing, the Receiver is authorized to (i) execute and deliver, and is empowered to perform under, consummate and implement, the Purchase Agreements and any additional instruments or agreements or documents that may be reasonably necessary or desirable to implement the Purchase Agreements, (ii) take all further actions as may be requested by the Buyer for the purpose of assigning, transferring, granting, conveying and conferring to the Buyer and its assigns and designees, or reducing to possession, the Acquired Assets, and (iii) timely comply with all of its obligations under the Purchase Agreements and any such additional instruments, agreements or documents. Any objection to such sale which has not been withdrawn is hereby overruled on its merits.

3. Each of the Buyers has acted in good faith and is a good faith purchaser of the Acquired Assets.

4. The consideration for the Acquired Assets provided by each of the Buyers constitutes reasonably equivalent value and fair consideration under the laws of the United States, both state and federal.

5. The transfer of the Acquired Assets will be a legal, valid and effective transfer of the Policies and other Acquired Assets and will vest each Buyer or its assignee or designee, if applicable, with good and valid title and all right, title and interest in and to the Acquired Assets.

At the Closing, each Buyer or its assignee or designee, if applicable, will be vested with all claims, options, privileges, right, title and interest in, to and under the Acquired Assets, free and clear of all Encumbrances (as defined in the Purchase Agreement). Any person, including, without limitation, any creditor of or investor in the Receivership Entities, any beneficial interest holder or other holder of a Policy and any insurance company or other entity which issued or is obligated under a Policy and the successors and assigns of any of the foregoing, asserting or having an Encumbrance of any kind or nature against or in any Receivership Entity or the Acquired Assets arising out of, in connection with, or in any way relating to the Receivership Entities, the Policies or other Acquired Assets, or the transfer thereof to each Buyer and its successors and assigns, shall be, and hereby are, forever barred, estopped and permanently enjoined from asserting, prosecuting or otherwise pursuing such Encumbrance against each Buyer and its successors and assigns or any subsequent owner of the Acquired Assets.

6. This Sale Order shall be binding in all respects upon all creditors of the Receivership Entities, any investor in the Receivership Entities, any beneficial interest holder or other interest holder of the Policies, any insurance company or other entity which issued or is obligated under the Policies, and any other party in interest in the Receivership Proceeding and any of the successors or assigns of the foregoing.

7. The Purchase Agreements and any related agreement, document or other instrument may be modified, amended or supplemented by parties thereto, in a writing signed by both parties, and in accordance with the terms thereof, without further notice or order of this Court, provided that any such modification, amendment or supplement does not constitute a material modification of the Purchase Agreements.

8. The sale of the Policies and other Acquired Assets is not precluded by or contrary to any prior order issued by this Court and no further consents by any person (including any governmental authority) are required to convey the Policies and other Acquired Assets to each Buyer or to an assignee or designee thereof, if applicable, in accordance with the Auction Sale Motion.

9. This Court retains jurisdiction to enforce and implement the terms of the Purchase Agreements, including to resolve any disputes arising under any Purchase Agreements, and to interpret, implement, and enforce the provisions of this Sale Order.

10. This Sale Order constitutes an interlocutory or a final judgment in a receivership action and thus this Sale Order shall become effective immediately upon its entry as provided in Rule 62(a) of the Federal Rules of Civil Procedure.

11. The provisions of this Sale Order are non-severable and mutually dependent.

ORDERED in the Southern District of Florida this ____ day of December, 2008.

HON. FEDERICO A. MORENO
UNITED STATES DISTRICT JUDGE

Copies furnished to:
Counsel of Record