

**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 ENGAGEMENT OF
LIFE SETTLEMENT INSIGHTS, LLC TO CONDUCT
AUCTIONS OF FRACTIONAL INTERESTS IN
"UNDERSUBSCRIBED KEEP POLICIES" AND
TO APPROVE PROPOSED METHOD OF SALE**

EXPEDITED RELIEF REQUESTED

The Receiver respectfully requests that the Court grant the relief requested herein on an expedited basis in that the Receiver's authority to conduct sales of fractional interests in "Undersubscribed Keep Policies" has already been confirmed by prior order of this Court and the engagement proposed herein is in furtherance of that authority.

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 to authorize the engagement of Life Settlement Insights, LLC and its affiliated companies ("LSI") as agent of the Receiver to conduct auctions of fractional interests, or groups of such

interests, in certain policies which were designated to be kept by the investors through the disposition process, but for which the investors have not paid the required premiums ("Undersubscribed Keep Policies").

In support, the Receiver states:

1. 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).

2. 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. ..."

3. 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.

4. In accordance with the process directed by the Disposition Order and Clarification Order, more than 3,000 policies with an aggregate face value in excess of \$1 billion were designated to be "kept" ("Keep Policies"). For Keep Policies, the investors in each such policy become responsible for paying the administrative obligations and premium obligations associated with the policies. If an investor fails to pay its pro rata share of the administrative and premium obligations, then that investor's interest is forfeited and beneficial interests in the policy reallocated to other investors who make up the shortfall (the Notice to Investors makes clear, consistent with the Disposition Order and Clarification Order, that "FAILURE TO TIMELY PAY VSI ADMINISTRATIVE FEES OR PREMIUM PAYMENTS WILL RESULT IN FORFEITURE OF YOUR POLICY INTEREST").

5. If the investors in a Keep Policy fail to fully fund the required premium amounts after notice of a shortfall, the Disposition Order directs the Receiver to attempt to sell the non-paying investor's interest to other investors in the policy, to attempt to reduce the face value of the policy, or to attempt to sell the policy. The Notice to Investors provided in connection with the Disposition

Order advised that if a policy cannot be sold, "it could be surrendered, and you could lose your entire investment."

6. VSI has implemented the billing process with respect to Keep Policies. The initial billing for VSI's administrative fees were issued before premium billings were issued, and all investors in Keep Policies who voted to sell were given an opportunity to retain their interests by paying the fees and any subsequent premiums due. Investors who failed to pay the administrative fees were removed from the policy and interests reallocated. The "investor-to-investor" sales process has also been completed with respect to the Keep Policies, wherein the Receiver attempted to facilitate the sale of interests of investors who were not interested in keeping the policy to investors who had indicated a willingness to purchase such interests. For many policies, the billing process has already completed the initial round of billing all investors for their prorated share of the premium obligations, as well as the second round of billing in which those investors who did pay such obligations are given the opportunity to make up any shortfall resulting from non-paying investors in the policy.

7. Once all of those steps are completed, if there are still insufficient funds to pay all premiums, then the policy is at risk of lapsing and the Receiver has been directed to attempt to reduce the face value of the policy (an option only generally available if the policy is a universal policy, and even then may be limited to certain amounts for which the available premium funds are insufficient) or to attempt to sell the policy, surrender the policy or allow it to lapse.

8. During the initial billing cycle, in some instances, the premium payment will be due to the insurance company during or very shortly after the billing cycle described above has been completed. In such instances, if there is any significant delay after determining that a policy is an

Undersubscribed Keep Policy, the Receiver may either lose the opportunity to sell the policy, or be required to use receivership funds to pay the premium until there is an opportunity to sell the policy. There is no assurance that the Receiver will be able to recover any receivership funds expended for such premiums from the sale proceeds.

9. On September 14, 2007, the Receiver filed his Emergency Motion to Authorize Dispositions of "Undersubscribed Keep Policies," (DE#1949), seeking authority to dispose of Undersubscribed Keep Policies by a variety of methods, including (1) sales of particular Undersubscribed Keep Policies, or groups of such policies, to certain third parties who have expressed an interest in purchasing policies from the Receivership, through an abbreviated auction process (as described further below); and (2) sales of the fractional interest in an Undersubscribed Keep Policy, or groups of such interests ("Fractional Interest(s)"), for which the premium obligation has not been funded to said third parties, again through an abbreviated auction process which would require the purchaser to fund the "shortfall" amount with respect to the policy plus some additional amount in consideration for the purchase of the interest in the policy.

10. On September 26, 2007 the Court entered its Order Granting Receiver's Emergency Motion to Authorize Dispositions of "Undersubscribed Keep Policies," (DE#1964), which confirmed and ratified the Receiver's authority to dispose of Undersubscribed Keep Policies or Fractional Interests through an auction process or otherwise. The sale of Fractional Interests provides an additional mechanism for potentially avoiding the lapse of Keep Policies while preserving the interests of investors who have funded their share of the premium obligation for such Policies.

11. On January 15, 2008, the Receiver filed his Motion to Approve Engagement of Life Settlement Insights, LLC to Conduct Auctions of "Undersubscribed Keep Policies," (DE#2014)

seeking authority to engage LSI for the purpose of conducting online auction sales of Undersubscribed Keep Policies. By order dated January 22, 2008, the Court approved the proposed engagement of LSI for this purpose (DE#2019). By this Motion, the Receiver asks the Court to approve the engagement of LSI to conduct sales of Fractional Interests, and to approve the proposed methodology of sale as set forth in further detail herein.

12. As described in the motion for the September 26, 2007 Order, sales of Fractional Interests would require the purchaser to, at a minimum, fund the "shortfall" amount with respect to an Undersubscribed Keep Policy plus some additional amount in consideration for the purchase of the corresponding interest in the Policy. The process for offering Fractional Interests would be as follows:

a. The Receiver, through its authorized agent, LSI, would communicate the availability of Fractional Interests to parties who have previously expressed an interest in acquiring life insurance policies, or interests therein, through the delivery of a Notice of Proposed Sale in the form attached hereto as Exhibit "A". Such Notice includes a detailed description of the Fractional Interests, the terms of the offering including the minimum bid that would be required in connection with any auction of such interests, the risk factors associated with an investment in such interests and such other information as is deemed appropriate by the Court for the prospective purchase of the Fractional Interests.

b. Consistent with the terms of the offering as described by the Notice, each potential buyer would be required to execute a non-disclosure agreement, an affidavit of non-affiliation with any of the Receivership Entities, and provide evidence of financial capability including, but not limited to, a certification with respect thereto. The required documents are

attached as exhibits to the Notice.

c. Once a sufficient number of potential buyers have qualified to participate in an auction, information concerning the Fractional Interests offered for purchase, including the minimum acceptable bid for each and the deadline for the submission of offers to purchase the Fractional Interests, would be communicated to each prospective purchaser.

d. After the expiration of the deadline, the highest accepted bid for each Fractional Interest would be identified and the purchaser that submitted the highest bid would be required to execute the Asset Purchase Agreement attached hereto as Exhibit "B".

13. Consistent with the authority granted by the Court's September 26, 2007 Order, the Receiver has negotiated an agreement with LSI to conduct on-line auctions of Undersubscribed Keep Policies which agreement has been amended to set forth the terms under which LSI will also conduct auctions of Fractional Interests. A copy of the proposed Engagement Agreement with LSI, as amended, is attached hereto as Exhibit "C". In summary, the amended Engagement Agreement provides:

- For LSI to conduct Internet-based online auctions of Undersubscribed Keep Policies or Fractional Interests or both as designated by the Receiver, consistent with rules to be developed by LSI in consultation with the Receiver;
- For LSI to assist in the identification of potential purchasers; and
- For LSI to customize its online auction platform for registering potential purchasers, setting up purchaser accounts, training potential purchasers, launching and conducting online auctions, identifying winning bidders, and providing such information to the Receiver.

14. As compensation for the services to be provided by LSI as agent in connection with

the auctioning of Fractional Interests, the Engagement Agreement provides that LSI will receive a fee equal to ten percent (10%) of the final purchase price for the Fractional Interest(s) sold. As provided in the Notice of Proposed Sale, the LSI fee would be payable as a component of the prospective purchaser's bid, and accordingly would not be deducted from proceeds otherwise necessary to pay the "shortfall" amount with respect to the policies in which interests are being sold. The proposed compensation for sales of Fractional Interests has not yet been approved by order of this Court and approval for such compensation is sought by this Motion. Any compensation to LSI, whether for the sale of an Undersubscribed Keep Policy or a Fractional Interest therein, is payable only upon the Receiver's receipt of the sale proceeds for the Policy or Fractional Interest.

15. Although not specified in the Engagement Agreement, the Receiver and LSI have further agreed that the terms and conditions of the Engagement Agreement shall also apply to any "traditional" auctions which the Receiver and LSI agree shall be conducted by LSI for Undersubscribed Keep Policies.

16. The minimum bid that will be accepted for the purchase of a Fractional Interest would be an amount sufficient to pay (i) the pro rata policy cost obligation associated with such interest; (ii) the VSI administrative fee due with respect to such Fractional Interest; (iii) reimbursement to a prior holder of such Fractional Interest for any unearned premium as of the date of closing which had been paid by such holder prior to forfeiture of its interest;¹ and (iv) the sales charge payable to LSI. Since it is expected that sales of Fractional Interests shall be in groups or portfolios, the Receiver contemplates that a discounted administrative fee may be established for buyers of a certain number

¹ Where an investor has paid the first year's premium obligation with respect to a Fractional Interest but later forfeits such interest due to non-payment of subsequent premiums or administrative fees, the Receiver proposes to transfer such Fractional Interest to the successful purchaser at closing, and refund to the prior holder any unearned premium attributable to the amounts previously paid by such

of Fractional Interests.

17. The Receiver has investigated the options available for conducting auctions of Fractional Interests therein and believes, in the exercise of his business judgment, that the proposal made by LSI and the terms thereof, as contained in the Engagement Agreement and as further described in this Motion, are reasonable and represent a necessary and proper method of attempting to dispose of the Fractional Interests.

18. As noted in the Receiver's September 14, 2007 Motion, it is clear that the Receiver of a company that was engaged in the viatical business may properly sell the interests in policies held by the company 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 proposed by the Receiver with respect to the sale of the Undersubscribed Keep Policies and Fractional Interests are designed to maximize the value of the Receivership's assets in the face of the timing constraints presented by the Undersubscribed Keep Policies, which is the appropriate goal of any such procedure. *In re Integrated Resources, Inc.*, 147 B.R. 650 (S.D.N.Y. 1992).

19. The Receiver believes that authorization by the Court to conduct and consummate the sale of Undersubscribed Keep Policies and Fractional Interests therein is necessary and proper to preserve the assets of the receivership and to provide investors with the opportunity to earn a return on investment. It is the goal of receiverships under Securities law to assure that investors obtain complete relief. *See Los Angeles Trust Deed and Mortgage Exchange v. Sec. and Exch. Comm'n*, 285 F.2d 162 (9th Cir. 1961), *cert. denied*, 366 US 919. The Receiver further maintains that

holder from the sales proceeds.
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because of LSI's experience and capabilities in the field of life settlements, the engagement of LSI as its agent to conduct auctions for the sale of Undersubscribed Keep Policies and Fractional Interests therein is deemed necessary and proper in the discharge of Receiver's duties for the reasons stated in this Motion. The Receiver therefore requests that the Court stay any actions against LSI by any third party or any party to this case in connection with the sale of Fractional Interests pursuant to such order as is entered by this Court, in order to prevent interference with the discharge of those of Receiver's duties delegated to LSI by Receiver. *See Sec. and Exch. Comm'n v. United Financial Group, Inc.*, 576 F.2d 217 (9th Cir. 1978) (receivership court has broad equitable powers to prevent interference with the administration of the estate by blanket stay orders as well as injunctions against particular actions, including actions which might otherwise be permissible under statute subjecting receivers, without leave of court, to actions on claims arising out of acts or transactions in carrying on business connected with the receivership property); *Strickland v. Darsey*, 120 S.E. 7 (Ga.1923) (receivership operates to protect a receiver against interference with the receivership property by suit, and the appointing court has the duty to afford that protection).

WHEREFORE, the Receiver respectfully requests:

(1) That the Court approve the proposed method of sale of Fractional Interests as described herein including, but not limited to, the Notice attached hereto as Exhibit "A", and that the Court authorize Receiver to consummate the sale of such Fractional Interests pursuant thereto without further notice or Court order;

(2) That the Court approve the Receiver's proposed engagement of LSI as its agent to conduct auctions of Fractional Interests on Receiver's behalf pursuant to the terms and conditions of the Engagement Agreement as amended attached hereto as Exhibit "C" as further extended by

agreement of the parties as described in paragraph 15 of this Motion, and to allow the Receiver to compensate LSI in accordance with the terms of the Agreement without further order of the Court; and

(3) That the Court stay any actions against LSI by any party to this case or any third party with respect to the sale of Fractional Interests pursuant to such order as is entered by the Court, as such would interfere with the Receiver's administration of the Receivership estate, the engagement of LSI as agent to assist with the sale of Fractional Interests being necessary and proper to such administration.

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 March 25, 2008.

By: 
David L. Rosendorf

SERVICE LIST OF RECEIVER

Case No.: 04-60573 CIV-Moreno

VIA ELECTRONIC MAIL		
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NOTICE OF PROPOSED SALE

**Of Fractional Interests in Undersubscribed Keep Policies
by Roberto Martinez, as Receiver for Mutual Benefits Corp., et al.,
Pursuant to Applicable Orders Entered in *Securities and Exchange Commission v.
Mutual Benefits Corp., et al*, United States District Court, Southern District of
Florida (Case No. 04-60573-CIV-MORENO)**

**NOTICE DISTRIBUTED BY LIFE SETTLEMENT INSIGHTS, LLC OR ITS AFFILIATES AS AUTHORIZED AGENT
FOR THE RECEIVER.**



Notice of Proposed Sale – Confidential – Do Not Disseminate

NOTICE OF PROPOSED SALE

**Of Fractional Interests in Undersubscribed Keep Policies
by Roberto Martinez, as Receiver for Mutual Benefits Corp., et al.,
Pursuant to Applicable Orders Entered in *Securities and Exchange Commission v. Mutual Benefits Corp., et al.*, United States District Court, Southern District of Florida (Case No. 04-60573-CIV-MORENO)**

The Receiver is offering fractional interests in Undersubscribed Keep Policies Pursuant to Applicable Orders Entered in *Securities and Exchange Commission v. Mutual Benefits Corp., et al.*, United States District Court, Southern District of Florida (Case No. 04-6-573-CIV-MORENO) (the "Fractional Interests"). There is no public market for the Fractional Interests and no such market will develop as a result of this offering.

THE FRACTIONAL INTERESTS ARE HIGHLY SPECULATIVE, AND THE PURCHASE OF SUCH FRACTIONAL INTERESTS INVOLVES A HIGH DEGREE OF RISK OF LOSS OF INVESTMENT (SEE THE "RISK FACTORS" SECTION OF THIS NOTICE).

THE FRACTIONAL INTERESTS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS, AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THESE LAWS. THE FRACTIONAL INTERESTS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE REGULATORY AUTHORITY, NOR HAS THE COMMISSION OR ANY STATE REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS NOTICE. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL AND WITHOUT FORCE OR EFFECT. THE FRACTIONAL INTERESTS MAY NOT BE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL IN FORM AND SUBSTANCE ACCEPTABLE TO THE RECEIVER AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.

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No person has been authorized to give any information or to make any warranties or representations in connection with this offering other than those contained in this Notice, and if given or made, such information, or such warranties or representations, are void and cannot be relied upon. This Notice does not constitute an offer to sell or solicitation of an offer to buy in any jurisdiction in which such offer or solicitation would be unlawful or to any person to whom it is unlawful to make such offer or solicitation. Neither the delivery of this Notice nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the circumstances of the offering described hereunder since the date hereof.

This Notice is made available on a confidential basis for use by a limited number of qualified persons solely in consideration of the purchase of Fractional Interests described herein. The receipt of this Notice constitutes an agreement on the part of the recipient hereof and recipient's representatives to maintain the confidentiality of the information contained herein. This Notice may not be reproduced in whole or in part except as expressly authorized in writing by the Receiver. The use of this Notice for any purpose other than an investment in the Fractional Interests described herein is not authorized and is prohibited.

[continued on next page]

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EXECUTIVE SUMMARY

The following summary is qualified in its entirety by the detailed information appearing elsewhere in this Notice. Prospective investors should read this entire Notice including, but not limited to, the section entitled "Risk Factors" before purchasing Fractional Interests.

Mutual Benefits Corp. by and through its Receiver, (the "Receiver") is offering Fractional Interests in Undersubscribed Keep Policies Pursuant to Applicable Orders Entered in *Securities and Exchange Commission v. Mutual Benefits Corp., et al*, United States District Court, Southern District of Florida (CIV-MORENO 04-60573) (the "Fractional Interests"). The Receiver has been appointed by the court in the aforementioned case to manage the assets of Mutual Benefits Corp. Prior to the appointment of the Receiver, Mutual Benefits Corp. operated as a viatical settlement company. The assets of Mutual Benefits Corp. include life insurance policies funded by investors.

Undersubscribed Keep Policies are life insurance policies which are in force but not fully funded because one or more of the investors in the policy has ceased making his or her share of the premium payments due on the policy. Each Fractional Interest being offered by the Receiver represents a beneficial interest in an Undersubscribed Keep Policy proportional to the unfunded portion of the policy.

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The precise number of Fractional Interests to be offered is dependent upon the number of Undersubscribed Policies at any one time and the extent to which such policies are and remain undersubscribed. As of the date of this Notice, it is estimated that more than 400 life insurance policies maintained through the receivership, representing a cumulative total of more than \$300,000,000 in death benefits were Undersubscribed Keep Policies. The Receiver expects these figures to change from time to time as policies become fully subscribed through the sale of Fractional Interests and as other policies become undersubscribed through the failure of previous investors to fund their portion of them.

A more detailed description of the Fractional Interests and the terms of this offering are provided in the following pages.

DESCRIPTION OF THE FRACTIONAL INTERESTS

On May 3, 2004 the Securities and Exchange Commission ("SEC") filed an action in the United States District Court, Southern District of Florida (the "Court") seeking entry of a temporary restraining order, preliminary injunction, permanent injunction and other relief with respect to Mutual Benefits Corp. ("MBC") and related entities for the protection of investors in life insurance policies held by MBC. On May 4, 2004, the Court entered a Temporary Restraining Order and Other Emergency Relief, and entered an Order Appointing Roberto Martinez Receiver of MBC (the "Receiver"). On February 14, 2005 this Court entered an Order Granting Motion for Preliminary Injunction, sustaining the Report and Recommendation of Judge Garber dated November 10, 2004, as supplemented on November 16, 2004.

The Order Appointing Receiver authorizes and directs the Receiver to take immediate possession of all property, assets and estate of MBC and its related entities of every kind whatsoever and wheresoever located belonging to or in the possession of those companies 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 [the] 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 [and its related entities] 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. ..."

On September 14, 2005, the Court entered its Order on Disposition of Policies and Proceeds (the "Disposition Order"). On November 22, 2005, the Court entered its Order Clarifying Disposition Order and Approving Form of Notice (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

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majority of the interests in a policy that properly submitted votes with respect to the policy.

In accordance with the process directed by the Disposition Order and Clarification Order, more than 3,000 policies with an aggregate face value in excess of \$1 billion were designated to be "kept" ("Keep Policies"). For Keep Policies, the investors in each such policy become responsible for paying the administrative obligations and premium obligations associated with the policies. If an investor fails to pay its pro rata share of the administrative and premium obligations, then that investor's interest is forfeited and beneficial interests in the policy are reallocated to other investors who make up the shortfall.

If the investors in a Keep Policy fail to fully fund the required premium amounts after notice of a shortfall, the Disposition Order directs the Receiver to attempt to sell the non-paying investor's interest to other investors in the policy, to attempt to reduce the face value of the policy, or to attempt to sell the policy. The Notice to Investors provided in connection with the Disposition Order advised that if a policy cannot be sold, "it could be surrendered, and you could lose your entire investment."

A billing process has been implemented with respect to Keep Policies. All investors in Keep Policies who voted to sell were given an opportunity to retain their interests by paying the fees and any subsequent premiums due. Investors who failed to pay the administrative fees were removed from the policy and interests reallocated. The "investor-to-investor" sales process has also been completed with respect to the Keep Policies, wherein the Receiver attempted to facilitate the sale of interests of investors who were not interested in keeping the policy to investors who had indicated a willingness to purchase such interests. For many policies, the initial billing process for each investor's prorated share of premium obligations has already been completed, as well as the second round of billing in which those investors who did pay such obligations are given the opportunity to make up any shortfall resulting from non-paying investors in the policy.

Once all of those steps are completed, if there are still insufficient funds to pay all premiums, then the policy is at risk of lapsing and the Receiver has been given the authority by the Court to attempt to reduce the face value of the policy (an option only generally available if the policy is a universal policy, and even then may be limited to certain amounts for which the available premium funds are insufficient) or to attempt to sell the policy, surrender the policy or allow it to lapse. On September 14, 2007, the Receiver filed his Emergency Motion to Authorize Dispositions of "Undersubscribed Keep Policies," seeking further authority to dispose of Undersubscribed Keep Policies by a variety of additional methods, including (1) sales of particular Undersubscribed Keep Policies, or groups of such policies, to certain third parties who have expressed an interest in purchasing policies from the Receivership, through an auction process; and (2) sales of the fractional interest in an Undersubscribed Keep Policy, or groups of such interests, for which the premium obligation has not been funded to third parties, again through an auction process which would require the purchaser to fund the "shortfall" amount with

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respect to the policy plus some additional amount in consideration for the purchase of the interest in the policy.

On September 26, 2007 the Court entered its Order Granting Receiver's Emergency Motion to Authorize Dispositions of "Undersubscribed Keep Policies," which confirmed and ratified the Receiver's authority to dispose of the Undersubscribed Keep Policies, and fractional interests in such policies, through an auction process or otherwise.

Copies of court orders and related documents may be found at www.mbcreceiver.com.

TERMS OF SALE INCLUDING MINIMUM PRICE OF FRACTIONAL INTERESTS

Investor Qualification

The Fractional Interests described in this Notice are highly speculative and, as such, the purchase of such Fractional Interests involves a high degree of risk of loss. Risks involved with this investment are described in the Risk Factors section of this Notice. All potential investors must provide evidence of financial ability as required by law and provide evidence of further qualifications as required by the Receiver in its discretion. At a minimum, all investors must execute the certificate attached hereto as **Exhibit A**.

Potential investors must also execute a confidentiality agreement in the form set forth under **Exhibit B** of this Notice, and the Affidavit of Non-Affiliation with MBC or any of the entities under receivership set forth under **Exhibit C**.

As Is Sale

The Fractional Interests are being sold "as is," without any recourse whatsoever against the Receiver, the Receivership Entities, or any of their professionals, employees or agents. Neither the Receiver, the Receivership Entities, or any of their professionals, employees or agents shall be construed as having made any representations or warranties as to title, merchantability or fitness for a particular purpose, express, implied, or otherwise, unless specifically set forth in this Agreement.

Auction

Fractional Interests will be made available to qualified investors through an open forward auction. The auction will be conducted by the Notice through its authorized agent (see Page 9 of this Notice). The rules of each auction will be made available to participating investors prior to the start of each such auction. Fractional Interests may be offered individually or in groups. All bids will be subject to a minimum bid corresponding to the minimum price for the Fractional Interest(s) offered for sale.

Notice of Proposed Sale – Confidential – Do Not Disseminate**Minimum Price of Fractional Interests**

A Fractional Interest represents a beneficial interest in a Keep Policy. The exact percentage of that ownership interest (from 1% to 99%) will be used to determine the portion of the death benefit payable to the owner of such Fractional Interest upon policy maturity and to determine that same owner's Pro Rata Policy Cost Obligation. The minimum bid that will be accepted for a Fractional Interest will be based upon the Pro Rata Policy Cost Obligation corresponding to that Fractional Interest and must include the sales charge applicable to the sale of the Fractional Interest.

The Pro Rata Policy Cost Obligation corresponding to a Fractional Interest is the sum of the following:

- (a) the pro rata premium shortfall corresponding to the Fractional Interest from June, 2006 to the date of purchase;
- (b) the pro rata share of the current policy premium due corresponding to the Fractional Interest on the date of purchase;
- (c) the annual administrative fee for first year (see the "Administration and Cost" section of this Notice); and
- (d) any unearned premium as of the date of closing attributable to amounts paid by the holder of such Fractional Interest prior to forfeiture of such interest.

Illustration A. Keep Policy A is 50% subscribed and a Fractional Interest is offered for the remaining 50%. The total back premium due on the policy is \$1,200 and the total current premium due for the policy is \$800. The first-year administrative fee for the Fractional Interest offered is \$240. A sales charge equal to 10% of the Pro Rata Policy Cost Obligation applies to the sale of such Fractional Interest.

The minimum bid that would be accepted for the purchase of the Fractional Interest would be determined as follows:

Pro Rata Policy Cost Obligation	
[(\$1,200 X .50) + (\$800 X .50) + \$240 administrative fee]	\$1,240
Sales Charge (Pro Rata Policy Cost Obligation X .10)	\$124
	<hr/>
Total	\$1,364

Illustration B. Keep Policy B is 50% subscribed and a Fractional Interest is offered for the remaining 50%. The total current premium due for the policy is \$1,000. The first-year administrative fee for the Fractional Interest offered is \$240. The amount of unearned premium as of the projected closing date attributable to payments made by the

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prior holder of the forfeited 50% interest is \$120. A Sales Charge equal to 10% of the Pro Rata Policy Cost Obligation applies to the sale of such Fractional Interest.

The minimum bid that would be accepted for the purchase of the Fractional Interest would be determined as follows:

Pro Rata Policy Cost Obligation	
[\$1,000 X .50) + (\$120) + \$240 administrative fee	\$860
Sales Charge (Pro Rata Policy Cost Obligation X .10)	\$ 86
	<hr/>
Total	\$946

Ongoing Premium Payment Obligation

Once a Fractional Interest is purchased, the investor has an ongoing responsibility to pay a pro rata share of future premiums due on the policy as well as the annual administrative fee for as long as the policy remains in force. Failure to pay these amounts could result in forfeiture of the Fractional Interest (see the "Risk Factors" section of this Notice).

Administration and Costs

Pursuant to the Court's September 14, 2005 Disposition Order, Viatical Services, Inc. ("VSI"), an affiliate of MBC, serves as administrator for maintenance of the Keep Policies. As administrator, VSI oversees the following on behalf of Investors on Keep policies: collection of administration fees and sales charges, collection of each investor's pro-rata share of premiums, payment of premiums to insurance companies as they become due, policy conversions, maintenance of waiver of premium benefits where applicable, tracking of all insureds, processing and collection of death benefit proceeds from insurance companies, distribution of death benefit proceeds to investors and other investor services.

To fund the cost of administration all investors in Keep Policies, including those purchasing Fractional Interests as described in this offering, must pay an annual administrative fee, which is currently \$240 per policy, plus an additional yearly fee of \$30 applicable to investors not located in the United States. Investors are billed for the annual fee as a line item on the Notice of Premium Due.

Authorized Agent

The Receiver has retained the services of Life Settlement Insights, LLC of Solon, Ohio ("LSI") as its agent to assist in the administration of this offering. Assistance provided by LSI shall include providing assistance in qualifying investors and conducting auctions

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for Fractional Interests. LSI is paid a sales charge equal to 10% of the purchase price for each Fractional Interest sold.

Limit of Liability

Except for fraud or any other or willful or wanton behavior on the part of the Receiver or its agents, no investor, prospective investor or other third party may initiate, maintain or in any way prosecute any proceeding, suit or other action against the Receiver or the Receiver's agents for any act performed or omitted in connection with the offering of Fractional Interests described in this Notice.

RISK FACTORS

Investors should carefully consider the risks described below before investing in Fractional Interests. The risks and uncertainties described below are not the only ones facing investors. Additional risks and uncertainties not presently known to the Receiver, or that the Receiver currently deems immaterial, may also impair investment results.

Non-Liquidity

Unlike some investment options, an investment in the Fractional Interests described in this Notice is not readily convertible into cash. This means that an investor may not be able to get any portion of the investment back, even for an emergency, until the Keep Policy to which the Fractional interest applies Matures, is surrendered for cash value, if any, or sold to a third-party. The insured may live longer than estimated and could outlive the investor. Before investing in Fractional Interests, the investor must consider whether the funds to be invested may be needed before the Policy Matures or is otherwise liquidated.

Low Return on Investment Due to Insured Exceeding Life Expectancy

The life expectancy of an insured under an Undersubscribed Keep Policy to which a Fractional Interest applies is just an estimate and it is possible that the insured will live longer than expected. If the insured outlives his or her life expectancy, the investor's return on investment, if any, will be lower than anticipated. Current life expectancies have not been obtained for many of the Undersubscribed Keep Policies and some policies may be beyond the original life expectancies obtained when the policy was viaticated.

Forfeiture of Fractional Interest Due to Failure to Timely Pay Pro Rata Share of Premium Payments and Annual Administrative Fees.

Once a Fractional Interest is purchased, the investor has an ongoing responsibility to pay a pro rata share of future premiums due on the policy as well as the annual administrative fee and any ongoing sales charges for as long as the policy remains in force. Failure to pay these amounts could result in forfeiture of the Fractional Interest and total loss of investment (see the "Ongoing Premium Payment Obligation" and "Administration and Costs" sections of this Notice).

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Policy Could Become Further Undersubscribed Resulting in Sale, Surrender or Lapse of Policy or Reduction of Death Benefit.

It is possible that a Keep Policy to which a Fractional Interest applies could become further undersubscribed due to the failure of other investors in the policy to pay their portion of the policy costs. If such shortfall is not paid by other investors in the policies, or through the sale of additional Fractional Interests in the policy, the Receiver may: (a) sell the entire policy to a third party for less than the full death benefit; (b) surrender the policy for cash value; (c) allow the company that issued the policy to cancel it for non-payment of premium ("lapse"); or, (d) in some cases, reduce the death benefit of the policy in order to lower the overall premium due for the policy and thus reduce or eliminate the shortfall. Each scenario may result in a total loss of investment or a return on investment for Fractional Interest investors that may be significantly lower than if the policy remained in force without change, until Maturity.

Policy Contestability

Life insurance policies may be contested by the insurer for fraud or during the first two years if the policy was issued as a result of misrepresentations on the part of the person who originally applied for the coverage, or if the insured's death is the result of suicide. If this occurs, the investor's investment may be delayed or lost entirely.

Litigation

The insured's surviving family may challenge the original sale of the life insurance policy to which the Fractional Interest applies. This may delay return of the investment and result in increased administrative costs to be borne by investors in the policy. Further, the investor's investment may ultimately be lost.

Further, it is possible that the original owner of the policy to which a Fractional Interest applies may have sold, or attempted to sell the policy to a viatical settlement company other than MBC. If this is in fact the case, then the claim payment on the policy could become the subject to litigation between MBC and the other company. This too may delay return of the investment and result in increased administrative costs to be borne by investors in the policy. Further, the investor's investment may ultimately be lost.

Insolvency of the Insurer that Issued the Keep Policy

If the insurer that issued the policy to which the Fractional Interest applies becomes insolvent, the return on investment may be reduced or the investment lost. Many states have so-called "guarantee funds" that provide funds for insurance claims made to insolvent insurance companies. The amount available per claim, however, is often limited and may be less than the death benefit of the policy. This would result in a lower return on the policy to investors at Maturity than if the full death benefit was paid by the insurer.

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Term Policies

A Term Policy is a policy issued for a definite period of time. If the insured outlives that time period, the insurance company will not pay the death benefit and any investment in the policy will be lost.

Adjustments to Death Benefit by Insurer Due to Misstatement of Age or Sex

If the age or sex of the insured was misstated when the policy was first issued, the insurance company that issued the policy may adjust the death benefit to that which could have been purchased at the correct age or sex. This could result in a reduction of the death benefit of a Keep Policy and, as a result, a lower than expected return for investors in such Policy.

IRA Tax Benefits May Not Be Available if IRA Funds are Invested in a Fractional Interest

Internal Revenue Code Section 408(a) (3) requires that “no part of trust [IRA] funds will be invested in life insurance contracts”. If IRA funds are used to invest in Fractional Interests, certain tax benefits associated with these funds may be lost and the investor may be subject to tax penalties. Further, because the Internal Revenue Code requires IRA funds to be distributed by age 70 ½, an investor using IRA funds to invest in a Fractional Interest may be subject to penalties if the funds cannot be distributed because the policy is still in force.

USE OF PROCEEDS

Proceeds from the sale of Fractional Interests, after the payment of administrative fees and sales charges, will become receivership funds and may be used by the Receiver as the Receiver sees fit.

FORWARD-LOOKING STATEMENTS PURSUANT TO THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Certain sections of this Notice may contain forward-looking statements that are based on the Receiver’s expectations, estimates, projections and assumptions. Words such as “expects,” “anticipates,” “plans,” “believes,” “scheduled,” “estimates” and variations of these words and similar expressions are intended to identify forward-looking statements, which include but are not limited to estimates of number and characteristics of the Fractional Interests offered, risk factors and investment results. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results may differ materially from what is forecast in forward-looking statements. All forward-looking statements speak only as of the date of this Notice or, in the case of any document incorporated by reference, the date of that

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document. All subsequent written and oral forward-looking statements attributable to the Receiver or any person acting on the Receiver's behalf are qualified by the cautionary statements in this section. The Receiver does not undertake any obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date of this document.

LEGAL MATTERS

In connection with the purchase of any Fractional Interests, the investor must acknowledge and confirm that, in making the decision to purchase such Fractional Interests, the investor has relied solely on the basis of its own independent investigation of the merits of such purchase. The investor must further acknowledge and confirm that investor has carefully considered and has, to the extent necessary, discussed with investor's own professional, legal, tax and financial advisors, the suitability of an investment in Fractional Interests for the investor's particular tax and financial situation and investor has determined that an investment in Fractional Interests is suitable for the investor.

Limit of Liability

Except for fraud or any other or willful or wanton behavior on the part of the Receiver or its agents, no investor, prospective investor or other third party may initiate, maintain or in any way prosecute any proceeding, suit or other action against the Receiver or the Receiver's agents for any act performed or omitted in connection with the offering of Fractional Interests described in this Notice.

ADDITIONAL INFORMATION

Additional information about Keep Policies and the Fractional Interests to be offered is available from the Receiver through its authorized agent. Unless otherwise provided by order of the Court, however, potential investors would receive the same information with respect to a Keep Policy that had been provided to original investors in such Policy. A sample of the information available concerning Keep Policies may be found in **Exhibit D** to this Notice.

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GLOSSARY OF TERMS

The capitalized terms set forth under this section, when used in this Notice, have the meanings ascribed to them under this Glossary of Terms:

“Court” means the United States District Court, Southern District of Florida.

“Fractional Interests” mean fractional interests in Undersubscribed Keep Policies Pursuant to Applicable Orders Entered in *Securities and Exchange Commission v. Mutual Benefits Corp., et al.*, United States District Court, Southern District of Florida (Case No. 04-60573-CIV-MORENO).

“Keep Policies” means the life insurance policies designated, in accordance with procedures set forth by the Court, to be kept in force and to which the Fractional Interests apply. See the Description of the Fractional Interests section of this Notice.

“LSI” means Life Settlement Insights, LLC. See the “Authorized Agent” section on page 9 of this Notice.

“Maturity” or “Matures”. A life insurance policy is said to mature when the policy benefits are payable, such as upon the insured's death or a specified benefit payment date.

“MBC” means Mutual Benefits Corp.

“Pro Rata Policy Cost Obligation” is described in the “Minimum Price of Fractional Interests” section on page 8 of this Notice.

“Receiver” means the receiver appointed by the Court in *Securities and Exchange Commission v. Mutual Benefits Corp., et al.*, United States District Court, Southern District of Florida (Case No. 04-605673-CIV-MORENO).

“SEC” means the Securities and Exchange Commission.

“Term Policy” means a life insurance policy issued for a definite period of time.

An “Undersubscribed Keep Policy” is a Keep Policy which is in force but not fully funded because one or more investors in the policy has ceased making his or her share of the premium payments due on the policy.

“VST” means Viatical Services, Inc., an affiliate of MBC that serves as the administrator for the maintenance of Keep Policies.

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Exhibit A

Investor Certification

Name of Investor: _____

Address: _____

City: _____ State/Country: _____ ZIP/Postal Code: _____

Telephone number: _____

Facsimile number: _____

Email address: _____

If Investor is an entity:

State/Country of Incorporation/organization: _____

Description of business: _____

IF INVESTOR IS AN INDIVIDUAL

The undersigned certifies that (check all that apply):

- ☐ His or her individual net worth, or joint net worth with his or her spouse, at the time of this transaction exceeds \$1,000,000.
- ☐ His or her individual income exceeded \$200,000 in each of the two most recent years, or joint income with his or her spouse exceeded \$300,000 in each of those years, and he or she has a reasonable expectation of reaching the same income level in the current year.
- ☐ He or she currently invests, or has invested in the past, in life insurance policies (viatical investments) other than the Fractional Interests described in the Notice of Proposed Sale of Fractional Interests in Undersubscribed Keep Policies by Roberto Martinez, as Receiver of Mutual Benefits Corp., et al, Pursuant to Applicable Orders Entered in *Securities and Exchange Commission v. Mutual Benefits Corp., et al*, United States District Court, Southern District of Florida (Case No. 04-60573-CIV-MORENO).
- ☐ He or she is not currently a party to any lawsuit or anticipated lawsuit related to his or her past or present investments.

IF INVESTOR IS AN ENTITY

The undersigned certifies that the entity is (check all that apply):

- ☐ A trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of entering into this transaction, whose purchase decisions are directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of this transaction.

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- ☐ An entity in which all of the equity owners are accredited investors.
- ☐ A bank as defined in Section 3(a)(2) of the U.S. Securities Act of 1933, as amended (the "Securities Act"), or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity.
- ☐ A broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended.
- ☐ An insurance company as defined in Section 2(a)(13) of the Securities Act.
- ☐ An investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act.
- ☐ A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.
- ☐ A plan established and maintained by the state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000.
- ☐ An employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if investment decisions are made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors.
- ☐ A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.
- ☐ An organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of entering into this transaction, with total assets in excess of \$5,000,000.

The undersigned further certifies that (check all that apply):

- ☐ The entity currently invests, or has invested in the past, in life insurance policies (viatical investments) other than the Fractional Interests described in the Notice of Proposed Sale of Fractional Interests in Undersubscribed Keep Policies by Roberto Martinez, as Receiver of Mutual Benefits Corp., et al, Pursuant to Applicable Orders Entered in *Securities and Exchange Commission v. Mutual Benefits Corp., et al*, United States District Court, Southern District of Florida (Case No. 04-60573-CIV-MORENO).
- ☐ The entity is not currently a party to any lawsuit or anticipated lawsuit related to its past or present investments.

[SIGNATURE ON NEXT PAGE]

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By: _____

Printed Name: _____

Entity Name (as applicable): _____

Title (if signing on behalf of an entity): _____

Date: _____

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Exhibit B

NON-DISCLOSURE AGREEMENT

THIS AGREEMENT is made by and between **Mutual Benefits Corp.** by and through its Receiver ("MBC"), and the party named below including such party's, and such party's affiliate's, agents, representatives, employees, directors, officers and member (collectively "Recipient"). The parties agree as follows:

1. Over the course of evaluating a proposed investment in certain assets held by MBC, or in the course of carrying out such investment, Recipient may receive from MBC certain Confidential Information.

2. "Confidential Information" shall mean: (a) information regarding MBC and its receivership estate including, but not limited to information concerning receivership assets including life insurance policies subject to such receivership, and any and all data, information systems, policies and procedures, business relationships, business plans, methods and techniques related in anyway to MBC or the receivership; (b) information that is marked "confidential", "proprietary" or in like words, or that is summarized in writing as being confidential prior to or promptly after disclosure to the other party; (c) any and all related research; (d) any and all designs, ideas, concepts, and technology embodied therein; and (e) Nonpublic Personal Information.

3. "Nonpublic Personal Information" shall mean any information about an individual that is: (a) directly or indirectly provided to, or otherwise made available to, Recipient; and (b) is not Publicly Available Information. Nonpublic Personal Information shall include, but shall not be limited to, any list, description, or other grouping of individuals (and Publicly Available Information pertaining to them) that is derived using any of the foregoing information.

4. "Publicly Available Information" shall mean any information that is lawfully made available to the general public from: (a) federal, state, or local government records; (b) widely distributed media; or (c) disclosures to the general public that are required to be made by federal, state, or local law.

5. Information is not considered confidential or proprietary if it: (a) is or becomes Publicly Available Information other than as a result of disclosure in violation of this Agreement; (b) was available to or already known by Recipient on a non-confidential basis prior to its disclosure by the other party; (c) is developed by Recipient independently of any information acquired from the other party; (d) becomes available to Recipient on a non-confidential basis from a third party, provided that Recipient has no reason to know that the third party is or may be bound by a confidentiality agreement with MBC; or (e) is disclosed pursuant to a court order or the requirement of any governmental authority, provided that Recipient promptly notifies MBC of any such order or requirement, and cooperates, at MBC's expense, in any effort to obtain a protective order from the issuing court or governmental authority limiting disclosure and use of the information.

6. MBC will deliver to Recipient such Confidential Information as MBC, in its sole discretion, deems appropriate for the purposes set forth in Section 1, subject to the restrictions of any and all applicable laws or court orders. Recipient will hold any such Confidential Information received in confidence and will safeguard it in at least the same manner as a prudent business person would safeguard his or her own confidential information of a similar nature. Recipient will not directly or indirectly, report, publish, distribute, disclose, or otherwise disseminate the Confidential Information, or any portion

Notice of Proposed Sale – Confidential – Do Not Disseminate

thereof, to any third party. The Recipient will not use Confidential Information, or any portion thereof, for the benefit of itself, its representatives, or any third party, or for any purpose, except as necessary for the purposes described in Section 1 or as otherwise expressly authorized in writing by MBC. Disclosure of Confidential Information by Recipient will be limited to those employees or representatives who must examine the Confidential Information for the purposes described in Section 1. Recipient warrants and represents that it has, and will maintain in effect for so long as it retains Nonpublic Personal Information, adequate administrative, technical, and physical safeguards to: (i) ensure the security and confidentiality of Nonpublic Personal Information; (ii) protect against any anticipated threats or hazards to the security or integrity of Nonpublic Personal Information; and (iii) protect against unauthorized access to or use of Nonpublic Personal Information which could result in substantial harm or inconvenience to any person to whom it may pertain. Recipient acknowledges that reuse and redisclosure of Nonpublic Personal Information by the Recipient is restricted by applicable privacy laws. Recipient hereby warrants and represents that it will fully comply with such privacy laws in this regard, and indemnify, defend, and hold harmless MBC and its employees, representatives and agents from any and all claims, damages and any other expense including attorneys' fees, which are asserted against, incurred or suffered by them as a result of Recipient's failure to comply with such laws.

7. If Recipient attempts to use or disclose any of the Confidential Information in contravention of this Agreement, then in addition to other available remedies, MBC shall have the right to injunctive relief enjoining any such attempt, it being acknowledged that legal remedies are inadequate.

8. Recipient shall cease all use of Confidential Information, and shall return to MBC all such Confidential Information in its possession, promptly upon request. Notwithstanding the foregoing, Confidential Information that has been incorporated into other documents for the internal use of the Recipient in connection with the purpose described in Section 1 need not be returned, but the Recipient shall continue to comply with the provisions of this Agreement regarding such Confidential Information.

9. This Agreement shall inure to the benefit of the parties, their corporate affiliates, and their respective legal representatives, successors, and permitted assigns, and shall be binding upon each party, its legal representatives, successors, and permitted assigns. This Agreement may not be assigned by either party without the other party's prior written consent, which the other party shall be under no obligation to give.

10. This Agreement embodies the entire agreement between the parties with respect to the subject matter hereof and may not be modified except by a written agreement signed by both parties. All prior or contemporaneous agreements, representations, correspondence, conversations, and/or memoranda relating to the subject matter hereof, are hereby merged in, replaced by, and are without any force or effect whatsoever.

11. This Agreement shall be construed under and governed by the laws of the State of Florida.

[SIGNATURES ON NEXT PAGE]

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In Witness Whereof, the parties have caused this Agreement to be executed by their duly authorized representatives.

RECIPIENT

By: _____

Printed Name: _____

Company (if signing on behalf of an entity): _____

Title (if signing on behalf of an entity): _____

Date: _____

MBC

By: _____

Printed Name: _____

Title: _____

Date: _____

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Exhibit C

AFFIDAVIT OF NON-AFFILIATION

STATE OF _____)

COUNTY OF _____)

Before me appeared _____ (“Affiant”), who after being duly sworn, deposes and states:

1. Affiant, as representative of _____ (insert name of company or person represented. If self, insert “self” or “Affiant”) (“Prospective Investor”) desires to participate in the bidding for the auction of Fractional Interests (as described in the Notice of Proposed Sale of Fractional Interests in Undersubscribed Keep Policies by Roberto Martinez, as Receiver of Mutual Benefits Corp., et al, Pursuant to Applicable Orders Entered in *Securities and Exchange Commission v. Mutual Benefits Corp., et al*, United States District Court, Southern District of Florida (Case No. 04-60573-CIV-MORENO) (“Notice”)).
2. Affiant represents that neither he nor Prospective Investor (if other than Affiant), nor any person acting in concert with Prospective Investor or on Prospective Investor’s behalf, including, but not limited to, shareholders, directors, officers, managers, employees, agents, partners, or associates, is related to by blood or marriage or is in any manner affiliated in any respect with MUTUAL BENEFITS CORP., JOEL STEINGER a/k/a JOEL STEINER, LESLIE STEINGER a/k/a LESLIE STEINER, PETER LOMBARDI, VIATICAL BENEFACORS, LLC, VIATICAL SERVICES, INC., KENSINGTON MANAGEMENT, INC., RAINY CONSULTING CORP., TWIN GROVES INVESTMENTS, INC., PJL CONSULTING INC., SKS CONSULTING, INC., or CAMDEN CONSULTING, INC., (the “Receivership Entities”), and have never been officers, agents, employees, successors, nor any other persons in active or inactive concert or participation with any of the Receivership Entities.
3. Affiant further represents that, other than as expressly stated in the Notice, no person or entity in any manner affiliated with the Receivership Entities shall receive any funds or other consideration in connection with Prospective Investor’s participation in the bidding for Fractional Interests.
4. Affiant further represents that none of the Receivership Entities, nor any person acting in concert with, or on behalf of them, is seeking to acquire or shall acquire any interest in the Fractional Interests.

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Further, Affiant sayeth naught.

Signature: _____

Print Name: _____

Company or Principal Represented (if any): _____

Title: _____

This instrument was acknowledged before me this _____ day of _____, 200_,

by _____ who is personally known to me or who has

produced _____ as identification and who did/did not take an oath.

Notary Public, State of _____

Print Name: _____

My commission expires: _____

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Exhibit D

SAMPLE POLICY SUMMARY

ASSET PURCHASE AGREEMENT

by and between

ROBERTO MARTÍNEZ,
As the Receiver for Mutual Benefits Corp., Viatical Services, Inc.,
And Viatical Benefactors, LLC,

As Seller

And

[NAME OF BUYER]

As Buyer

[REDACTED], 2008



ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT is entered into by and between Roberto Martínez, as the Receiver for Mutual Benefits Corp., a Florida corporation ("MBC"), Viatical Services, Inc., a Florida corporation ("VSI"), and Viatical Benefactors, LLC, a Delaware limited liability company ("VBLLC"), and together with MBC and VSI, (the "Receivership Entities") (in such capacity, "Seller"), and - _____ ("Buyer"). Seller, together with Buyer, may be referred to collectively as the "Parties".

RECITALS

WHEREAS, Seller is the Receiver for the Receivership Entities under Case No. 04-60573-CIV-MORENO-SIMONTON (the "Receivership Proceeding") in the United States District Court for the Southern District of Florida (the "Court"); and

WHEREAS, Seller was appointed as Receiver for the Receivership Entities pursuant to the Order Appointing Receiver entered by the Court on May 4, 2004 (the "Receivership Order"); and

WHEREAS, pursuant to the Receivership Order, Seller was authorized to take possession of all of the assets of the Receivership Entities, including the "Acquired Assets" (as defined below), and was vested with all power and authority to, among other things, administer and manage the assets and business affairs of the Receivership Entities; and

WHEREAS, pursuant to the Order on Disposition of Policies and Proceeds entered by the Court on September 14, 2005 and subsequent Court notices and orders related to the disposition of Undersubscribed Keep Policies and Fractional Interests therein ("Disposition Orders"), Seller has been vested with full power and authority to sell the Acquired Assets; and

WHEREAS, Seller desires to, on behalf of Seller and each Receivership Entity, sell to Buyer, and Buyer desires to purchase from Seller and each Receivership Entity the Acquired Assets, all upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual promises contained herein, and in consideration of the representations, warranties and covenants contained herein, the Parties, intending to be legally bound thereby, agree as follows:

ARTICLE I DEFINITIONS

"Acquired Assets" has the meaning set forth in Section 2.1 of this Agreement.

"Agreement" means this Asset Purchase Agreement (together with all schedules and exhibits attached hereto, which are deemed a part hereof), as may be amended, modified, supplemented and/or restated from time to time in accordance with its terms.

"Assumed Liabilities" has the meaning set forth in Section 2.3 of this Agreement.

"Auction" means the auction of Fractional Interests conducted by Seller in accordance with the Bidding Procedures.

"Backup Bid" has the meaning set forth in the Bidding Procedures.

"Backup Bidder" has the meaning set forth in the Bidding Procedures.

"Bid" has the meaning set forth in the Bidding Procedures.

"Bidding Procedures" means the procedures followed by Seller for soliciting the highest and best offer for the Acquired Assets, and in conducting an auction sale of the Acquired Assets.

"Business Day" means any day other than a Saturday, Sunday, or any other day designated as a holiday by the Court.

"Buyer" has the meaning set forth in the preface above.

"Closing" has the meaning set forth in Section 3.1 of this Agreement.

"Closing Date" has the meaning set forth in Section 3.1 of this Agreement.

"Court" has the meaning set forth in the preface above.

"Deposit" has the meaning set forth in Section 2.4 of this Agreement.

"Disposition Orders" has the meaning set forth in the preface above.

"Encumbrance" means any lien (statutory or otherwise), claim, Liability, interest, beneficial interest, right, pledge, option, charge, hypothecation, security interest, right of first refusal, mortgage, deed of trust or other encumbrance of any kind or any right or interest of any party.

"Excluded Assets" has the meaning set forth in Section 2.2 of this Agreement.

"Final Purchase Price" has the meaning set forth in Section 2.5 of this Agreement.

"Fractional Interest(s)" mean(s) fractional interest(s) in Undersubscribed Keep Policies Pursuant to Applicable Orders Entered in *Securities and Exchange Commission v. Mutual Benefits Corp., et al*, United States District Court, Southern District of Florida (CIV-MORENO 04-60573).

"Highest Bid" means the highest bid placed for a Fractional Interest according to the rule set forth in the Bidding Procedures.

"Highest Bidder" means the bidder placing the Highest Bid.

"Initial Bid" has the meaning set forth in Section 2.4 of this Agreement.

"Keep Policy" means a life insurance policy designated, in accordance with procedures set forth by the Court, to be kept in force and to which the Fractional Interests sold pursuant to an Auction apply.

"Liabilities" means any and all debts, indebtedness, losses, claims, damages, costs, expenses, demands, fines, judgments, penalties, liabilities, commitments, sales commissions, contracts, responsibilities and obligations of any kind or nature whatsoever, direct or indirect, absolute or contingent, known or unknown, fixed or unfixed, due or to become due.

"MBC" has the meaning set forth in the preface above.

"Non-Disclosure Agreement" means the Nondisclosure Agreement set forth in the Private Placement Memorandum.

"Parties" has the meaning set forth in the preface above.

"Person" means any individual, partnership, joint venture, association, trust, limited liability company, proprietorship, unincorporated association, business organization, enterprise, joint stock company, estate, governmental authority or other entity.

"Potential Bidder" has the meaning set forth in the Bidding Procedures.

"Pro Rata Policy Cost Obligation" is described in the "Minimum Price of Fractional Interests" section of the Private Placement Memorandum.

"Purchase Price" has the meaning set forth in Section 2.4 of this Agreement.

"Purchase Price Adjustments" has the meaning set forth in Section 2.5 of this Agreement.

"Qualified Bidders" has the meaning set forth in the Bidding Procedures.

"Receivership Entities" has the meaning set forth in the preface above.

"Receivership Order" has the meaning set forth in the preface above.

"Receivership Proceeding" has the meaning set forth in the preface above.

"Seller" has the meaning set forth in the preface above.

"Successful Bidder" has the meaning set forth in the Bidding Procedures.

"Taxes" means any federal, state, local or foreign net or gross income, minimum, alternative minimum, sales, value added, use, excise, franchise, real or personal property, transfer, conveyance, environmental, gross receipts, capital stock, production, business and occupation, disability, employment, payroll, severance, withholding or other tax, assessment, duty, fee, levy or charge of any nature whatsoever, whether disputed or not, imposed by any governmental authority, and any interest, penalties (civil or criminal), additions to tax or additional amounts related thereto or to the nonpayment thereof, including any obligations under any agreement or other arrangement with respect to any of the foregoing.

"Transaction Documents" means collectively this Agreement and any other document executed by Seller or Buyer at the Closing in connection with the purchase of Acquired Assets.

"Undersubscribed Keep Policy" means a Keep Policy which is in force but not fully funded because one or more investors in the policy has ceased making his or her share of the premium payments due on the policy.

"VBLLC" has the meaning set forth in the preface above.

"VSI" has the meaning set forth in the preface above.

ARTICLE II PURCHASE & SALE OF ASSETS

2.1 Purchase and Sale. On the terms and conditions set forth herein, Buyer agrees to purchase from Seller, and Seller agrees to sell, transfer, convey, and deliver to Buyer, all of the Acquired Assets at the Closing for the consideration specified in Section 2.5 of this Agreement, such sale being pursuant to an applicable order entered by the Court authorizing the transfer of the Acquired Assets to Buyer free and clear of any Encumbrances. For purposes of this Agreement, "Acquired Assets" means all beneficial right and interest in and to the Fractional Interest(s) described and listed in the schedule attached hereto as of the Closing Date.

2.2 Excluded Assets. Notwithstanding anything to the contrary in this Agreement, Seller shall not sell, transfer, assign, convey or deliver to Buyer, and Buyer shall not purchase or accept from Seller, any of the following (each an "Excluded Asset"):

(a) any asset or property of Seller or any Receivership Entity that is not specifically set forth in the schedule attached hereto;

(b) any Fractional Interest identified in the attached schedule in a Keep Policy with respect to which Seller has provided Buyer, prior to the Closing Date, documentation evidencing the death of the insured under such Keep Policy, as to which the Purchase Price shall be adjusted in accordance with Section 2.5 hereof, and following the provision of such documentation with respect to any such Keep Policy, such Fractional Interest shall cease to be an Acquired Asset (and shall be deemed to have never constituted an "Acquired Asset") for all purposes of this Agreement; or

(c) any Fractional Interest identified on the attached schedule with respect to which Seller and Buyer mutually agree in writing prior to the Closing, shall be an "Excluded Asset" (as to which the Purchase Price shall be adjusted in accordance with Section 2.5 hereof), and following such written agreement with respect to any such Fractional Interest, such Fractional Interest shall cease to be an "Acquired Asset" (and shall be deemed to have never constituted an "Acquired Asset") for all purposes of this Agreement.

2.3 Assumption of Liabilities. At the Closing, Buyer shall assume and thereafter pay, perform and discharge in accordance with their respective terms, all obligations that arise under the Fractional Interest(s) acquired hereunder from and after the Closing Date, including without limitation, all obligations to pay the pro rata share of premiums, administrative charges and/or other charges with respect to such Fractional Interest(s) which become due on and after the Closing Date.

2.4 Purchase Price. Buyer agrees to purchase the Acquired Assets for the sum of ~~STATE SUM (\$DOLLAR AMOUNT)~~ (the "Purchase Price"), subject to the Purchase Price Adjustments. Buyer has remitted to Seller, through Seller's agent, a deposit of ~~STATE SUM (\$DOLLAR AMOUNT)~~ upon delivery of the Bid (the "Deposit"). The Deposit shall be applied to the Final Purchase Price at Closing. The Deposit shall be non-refundable if the Buyer is determined by the Court to be the Successful Bidder and subsequently fails to timely close on the sale of the Acquired Assets pursuant to the terms of this Agreement.

2.5 Purchase Price Adjustments. At the Closing Date, the following adjustments shall be made to the Purchase Price, which after such adjustments shall be the "Final Purchase Price":

(a) in the event any Fractional Interest listed in the attached schedule shall become an Excluded Asset pursuant to Section 2.2(b) or (c) hereof prior to the Closing Date, the Purchase Price shall be reduced by the accepted bid price for such Fractional Interest; and

(b) at the Closing Date, the Purchase Price shall be increased to include an amount equal to the Pro Rata Policy Cost Obligation with respect to such Fractional Interest.

ARTICLE III CLOSING

3.1 Closing. Unless this Agreement shall have been terminated pursuant to Section 8 hereof, the closing of the transactions contemplated hereby shall take place on or before the third (3rd) Business Day after the Seller has accepted the Highest Bid for the Fractional Interest (the "Closing Date"), unless extended by mutual written agreement of the Parties.

3.2 Deliveries by Seller. At the Closing, Seller shall deliver to Buyer a bill of sale or equivalent document with respect to the Acquired Assets.

3.3 Deliveries by Buyer. At the Closing, Buyer shall deliver to Seller the full amount of the Final Purchase Price, less the Deposit, in immediately available funds.

**ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller hereby represents and warrants to Buyer as of the date hereof and as of the Closing Date as follows:

4.1 Status as Receiver. Seller is the duly appointed and acting Receiver for the Receivership Entities.

4.2 Authority, Power and Binding Effect. Seller has all requisite power and authority, pursuant to the Receivership Order, the Disposition Orders, and the Re-Designation Order, to execute and deliver this Agreement and to perform its obligations under this Agreement and the other Transaction Documents, including without limitation, the power and authority to sell the Acquired Assets free and clear of all Encumbrances. Seller has duly executed and delivered this Agreement and each other Transaction Document to which Seller is a party, and when delivered by Seller in accordance with this Agreement, each other Transaction Document to which Seller will be a party will be duly executed and delivered by Seller. This Agreement and each other Transaction Document when duly executed and delivered shall constitute a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with their terms.

4.3 Title to Acquired Assets. Seller is conveying the Acquired Assets free and clear of any Encumbrances.

4.4 As Is, Where Is. The sale of the Acquired Assets shall be made "as is, where is" without any recourse whatsoever against the Seller (but without limiting any representation or warranty of Seller in this Agreement), the Receivership Entities, or any of their professionals, employees or agents. Neither the Seller, the Receivership Entities, or any of their professionals, employees or agents shall be construed as having made any representations or warranties as to title, merchantability or fitness for a particular purpose, express, implied, or otherwise, unless specifically set forth in this Agreement.

4.5 Status of Policies. As of the Closing Date, each of the Keep Policies to which any Fractional Interest purchased hereunder applies is "in-force" and has not lapsed.

**ARTICLE V
REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer hereby represents and warrants to Seller as of the date hereof and as of the Closing Date as follows:

5.1 Existence and Standing. In the event Buyer is a corporation, partnership or limited liability company, it is duly organized, validly existing and in good standing under the laws of the state of its organization with all the requisite power and authority to carry on its business as presently conducted by it.

5.2 Authority, Power and Binding Effect. Buyer has all requisite power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement and the other Transaction Documents. Buyer has duly executed and delivered this Agreement and each other Transaction Document to which Buyer is a party, and when delivered by Buyer in accordance with this Agreement, each other Transaction Document to which Buyer will be a party will be duly executed and delivered by Buyer. This Agreement and each other Transaction Document when duly executed and delivered shall constitute a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with their terms.

5.3 No Violation; Consents. The execution, delivery and performance by Buyer of this Agreement and each other Transaction Document to which Buyer is or will be a party and the consummation by Buyer of all of the transactions contemplated hereby and thereby, including without limitation the purchase and acceptance of the Acquired Assets and the assumption of the Assumed Liabilities by Buyer (a) do not and will not violate any provision of the organizational documents of Buyer; (b) do not and will not result in violation of any of the terms, conditions or provisions of any agreement or instrument to which Buyer is a party or by which Buyer or any of its assets or properties is bound; (c) do not and will not result in a violation of any applicable law, ordinance, regulation, permit, authorization or decree or any order of any court or other governmental agency applicable to Buyer or any of its assets or properties; (d) do not and will not require any consent, waiver, approval, license, order, designation or authorization of, notice to, or registration, filing, qualification or declaration with any governmental authority or other Person to which Buyer or any affiliate thereof, or any asset or property of Buyer, is bound.

5.4 Disclaimer.

(a) Buyer acknowledges that in making the decision to enter into this Agreement and to consummate the transactions contemplated thereby, Buyer has relied solely on the basis of its own independent investigation of the Acquired Assets and upon the express written representations, warranties and covenants in this Agreement. Buyer has carefully considered and has, to the extent Buyer believes such discussion necessary, has discussed with Buyer's professional, legal, tax and financial advisors, the suitability of an investment in the Acquired Assets for Buyer's particular tax and financial situation and Buyer has determined that an investment in the Acquired Assets is suitable for Buyer.

(b) Buyer assumes all risk of loss attendant to the investment in Fractional Interests including, but not limited to, those risks described in the applicable Court orders and notices.

(c) The sale of the Acquired Assets shall be subject to higher and better offers pursuant to the Bidding Procedures.

5.5 Financial Ability. Buyer has access to sufficient unrestricted funds, and will at the time of the Closing have sufficient unrestricted funds, to consummate the transactions contemplated by this Agreement.

5.6 Brokers and Finders. Buyer has not engaged any broker, finder or financial advisor, or incurred any liability for any fees or commissions to any broker, finder or financial advisor, in connection with this Agreement or the transactions contemplated hereby for which Seller could be liable. Seller has retained the services of Life Settlement Insights, LLC of Solon, Ohio ("LSI") as its agent to assist in the sale of Fractional Interests. LSI is paid the sales charge for each Fractional Interest sold as described in the applicable Court orders and notices.

5.7 No Collusion. Buyer has not entered into any agreements, oral or written, with any other Potential Bidder concerning the purchase and sale of the Acquired Assets at the Auction and has disclosed to Seller all parties to any joint venture, partnership or joint bid.

ARTICLE VI COVENANTS OF THE PARTIES

6.1 General. Seller and Buyer shall use their commercially reasonable efforts to cooperate, assist and consult with each other to consummate the transactions contemplated by this Agreement as promptly as practicable.

6.2 Disclosure of Information.

(a) Prior to the Closing, Seller shall be entitled to receive such information about Fractional Interests as is made available pursuant to applicable court orders and notices.

(b) Buyer acknowledges that information provided by Seller about a Keep Policy or any Fractional Interests therein may contain information of a highly personal nature. Buyer agrees that it shall be bound by and shall comply with the terms of the Nondisclosure Agreement, and that both before and after the Closing Date, it shall comply in all material respects with all privacy, confidentiality and other similar laws and regulations governing the use and disclosure of information provided by Seller.

6.3 Post-Closing Proceed Disbursements and Communications.

(a) Any proceeds or other amounts in respect of any Acquired Assets, including without limitation any death benefits, received by Seller or any Receivership Entity after the Closing Date shall be held by Seller in constructive trust for the benefit of Buyer, and Seller shall promptly notify Buyer in writing of the receipt of any such amount.

(b) To the extent any party other than Buyer or Seller receives any proceeds or other amounts in respect of any Acquired Asset, Seller shall, upon request of Buyer, cooperate with Buyer's efforts to recover such proceeds.

6.4 Transaction Costs; Taxes.

(a) Except as otherwise expressly provided for herein, Seller and Buyer will bear their own costs and expenses (including any legal, accounting and other professional fees

and expenses) that are incurred in connection with the negotiation, execution and performance of this Agreement and the consummation of the transactions contemplated thereby.

(b) Notwithstanding anything to the contrary herein, all Taxes and other fees and charges incurred in connection with the consummation of the transactions contemplated hereby, including the transfer to Buyer of the Acquired Assets, shall be paid by Buyer. Seller and Buyer shall each be responsible for preparing and filing each tax return required by law to be filed by it, and Seller and Buyer shall cooperate with each other in the preparation, execution and filing of all tax returns regarding any taxes which become payable as a result of the transactions contemplated hereby.

(c) Subject to Section 6.4(b) hereof, Seller shall be responsible for and pay or cause to be paid when due all Taxes applicable to the Acquired Assets attributable to any Tax period (or portion thereof) ending prior to the Closing Date, and Buyer shall be responsible for and pay or cause to be paid when due all Taxes applicable to the Acquired Assets attributable to any Tax period (or portion thereof) on or after the Closing Date. For purposes of this section, any period beginning before and ending after the Closing Date shall be treated as two separate Tax periods, one ending on the day before the Closing Date and the other beginning on the Closing Date, except that Taxes imposed on a periodic basis (such as property Taxes) shall be allocated on a daily basis.

ARTICLE VII CONDITIONS PRECEDENT

7.1 Conditions Precedent to Obligations of Buyer. The obligation of Buyer to purchase and accept the Acquired Assets and to assume the Assumed Liabilities from Seller pursuant to this Agreement is subject to the satisfaction (or waiver by Buyer) at or prior to Closing of each of the following conditions:

(a) Accuracy of Representations and Warranties. The representations and warranties of Seller contained in Article IV hereof shall be true and correct in all material respects on the date hereof and on and as of the Closing Date, with the same force and effect as though such representations and warranties had been made on and as of the Closing Date.

(b) Seller shall have in all material respects performed and complied with each of the covenants, obligations and agreements contained in this Agreement required to be performed or complied with by Seller prior to or at the Closing;

(c) Seller shall have delivered to Buyer the items specified to be delivered by Seller in Section 3.2 hereof; and

(d) No preliminary or permanent injunction or other order issued by any court or governmental authority nor any law promulgated or enacted by any governmental authority shall be in effect which restrains, enjoins or otherwise prohibits the transactions contemplated hereby.

7.2 Conditions Precedent to Obligations of Seller. The obligation of Seller to sell and assign the Acquired Assets to Buyer pursuant to this Agreement is subject to the satisfaction (or waiver by Seller) at or prior to the Closing of each of the following conditions:

(a) Accuracy of Representations and Warranties. The representations and warranties of Buyer contained in Article V hereof shall be true and correct in all material respects on the date hereof and on and as of the Closing Date, with the same force and effect as though such representations and warranties had been made on and as of the Closing Date.

(b) Buyer shall have in all material respects performed and complied with each of the covenants, obligations and agreements contained in this Agreement required to be performed or complied with by Buyer prior to or at the Closing;

(c) Buyer shall have delivered to Seller the full amount of the Final Purchase Price and all other items specified to be delivered by Buyer in Section 3.3 hereof;

(d) No preliminary or permanent injunction or other order issued by any court or governmental authority nor any law promulgated or enacted by any governmental authority shall be in effect which restrains, enjoins or otherwise prohibits the transactions contemplated hereby.

ARTICLE VIII TERMINATION

8.1 Termination of Agreement. This Agreement may be terminated at any time prior to the Closing as follows and in no other manner:

(a) by mutual written agreement of Buyer and Seller at any time prior to the Closing;

(b) by Seller if Seller fails to determine that Buyer is the Successful Bidder or Backup Bidder;

(c) if Seller shall have materially breached or failed to perform or comply with any covenant, obligation or agreement contained in this Agreement, and such breach or failure shall have not been cured within five (5) Business Days after written notice of such breach or failure shall have been provided by Buyer to Seller, then by written notice of Buyer to Seller at any time thereafter; provided, however, that Buyer shall not be entitled to so terminate this Agreement if Buyer shall have materially breached or failed to perform or comply with any covenant, obligation or agreement contained in this Agreement, and such breach or failure shall have not then been cured;

(d) if Buyer shall have been approved by the Seller as the Successful Bidder (including a Backup Bidder who becomes a Successful Bidder) and failed to close the transaction by the Closing Date, and all conditions precedent to Buyer's obligations set forth in Section 7.1 have been satisfied, then by written notice of Seller to Buyer at any time thereafter;

(e) without limiting Section 8.1(d) above, if Buyer shall have materially breached or failed to perform or comply with any covenant, obligation or agreement contained in this Agreement, and such breach or failure shall have not been cured within five (5) Business Days after written notice of such breach or failure shall have been provided by Seller to Buyer, then by written notice of Seller to Buyer at any time thereafter; provided, however, that Seller shall not be entitled to so terminate this Agreement if Seller shall have materially breached or failed to perform or comply with any covenant, obligation or agreement contained in this Agreement, and such breach or failure shall have not then been cured.

8.2 Effect of Termination. If this Agreement is terminated pursuant to and in accordance with Section 8.1 hereof, there will be no further liability or obligation on the part of the Parties hereto in connection with this Agreement except as set forth in this Section 8.2. If this Agreement is terminated pursuant to and in accordance with Section 8.1(a), (b), or (c) hereof, Seller shall remit to Buyer the Deposit within three (3) Business Days thereafter. If this Agreement is terminated pursuant to and in accordance with Section 8.1(d) or (e) hereof, then Buyer's Deposit shall be forfeited to Seller and Seller expressly reserves all rights to seek any and all relief to which Seller may be entitled, including, without limitation, damages and/or specific performance.

ARTICLE IX MISCELLANEOUS

9.1 Survival. All of the representations, warranties, covenants and obligations of the Parties contained in this Agreement and the Transaction Documents shall survive the Closing.

9.2 Successors and Assigns; No Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns; provided, however, that except as expressly set forth herein, no party shall assign any of its rights or delegate any of its obligations created under this Agreement without the prior written consent of the other party hereto, and any such purported assignment or delegation without such consent shall be void. Nothing in this Agreement shall confer upon any Person (including any creditor of a Receivership Entity) other than a Party to this Agreement, or a party's permitted successors and assigns, any right or remedy of any nature or kind whatsoever under or by reason of this Agreement.

9.3 Notices. Unless otherwise provided herein, any notice, demand or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be deemed to have been given when delivered personally, by telefacsimile or electronic mail (with a confirming copy sent within one (1) Business Day by any other means described in this section) to the party designated to receive such notice, demand or communication, or on the Business Day following the day sent by a nationally recognized overnight courier, or on the third (3rd) Business Day after the same is sent by certified mail, return receipt requested, postage and charges prepaid, directed to the following addresses or to such other or additional addresses as any Party might designate by written notice to each other Party:

If to Seller:

Roberto Martínez, Receiver
Colson Hicks Eidson
255 Aragon Avenue
Second Floor
Coral Gables, FL 33134
Telephone: (305) 476-7400
Facsimile: (305) 476-7444
Email: bob@colson.com

With a copy to:

David L. Rosendorf, Esq.
Kozyak Tropin & Throckmorton, P.A.
2525 Ponce de Leon Boulevard
9th Floor
Coral Gables, FL 33134
Telephone: (305) 372-1800
Facsimile: (305) 372-3508
Email: drosendorf@kttlaw.com

If to Buyer:

BUYER'S ADDRESS

Any rejection, refusal to accept or inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice as of the date of such rejection, refusal or inability to deliver.

9.4 Governing Law; Submission to Jurisdiction.

(a) This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Florida, without regard to any choice of law rules thereof which might apply the laws of any other jurisdiction.

(b) It is expressly agreed that the Court shall have continuing jurisdiction of all matters related to the Receivership Proceeding and all actions with respect to this Agreement shall be instituted in the Receivership Proceeding in the Court (but without limiting Section 9.4(a) hereof). In furtherance of the foregoing, Seller and Buyer each hereby irrevocably consents and agrees that any legal action, suit or proceeding against it with respect to its obligations or liabilities or any other matter under or arising out of or in connection with this Agreement or any other Transaction Document shall be brought in the Receivership Proceeding, unless the Receivership Proceeding shall not have subject matter jurisdiction thereof, in which case such legal action, suit or proceeding, as the case may be, shall be brought in the United States District Court for the Southern District of Florida or in the courts of the State of Florida, sitting in Miami-Dade County. By execution and delivery of this Agreement, Seller and Buyer each, to the fullest extent permitted by applicable law, hereby (i) irrevocably accepts and submits to the exclusive jurisdiction of the Receivership Proceeding and such other courts *in personam*, generally and unconditionally with respect to any such action, suit or proceeding, (ii) agrees not

to commence any such action, suit or proceeding in any jurisdiction other than the Receivership Proceeding, or if the Receivership Proceeding shall not have jurisdiction, such other courts as are specified in this Section 9.4(b), (iii) waives any objection to the laying of venue of any such action, suit or proceeding therein, and (iv) agrees not to plead or claim that such action, suit or proceeding has been brought in an inconvenient forum.

9.5 Entire Agreement. This Agreement, the Confidentiality Agreement, and the other Transaction Documents (a) contain the entire agreement and understanding of the Parties with respect to the subject matter hereof, and (b) supersede all prior negotiations, discussions, correspondence, communications, understandings, drafts and agreements between the Parties relating to the subject matter hereof, all of which are merged into this Agreement.

9.6 Amendment; Waiver; Consent. This Agreement may be amended, modified, supplemented or restated only by a written instrument executed by the Parties. The terms of this Agreement may be waived only by a written instrument executed by the Party waiving compliance. The waiver by any Party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach, whether or not similar, and no such waiver shall operate or be construed as a continuing waiver unless so provided. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, and no single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

9.7 Severability. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the fullest extent permitted by applicable law, the Parties hereby waive any provision of law which may render any provision hereof prohibited or unenforceable in any respect.

9.8 Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same agreement, and all signatures need not appear on any one counterpart.

9.9 Headings. The headings and captions in this Agreement are for convenience of reference only and shall not define, limit or otherwise affect any of the terms or provisions hereof.

9.10 Fiduciary Status of Receiver. Notwithstanding anything herein to the contrary, it is expressly acknowledged and agreed that Roberto Martínez is executing this Agreement and each other Transaction Document in his fiduciary capacity only and neither he nor any of his personal assets or business interests will have any liability hereunder or in connection with the transactions contemplated hereby.

[SIGNATURES ON NEXT PAGE]

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Asset Purchase Agreement has been duly executed and delivered by Seller and Buyer as of the date first above written.

ROBERTO MARTÍNEZ,
Not in his individual capacity, but solely as
Receiver for Mutual Benefits Corp., Viatical
Services, Inc. and Viatical Benefactors, LLC

ROBERTO MARTÍNEZ

BUYER

By: _____

Name:

Title:

Life Settlement Broker Services Engagement Agreement
Addendum #1 – Sale of Individual Interests (Fractional Interests) in
Undersubscribed Keep Policies by Online Auction

This Addendum is incorporated into and forms a part of the Life Settlement Broker Services Engagement Agreement ("Agreement") made and entered into by and between Mr. Roberto Martinez in his capacity as court-appointed receiver of Mutual Benefits Corporation, Viatical Services, Inc. and others in the case entitled SEC v. Mutual Benefits Corp., et al, Case No. 04-60573-CIV-MORENO/SIMONTON pending in the United States District Court, Southern District of Florida (the "Receiver") and Life Settlement Insights, LLC and its Corporate Affiliates (collectively "LSI").

In consideration of the mutual covenants herein, and for other good and valuable consideration, the parties hereto agree to modify and amend the Agreement as follows:

1. In addition to its engagement of LSI to broker the sale of Keep Policies as set forth in the Agreement, Receiver also hereby engages LSI on an exclusive basis as its agent to conduct auctions for the sale of Fractional Interests in undersubscribed Keep Policies ("Fractional Interests").

2. Sections 3 and 4 of the Agreement concerning the duties, representations and warranties of the parties are modified as necessary to extend to such Fractional Interest sales except that:

- a. The representations of LSI in Section 3(a) are modified as necessary to recognize that its authority to enter into this Addendum is subject to the terms of documents and court orders governing the sale of Fractional Interests;
- b. Section 3(b) is modified as necessary to recognize that steps taken by LSI to generate interest among potential buyers in Fractional Interests is subject to the terms of documents and court orders governing the sale of Fractional Interests and to applicable law; and
- c. Section 3(d) is modified to state that LSI shall also be responsible for qualifying potential investors in Fractional Interests in accordance with criteria developed by the parties and as may be set forth in documents governing the sale of Fractional Interests and applicable court orders.

3. Fees for services provided by LSI in connection with the sale of Fractional Interests shall not be governed by Section 5 of the Agreement but shall be subject to the following:

Upon the sale of a Fractional Interest, Receiver agrees to pay LSI a fee equal to ten (10%) of the purchase price of such Fractional Interest. Receiver agrees to



pay such fee to LSI within thirty (30) days of its receipt of the purchase price for such Fractional Interest.

4. All other terms and conditions of the Agreement shall remain unchanged. Capitalized terms used in this Addendum have the meaning given to them in the Agreement unless otherwise defined herein.

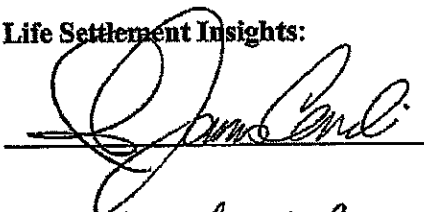
5. This Addendum is effective on the date the last signatory executes and binds the parties hereto ("Effective Date"). This Addendum supersedes any and all prior modifications and amendments to the Agreement relating to the subject matter hereof. This Addendum may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together constitute one and the same instrument.

In Witness Whereof, the parties have executed this Addendum as of the Effective Date and are bound hereby.

Receiver:

Date

Life Settlement Insights:



J. JAMES LUVOL, CEO
Printed Name and Title

3/24/2008
Date