

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 04-60573-CIV-MORENO/SIMONTON

SECURITIES AND EXCHANGE  
COMMISSION,  
Plaintiff,  
v.

MUTUAL BENEFITS CORP., JOEL STEINGER  
a/k/a JOEL STEINER, LESLIE STEINGER  
a/k/a LESLIE STEINER, PETER LOMBARDI  
and STEVEN STEINER,

Defendants,

VIATICAL BENEFACTORS, LLC,  
VIATICAL SERVICES, INC.,  
KENSINGTON MANAGEMENT, INC.  
RAINY CONSULTING CORP., TWIN  
GROVES INVESTMENTS, INC.,  
P.J.L. CONSULTING, INC.,  
SKS CONSULTING, INC. and CAMDEN  
CONSULTING, INC.,

Relief Defendants.

---

**FOURTEENTH REPORT OF THE RECEIVER**

Roberto Martínez, court-appointed receiver (the "Receiver") of Mutual Benefits Corp., Viatical Benefactors, LLC, Viatical Services, Inc., and Anthony Livoti, Jr. and Anthony Livoti, Jr. P.A. solely in their capacity as trustee (collectively the "Receivership Entities"), submits this Fourteenth Report of the Receiver.

**Colson Hicks Eidson**

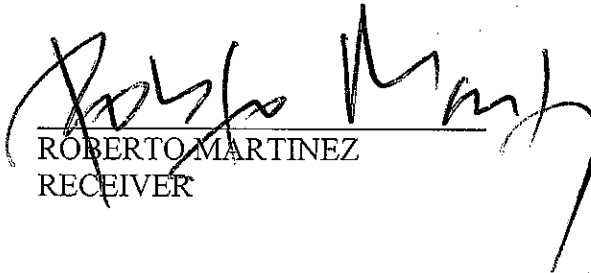
255 Aragon Avenue, 2nd Floor, Coral Gables, Florida 33134-5008 Telephone: (305) 476-7400 Fax: (305) 476-7444

**Financial Statements for the Receivership Entities**  
**(December 31, 2005)**

This Report includes the financial statements for the receivership entities for the year ending on December 31, 2005, which are attached as Exhibit A. The financial statements are unaudited, and the data is derived from the Receivership Entities' financial records and bank statements.

DATED: March 13, 2006.

Respectfully submitted,

  
\_\_\_\_\_  
ROBERTO MARTINEZ  
RECEIVER

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by electronic mail to the parties on the attached Receiver's Service List on March 13, 2006.

  
\_\_\_\_\_  
Curtis B. Miner

**SERVICE LIST OF RECEIVER**

Case No.: 04-60573 CIV-Moreno

<b>VIA ELECTRONIC MAIL</b>		
<p>Alise Meredith Johnson, Esq. Linda Schmidt, Esq. Securities &amp; Exchange Commission 801 Brickell Avenue, Suite 1800 Miami, FL 33131 Fax: (305) 536-4154 E-mail: <a href="mailto:johnsona@sec.gov">johnsona@sec.gov</a> <a href="mailto:schmidtls@sec.gov">schmidtls@sec.gov</a> <a href="mailto:almonti@sec.gov">almonti@sec.gov</a> <i>Counsel for Securities &amp; Exchange Commission</i></p>	<p>Michael A. Hanzman, Esq. Kenvin Love, Esq. Hanzman Criden Chaykin &amp; Rolnick Commercebank Center 220 Alhambra Circle, Suite 400 Coral Gables, FL 33134 Fax: (305) 357-9050 E-mail: <a href="mailto:mhanzman@hanzmancriden.com">mhanzman@hanzmancriden.com</a> <a href="mailto:klove@hanzmancriden.com">klove@hanzmancriden.com</a> <i>Counsel for Scheck Investments LP, et al.</i></p>	<p>Brian J. Stack, Esq. Stack Fernandez Anderson &amp; Harris, P.A. 1200 Brickell Avenue, Suite 950 Miami, FL 33131-3255 Fax: (305) 371-0002 E-mail: <a href="mailto:bstack@stackfernandez.com">bstack@stackfernandez.com</a> <i>Counsel for Traded Life Policies Ltd.</i></p>
<p>Laurel M. Isicoff, Esq. Kozyak Tropin &amp; Throckmorton 2525 Ponce de Leon, Suite 900 Coral Gables, Florida 33134 Fax: (305) 372-3508 E-mail: <a href="mailto:lmi@kttl.com">lmi@kttl.com</a> <i>Co-counsel for Receiver</i></p>	<p>Victor M. Diaz, Jr., Esq. Podhurst Orseck Josefsberg et al. City National Bank Building 25 West Flagler St., Suite 800 Miami, FL 33130 Fax: (305) 358-2382 E-mail: <a href="mailto:vdiaz@podhurst.com">vdiaz@podhurst.com</a> <a href="mailto:ndagher@podhurst.com">ndagher@podhurst.com</a> <i>Counsel for Scheck Investments LP, et al.</i></p>	<p>J. David Hopkins, Esq. Lord, Bissell &amp; Brook LLP Suite 1900, The Proseceum 1170 Peachtree Street, N.E. Atlanta, Georgia 30309 Fax: (404) 872-5547 E-mail: <a href="mailto:dhopkins@lordbissell.com">dhopkins@lordbissell.com</a> <i>Counsel for Traded Life Policies Ltd.</i></p>
<p>George Mahfood, Esq. Ferrell Schultz Carter &amp; Fertel 201 South Biscayne Boulevard 34th Floor, Miami Center Miami, Florida 33131 Fax: (305) 371-5732 E-mail: <a href="mailto:gmahfood@ferrellschultz.com">gmahfood@ferrellschultz.com</a> <i>Counsel for Joel Steinger, Leslie Steinger, Peter Lombardi, PJJ Consulting Co., Kensington Consulting Co.</i></p>	<p>Robert C. Gilbert, Esq. 220 Alhambra Circle, Suite 400 Coral Gables, FL 33134-5174 Fax: (305) 529-1612 E-mail: <a href="mailto:rgilblaw@aol.com">rgilblaw@aol.com</a> <i>Special Counsel for Scheck Investments LP, et al.</i></p>	<p>Hilarie Bass, Esq. Jacqueline Becerra, Esq. Greenberg Traurig P.A. 1221 Brickell Avenue Miami, Florida 33131 Fax: (305) 579-0717 E-mail: <a href="mailto:becerraj@gtlaw.com">becerraj@gtlaw.com</a> <a href="mailto:bassh@gtlaw.com">bassh@gtlaw.com</a> <i>Counsel for Union Planters Bank, N.A</i></p>
<p>Faith E. Gay, Esq. White &amp; Case LLP 4900 Wachovia Financial Center 200 So. Biscayne Blvd. Miami, FL 33131-2352 Fax: (305) 358-5744 E-mail: <a href="mailto:fgay@whitecase.com">fgay@whitecase.com</a> <i>Counsel for Camden Consulting, Inc.</i></p>	<p>Edward M. Mullins, Esq. Daniella Friedman, Esq. Astigarraga Davis Mullins &amp; Grossman, P.A. 701 Brickell Ave., 16<sup>th</sup> Floor Miami, FL 33131 Fax: (305) 372-8202 E-mail: <a href="mailto:emullins@astidavis.com">emullins@astidavis.com</a> <a href="mailto:dfriedman@astidavis.com">dfriedman@astidavis.com</a> <i>Co-counsel for Life Settlement Holding, A.G.</i></p>	<p>David Levine, Esq. Jeffrey Schneider, Esq. Tew Cardenas LLP The Four Seasons Tower, 15<sup>th</sup> Floor 1441 Brickell Avenue Miami, FL 33131 Fax: (305) 536-1116 E-mail: <a href="mailto:jcs@tewlaw.com">jcs@tewlaw.com</a> <a href="mailto:dml@tewlaw.com">dml@tewlaw.com</a> <i>Counsel Patricia Cook, et al</i></p>
<p>J. Raul Cosio, Esq. Holland &amp; Knight 701 Brickell Avenue, Suite 3000 Miami, FL 33131 Fax: (305) 789-7799 E-mail: <a href="mailto:raul.cosio@hklaw.com">raul.cosio@hklaw.com</a> <i>Counsel for Northern Trust Bank of Florida</i></p>	<p>Gary Timin, Esq. Mayra Calzadilla, Esq. Squire, Sanders &amp; Dempsey, LLP 200 S. Biscayne Blvd, 41<sup>st</sup> Floor Miami, FL 33131 Fax: (305) 577-7001 E-mail: <a href="mailto:gary.timin@steelhector.com">gary.timin@steelhector.com</a> <a href="mailto:mayra.calzadilla@steelhector.com">mayra.calzadilla@steelhector.com</a> <i>Counsel for Transamerica Occidental Life</i></p>	<p>Mark S. Shapiro, Esq. Akerman Senterfitt 1 S.E. 3<sup>rd</sup> Avenue, 28<sup>th</sup> Floor Miami, FL 33131 Fax: (305) 374-5095 E-mail: <a href="mailto:mark.shapiro@akerman.com">mark.shapiro@akerman.com</a> <i>Counsel for American General Life Ins. Co</i></p>
<p>Joseph A. Paella, Esq. Andrew &amp; Kurth, LLP 450 Lexington Avenue New York, NY 10017 <a href="mailto:JosephPatella@andrewskurth.com">JosephPatella@andrewskurth.com</a> <i>Counsel for American Express Tax &amp; Business Services, Inc.</i></p>	<p>Christopher J. Klein Baur &amp; Klein, P.A. 100 N. Biscayne Blvd. 21st Floor Miami, FL 33132 Fax: (305) 371-4380 E-mail: <a href="mailto:cklein@worldwidelaw.com">cklein@worldwidelaw.com</a> <i>Co-counsel for Life Settlement Holding, A.G.</i></p>	<p>Amy S. Rubin, Esq. Michael J. Pike, Esq. Ruden, McClosky, Smith, Schuster &amp; Russell 222 Lakeview Avenue, Suite 800 West Palm Beach, FL 33401 Fax: (561) 514-3447 E-mail: <a href="mailto:amy.rubin@ruden.com">amy.rubin@ruden.com</a> <i>Counsel for Primerica Life Insurance Co.</i></p>

**Colson Hicks Eidson**

255 Aragon Avenue, 2nd Floor, Coral Gables, Florida 33134-5008 Telephone: (305) 476-7400 Fax: (305) 476-7444

<p>Charles H. Lichtman, Esq. Berger Singerman, Suite 1000 350 East Las Olas Blvd. Fort Lauderdale, FL 33301 Fax: (954) 523-2672 E-mail: <a href="mailto:clightman@bergersingerman.com">clightman@bergersingerman.com</a> <i>Counsel for Mutual Benefits Japan Co.</i></p>	<p>Joel L. Kirschbaum, Esq. Bunnell Wolfe Kirschbaum Keller McIntyre Gregoire &amp; Klein, PA 100 SE 3<sup>rd</sup> Avenue Suite 900 Fort Lauderdale, FL 33394 E-mail: <a href="mailto:cxm@bunnellwolfe.com">cxm@bunnellwolfe.com</a></p> <p><i>Counsel for Diana Steinger</i></p>	<p>Wendy L. Furman, Esq. Pett, Furman &amp; Jacobson, P.L. 2101 N.W. Corporate Boulevard Suite 316 Boca Raton, FL 33431 Fax: 994-4311 E-mail: <a href="mailto:wfurman@pfjlaw.com">wfurman@pfjlaw.com</a> <i>Counsel for American United Life Insurance Co.</i></p>
<p>J. Randolph Liebler, Esq. Liebler, Gonzalez &amp; Poruoundo, P.A. 44 West Flagler Street, 25<sup>th</sup> Floor Miami, Florida 33130 Fax: (305) 379-9626 E-mail: <a href="mailto:jrl@lgplaw.com">jrl@lgplaw.com</a> <i>Counsel for Bank of America</i></p>	<p>Rick Critchlow, Esq. Harry R. Schafer, Esq. Kenny Nachwalter, PA 201 South Biscayne Blvd. 1100 Miami Center Miami, Florida 33131 Fax: (305) 372-1861 Email: <a href="mailto:rcritchlow@kennynachwalter.com">rcritchlow@kennynachwalter.com</a> <a href="mailto:hschafer@kennynachwalter.com">hschafer@kennynachwalter.com</a> <i>Counsel for Citibank</i></p>	<p>Glenn Berger Joshua Reitzas Jaffe &amp; Asher LLP 600 Third Avenue New York, NY 10016 E-mail: <a href="mailto:GBerger@jaffeandasher.com">GBerger@jaffeandasher.com</a> <i>Counsel for American Express Travel Related Services Company, Inc.</i></p>
<p>Daniel Small, Esq. Duane Morris, LLP 200 So. Biscayne Blvd., Suite 3400 Miami, FL 33131 Fax: (305) 960-2201 E-mail: <a href="mailto:dsmall@duanemorris.com">dsmall@duanemorris.com</a> <i>Counsel for Dr. Christine Walsh, et al. (the "Investors Group")</i></p>	<p>Bruce A. Zimet Esq. 100 S.E.3rd Avenue, Suite 2612 Ft. Lauderdale, FL 33394 Fax: (954) 760-4421 E-mail: <a href="mailto:bazimetlaw@aol.com">bazimetlaw@aol.com</a> <i>Counsel for Leslie Steinger</i></p>	<p>William L. Petros, Esq. Petros &amp; Elegant 4090 Laguna Street, 2<sup>nd</sup> Floor Coral Gables, FL 33146 Fax:(305) 446-2799 E-mail: <a href="mailto:wlpetros@aol.com">wlpetros@aol.com</a> <i>Counsel for William Mills</i></p>
<p>John H. Genovese, Esq. Genovese Joblove &amp; Battista, P.A. 100 S.E. 2<sup>nd</sup> Street, 36<sup>th</sup> Floor Miami, Florida 33131 Fax: (305) 349-2310 <i>Counsel for Great West Growth, LLC, et al.</i></p>	<p>Craig Rasile, Esq. Hunton &amp; Williams E-Mail: <a href="mailto:azaron@hunton.com">azaron@hunton.com</a> <a href="mailto:crasile@hunton.com">crasile@hunton.com</a> <a href="mailto:rutkowskik@whiteandwilliams.com">rutkowskik@whiteandwilliams.com</a> <a href="mailto:ggitomer@mkbbattorneys.com">ggitomer@mkbbattorneys.com</a> <i>Counsel for Charitable Concepts, Inc., et al.</i></p>	<p>Eric Ellsley, Esq. Krupnick Campbell Malone Roselli Buser et al 700 SE 3rd Ave Ste 100 Fort Lauderdale Florida 33161 E-Mail: <a href="mailto:eellslev@krupnicklaw.com">eellslev@krupnicklaw.com</a> <i>Counsel for Certain Investors</i></p>
<p>Sandra M. Upegui, Esq. Shutts &amp; Bowen, LLP 201 South Biscayne Blvd. Suite 1500 - Miami Center Miami, Florida 33131  <i>Counsel for Instituto de Prevision Militar Inverma</i></p>	<p>Claudia Barrow, Esq. Pardo, Gainsburg &amp; Barrow, LLP One Biscayne Tower, Suite 2475 2 South Biscayne Blvd. Miami, FL 33131 E-Mail: <a href="mailto:cbarrow@pgblaw.com">cbarrow@pgblaw.com</a>  <i>Counsel for Claimants Maria Antonieta Mejia, et al.</i></p>	<p>Jack Dempsey, Esq. Susan Guerrieri, Esq. Drinker Biddle &amp; Reath, LLP One Logan Square 18<sup>th</sup> &amp; Cherry Streets Philadelphia, PA 19103 <a href="mailto:John.Dempsey@db.com">John.Dempsey@db.com</a> <a href="mailto:Susan.guerrieri@db.com">Susan.guerrieri@db.com</a> <i>Counsel for American United Life Insurance Co.</i></p>
<p>Charles E. Ray, Esq. 887 E. Prima Vista Blvd. Port St. Lucie, FL 34952 Email: <a href="mailto:charlescra@aol.com">charlescra@aol.com</a> <i>Counsel for Aurora Bifulco</i></p>	<p>Edward Montoya, Esq. Montoya Law Firm, PA 2600 Douglas Road Penthouse 7 Coral Gables, FL 33134 Email: <a href="mailto:emontoya@fnclaw.com">emontoya@fnclaw.com</a> <i>Attorney for the Class</i></p>	<p>David P. Hartnett, Esq. Hinshaw &amp; Culbertson 9122 S. Dadeland Blvd., Suite 1600 Miami, FL 33156 E-mail: <a href="mailto:dhartnett@hinshawlaw.com">dhartnett@hinshawlaw.com</a> <i>Counsel for Connecticut General, et al.</i></p>
<p>Carla M. Barrow, Esq. Pardo, Gainsburg &amp; Barrow, LLP One Biscayne Tower - Suite 2475 2 South Biscayne Blvd. Miami, FL 33131 Email: <a href="mailto:cbarrow@pgblaw.com">cbarrow@pgblaw.com</a> <i>Attorney for NAIL</i></p>	<p>Jay S. Blumenkopf, Esq. Adorno &amp; Yoss 700 S. Federal Highway, suite 200 Boca Raton, FL 33432 E-mail: <a href="mailto:jblumenkopf@adorno.com">jblumenkopf@adorno.com</a>  <i>Counsel for Allmerica Financial Life, et al.</i></p>	<p>Charles Wachter, Esq. Fowler white Boggs Banker 501 E. Kennedy Boulevard, Suite 1700 Tampa, FL 33602 E-mail: <a href="mailto:cwachter@fowlerwhite.com">cwachter@fowlerwhite.com</a>  <i>Counsel for John Hancock Life Ins.</i></p>
<p>Thomas "Chip" Munroe, Esq. Foley &amp; Lardner, LLP 777 s. Flagler Drive, Suite 901W West Palm Beach, FL 33401 E-mail: <a href="mailto:tmunro@foleylaw.com">tmunro@foleylaw.com</a>  <i>Counsel for Teachers Insurance</i></p>	<p>John N. Buso, Esq. 1645 Palm Beach Lakes Blvd., Suite 450 West Palm Beach, Florida 33401 E-mail: <a href="mailto:johnbuso@aol.com">johnbuso@aol.com</a>  <i>Counsel for Monumental Life Insurance</i></p>	<p>Kenneth D. Post, Esq. Shutts &amp; Bowen 1500 Miami Center 201 S. Biscayne Boulevard Miami, FL 33131 E-mail: <a href="mailto:kpost@shutts-law.com">kpost@shutts-law.com</a>  <i>Counsel for William Penn Life Insurance</i></p>

### Colson Hicks Eidson

255 Aragon Avenue, 2nd Floor, Coral Gables, Florida 33134-5008 Telephone: (305) 476-7400 Fax: (305) 476-7444

Mutual Benefits Corporation and Affiliated Entities and Accounts Under Receivership Control  
 Combining Balance Sheet  
 December 31, 2005 (Unaudited)

		Mutual Benefits Corporation	Regions Bank Premium Accounts	Lloyds PA Premium Accounts	Vitalcell Benefactors LLC	Vitalcell Services Inc.	Eliminations	Receivership (Total)
<b>ASSETS</b>								
Current Assets:								
Cash Available for Operations (Note 2)	\$ 2,314,490	\$ -	\$ 51,443,814	\$ 38,340	\$ 10,887	\$ 946,277	\$ -	\$ 3,271,654
Cash for Premiums on Vitalsols Sold to Investors (Note 3)	-	-	-	-	-	-	-	51,482,154
Note Receivable - Officer (Note 4)	1,252,490	-	-	-	-	-	-	1,252,490
Due from Receivership Entity (Note 5)	610,015	-	-	-	-	184,808	(794,823)	-
Total Current Assets	4,176,995	-	51,443,814	38,340	10,887	1,131,085	(794,823)	56,006,298
Office Furniture and Equipment, net	219,820	-	-	-	-	3,033	-	222,853
<b>Other Assets:</b>								
Restricted Cash from Death Benefit Proceeds (Note 6)	29,837,054	-	-	-	-	-	-	29,837,054
Funds Held - Other (Note 7)	700,407	-	-	-	-	-	-	700,407
Investments in Policies, at Cost (Note 8)	2,000,225	-	-	-	-	-	-	2,000,225
Lease Deposits and Other (Note 9)	154,026	-	-	-	-	24,395	-	178,421
Retainers, net (Note 10)	241,000	-	-	-	-	-	-	241,000
Total Assets	\$ 37,329,527	\$ -	\$ 51,443,814	\$ 38,340	\$ 10,887	\$ 1,158,513	\$ (794,823)	\$ 89,186,258
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Current Liabilities:								
Accounts Payable and Accrued Expenses (Notes 11, 15)	\$ 249,293	\$ -	\$ -	\$ -	\$ -	\$ 9,381	\$ -	\$ 258,674
Income Taxes Payable (Note 12)	-	-	334,632	-	234,550	-	-	234,550
Due to Receivership Entity (Note 5)	184,808	-	51,109,182	-	275,363	-	(794,823)	-
Funds Held for Premiums on Vitalsols Sold to Investors (Note 3)	-	-	-	38,340	-	-	-	51,147,522
Total Current Liabilities	434,101	-	51,443,814	38,340	509,933	9,381	(794,823)	51,640,746
<b>Long Term Liabilities:</b>								
Funds Held from Death Benefit Proceeds (Note 6)	29,837,054	-	-	-	-	-	-	29,837,054
Funds Held - Other (Note 7)	700,407	-	-	-	-	-	-	700,407
Investments in Policies Held for Restricted Use (Note 8)	2,000,225	-	-	-	-	-	-	2,000,225
Pre-Receivership Obligations	2,362,721	-	-	-	17,209	-	-	2,379,930
Settlement Payable (Note 8)	1,756,008	-	-	-	-	-	-	1,756,008
Unearned Vitalsol Management Services (Note 13)	-	-	-	-	-	701,017	-	701,017
Total Long Term Liabilities	36,656,415	-	-	-	17,209	701,017	-	37,374,641
<b>Shareholder's Equity (Deficit):</b>								
Common Stock	100	-	-	-	100	100	-	300
Additional Paid-In Capital	19,900	-	-	-	50,000	-	-	69,900
Retained Earnings (Accumulated Deficit)	219,011	-	-	-	(566,355)	448,015	-	100,671
Total Shareholder's Equity (Deficit)	239,011	-	-	-	(516,255)	448,115	-	170,871
Total Liabilities and Shareholder's Equity (Deficit)	\$ 37,329,527	\$ -	\$ 51,443,814	\$ 38,340	\$ 10,887	\$ 1,158,513	\$ (794,823)	\$ 89,186,258

Mutual Benefits Corporation and Affiliated Entities and Accounts Under Receivership Control  
 Combining Statements of Operations and Retained Earnings (Accumulated Deficit)  
 Year Ended December 31, 2005 (Unaudited)

	Mutual Benefits Corporation	Vitalcal Benefactors LLC	Vitalcal Services Inc.	Eliminations	Receivership (Total)
Premium Servicing Fees (Note 13)	\$ -	\$ -	\$ 1,325,484	\$ -	\$ 1,325,484
Operating Expenses:					
Salaries and Consulting	665,369	16,575	751,754	-	1,433,698
Copying and Office Expenses	53,453	513	35,628	-	89,594
Depreciation and Amortization	145,860	27,111	11,927	-	184,898
Insurance	123,125	-	111,633	-	234,758
Licenses and Permits	10,211	1,386	1,357	-	12,954
Medical Records and Exams	5,163	78	1,619	-	6,860
Other	41,280	736	2,223	-	44,239
Postage and Delivery	48,259	528	11,290	-	60,077
Premium Tracking Expense	-	-	9,834	-	9,834
Professional Fees - Accounting	1,679	-	-	-	1,679
Professional Fees - Legal	43,254	-	-	-	43,254
Rent - Equipment	39,893	8,132	12,226	-	60,251
Rent - Office	373,122	5,623	110,660	-	489,405
Security	146,351	-	117,616	-	263,967
Telephone	57,020	1,334	14,869	-	73,223
Utilities	6,237	-	6,317	-	12,554
Total Operating Expenses:	1,760,276	62,016	1,198,953	-	3,021,245
Income (Loss) From Operations	(1,760,276)	(62,016)	126,531	-	(1,695,761)
Other Income - Primarily Interest	3,857,092	3,257	29,936	-	3,890,285
Other Expenses:					
Interest on Settlement (Note 8)	165,179	-	-	-	165,179
Receivership Expenses (Note 15)	2,175,617	322,534	127,304	-	2,625,455
Relocation Expenses	46,241	-	29,163	-	75,404
Viator Insurance Premiums Paid	78,261	641	-	-	78,902
Loss before Taxes	(368,482)	(381,934)	-	-	(750,416)
Federal, State and Local Taxes	-	54	(7,497)	-	(7,443)
Net Loss	(368,482)	(381,988)	7,497	-	(742,973)
Retained Earnings (Accumulated Deficit) - Beginning of the Year	587,493	(184,367)	440,518	-	843,644
Retained Earnings (Accumulated Deficit) - End of the Period	\$ 219,011	\$ (566,355)	\$ 448,015	\$ -	\$ 100,671

Mutual Benefits Corporation and Affiliated Entities and Accounts Under Receivship Control  
Notes to Combining Financial Statements  
December 31, 2005 (Unaudited)

Note 15. Professional Fees and Costs. The Receiver has retained various professionals to support the operations of the Receivship. Fees that have been approved by the court but have not yet been paid have been recorded as liabilities of the Receivship entities. Fees listed below under Pending Approval, have not been approved by the court and are not included in Accrued Expenses. The following chart reflects the status of professional fees as of February 28, 2006:

App. #	Application Period	Date Submitted	Fees Requested	Costs Requested	Amount Requested	Fees Awarded	Costs Awarded	Date Awarded	Total Amt. Awarded	Date Paid	Amount Paid
<b>Allen Norton &amp; Bleu</b>											
1	5/6/04 - 6/18/04	7/2/2004	10,493.75	51.53	10,545.28	10,493.00	53.15	7/6/2004	10,546.15	7/13/2004	10,546.15
2	6/19/04 - 9/30/04	12/15/2004	1,762.50	262.99	2,024.89	1,762.50	262.99	7/12/2005	2,024.89	9/14/2005	2,024.89
3	10/1/04 - 5/31/05	10/18/2005	9,275.00	260.53	9,000.00	260.00	260.00	10/21/2005	9,260.00	11/4/2005	9,260.00
4	6/1/05 - 10/31/05	Pending	3,827.50	11.68	3,839.18	-	-	-	-	-	-
<b>TOTAL</b>			<b>\$25,358.75</b>	<b>\$586.13</b>	<b>\$25,944.88</b>	<b>\$21,255.50</b>	<b>\$575.54</b>		<b>\$21,831.04</b>		<b>\$21,831.04</b>
<b>Berkowitz Dick Pollack &amp; Brant</b>											
1	5/4/04 - 6/18/04	7/2/2004	228,589.43	-	228,589.43	228,589.00	-	10/22/2004	228,589.00	11/5/2004	228,589.00
2	6/19/04 - 9/30/04	12/15/2004	193,806.45	-	193,806.45	193,806.45	-	6/1/2005	193,806.45	6/18/2005	193,806.45
3	10/1/04 - 1/31/05	3/16/2005	266,723.10	-	266,723.10	266,723.10	-	6/1/2005	266,723.10	9/7/2005	266,723.10
4	2/1/05 - 5/31/05	7/20/2005	201,486.10	107.00	201,553.10	180,407.00	107.00	8/18/2005	180,407.00	9/7/2005	180,407.00
5	6/1/05 - 9/30/05	11/4/2005	168,136.20	-	168,136.20	120,000.00	-	12/22/2005	120,000.00	1/5/2006	120,000.00
6	10/1/05 - 12/31/05	Pending	177,779.25	190.00	177,969.25	-	-	-	-	-	-
<b>TOTAL</b>			<b>\$1,236,480.53</b>	<b>\$297.00</b>	<b>\$1,236,777.53</b>	<b>\$989,118.55</b>	<b>\$107.00</b>		<b>\$989,225.55</b>		<b>\$989,225.55</b>
<b>Bizim Sumburg Beena Price &amp;</b>											
1	2/4/05 - 6/28/05	10/18/2005	36,132.00	110.31	36,242.31	36,132.00	110.31	2/9/2006	36,242.31	2/21/2006	36,242.31
2	9/26/05 - 12/31/05	Pending	36,262.00	132.28	36,394.28	-	-	-	-	-	-
<b>TOTAL</b>			<b>\$72,394.00</b>	<b>\$242.59</b>	<b>\$72,636.59</b>	<b>\$36,132.00</b>	<b>\$110.31</b>		<b>\$36,242.31</b>		<b>\$36,242.31</b>
<b>Colson Hicks Edson</b>											
1	5/4/04 - 6/18/04	7/2/2004	220,751.50	6,709.88	227,461.38	74,000.00	6,709.00	10/22/2004	80,709.00	11/5/2004	80,709.00
2	6/19/04 - 9/30/04	12/15/2004	287,905.00	9,771.19	297,676.19	146,751.00	-	12/15/2004	146,751.00	1/6/2005	146,751.00
3	10/1/04 - 1/31/05	3/17/2005	371,496.00	30,264.16	401,760.16	287,905.00	297,676.19	6/1/2005	297,676.19	9/7/05	297,676.19
4	2/1/05 - 5/31/05	7/20/2005	320,323.75	16,565.65	336,889.40	300,000.00	30,264.16	8/18/2005	316,565.00	9/7/2005	316,565.62
5	6/1/05 - 9/30/05	11/9/2005	244,126.50	20,537.69	264,664.19	240,000.00	20,537.69	2/16/2006	260,537.69	11/2/2005	216,001.35
6	10/1/05 - 12/31/05	Pending	215,142.50	26,936.15	242,078.65	-	-	-	-	-	-
<b>TOTAL</b>			<b>\$1,659,745.25</b>	<b>\$110,784.72</b>	<b>\$1,770,529.97</b>	<b>\$1,420,152.00</b>	<b>\$83,847.04</b>		<b>\$1,503,999.04</b>		<b>\$1,503,999.04</b>
<b>The Garden City Group</b>											
1	5/4/04 - 6/18/04	7/2/2004	50,195.54	750.00	50,945.54	50,195.00	750.00	10/25/2004	50,945.00	11/5/2004	50,945.00
2	6/19/04 - 9/30/04	12/27/2004	48,491.94	566.26	49,058.20	40,000.00	-	7/12/2005	40,000.00	9/7/2005	32,000.00
3	10/1/04 - 1/31/05	3/24/2005	79,149.35	909.14	80,058.49	79,149.35	909.14	8/18/2005	80,058.49	9/7/2005	64,000.00
4	2/1/05 - 9/30/05	11/4/2005	85,759.91	2,614.62	88,374.53	80,000.00	2,614.00	12/22/2005	82,614.00	1/5/2006	82,614.00
5	10/1/05 - 12/31/05	Pending	25,833.17	1,472.13	27,305.30	-	-	-	-	-	-
<b>TOTAL</b>			<b>\$289,429.91</b>	<b>\$6,512.15</b>	<b>\$295,942.06</b>	<b>\$249,344.35</b>	<b>\$4,273.14</b>		<b>\$253,617.49</b>		<b>\$253,617.49</b>

Note 15. Professional Fees and Costs (Cont'd)

App. #	Application Period	Date Submitted	Fees Requested	Costs Requested	Amount Requested	Fees Awarded	Costs Awarded	Date Awarded	Total Amt. Awarded	Date Paid	Amount Paid
<b>Integrity Plus Services</b>											
1	5/4/04 - 6/18/04	7/15/2004	183,780.30	6,909.17	190,689.47	183,780.00	6,909.00	10/22/2004	190,689.00	11/5/2004	190,689.00
2	6/19/04 - 9/30/04	12/27/2004	81,237.50	1,295.77	82,533.27	81,237.50	1,295.77	6/1/2005	82,533.27	6/15/2004	52,722.17
3	10/1/04 - 2/4/05	3/24/2005	54,125.00	1,432.73	55,557.73	54,125.00	1,432.73	6/1/2005	55,557.73	6/15/2005	29,811.10
4	2/7/05 - 5/31/05	8/19/2005	28,075.00	980.88	29,055.88	25,000.00	980.00	8/30/2005	25,980.00	10/28/2005	25,980.00
5	06/01/05 - 10/31/05	11/22/2005	30,525.00	1,040.47	31,565.47	25,000.00	1,040.00	2/8/2006	26,040.00	2/21/2006	25,040.00
6	11/01/05 - 2/17/06	Pending	11,500.00	387.87	11,887.87						
<b>TOTAL</b>			<b>\$389,242.80</b>	<b>\$12,046.89</b>	<b>\$401,289.69</b>	<b>\$369,142.50</b>	<b>\$11,657.50</b>		<b>\$357,400.00</b>		<b>\$380,800.00</b>
<b>Kozyak Tropin &amp; Throckmorton, PA</b>											
1	5/4/04 - 6/18/04	7/8/2004	353,813.47	22,227.52	376,040.99	118,000.00	22,252.00	10/22/2004	140,252.00	11/5/2004	140,252.00
2	6/19/04 - 9/30/04	12/17/2004	186,416.65	29,051.41	215,468.06	235,813.00	-	12/15/2004	235,813.00	12/17/2004	235,813.00
3	10/1/04 - 1/31/05	3/17/2005	103,976.05	8,224.12	112,200.17	170,948.59	29,051.41	6/1/2005	200,000.00	9/7/2005	200,000.00
4	2/1/05 - 6/30/05	7/27/2005	146,465.25	11,383.42	157,848.67	91,775.88	8,224.12	6/1/2005	100,000.00	9/7/2005	100,000.00
5	7/1/05 - 9/30/05	11/14/05	70,213.75	2,887.23	73,100.98	50,000.00	11,383.00	8/18/2005	111,383.00	9/7/2005	111,383.00
6	10/1/05 - 12/31/05	Pending	64,020.00	1,898.05	65,918.05	50,000.00	2,887.00	2/8/2006	52,887.00	2/21/2006	52,887.00
<b>TOTAL</b>			<b>934,905.17</b>	<b>75,671.75</b>	<b>1,010,576.92</b>	<b>766,537.47</b>	<b>73,797.53</b>		<b>840,335.00</b>		<b>840,335.00</b>
<b>Rechin Cohen &amp; Holtz</b>											
1	5/5/05 - 6/25/04	7/15/2004	33,536.28	134.50	33,692.78	33,536.00	134.00	10/22/2004	33,692.00	11/5/2004	33,692.00
2	6/26/04 - 9/30/04	12/17/2004	7,762.50	-	7,762.50	7,762.50	-	7/12/2005	7,762.50	9/7/2005	7,762.50
<b>TOTAL</b>			<b>\$41,320.78</b>	<b>\$134.50</b>	<b>\$41,455.28</b>	<b>\$41,320.50</b>	<b>\$134.00</b>		<b>\$41,454.50</b>		<b>\$41,454.50</b>



**Mutual Benefits Corporation and Affiliated Entities and Accounts Under Receivership Control**  
**Notes to Combining Financial Statements**  
**December 31, 2005 (Unaudited)**

**Note 1. Basis Of Preparation.** The *Combining Balance Sheet of Mutual Benefits Corporation And Affiliated Entities And Accounts Under Receivership Control* include the following entities and accounts (referred to collectively as "MBC et. al."): Mutual Benefits Corporation ("MBC"), Regions Bank Premium Accounts, Anthony Livoti PA ("Livoti") Premium Accounts, Viatical Benefactors LLC ("VBLLC"), and Viatical Services Inc. ("VSI.") The *Combining Statements of Operations and Retained Earnings of Mutual Benefits And Affiliated Entities And Accounts Under Receivership Control* include the following entities and accounts: Mutual Benefits Corporation ("MBC"), Viatical Benefactors LLC ("VBLLC"), and Viatical Services Inc. ("VSI").

The combining financial statements were not prepared in accordance with GAAP (the notes herein describe the basis of accounting methods used), but are based upon MBC et. al. continuing as a going concern wherein the assets will be realized and liabilities will be paid in the ordinary course of business. Additionally, MBC et al. has elected to present selected note disclosures to the combining financial statements and has omitted the combining statement of cash flows.

On May 4, 2004, the United States Southern District Court entered a Temporary Restraining Order (the "TRO"), in part restraining MBC and VBLLC from engaging in new business. At the same time the Court entered its Order Appointing Receiver, which among other things appointed the Receiver and directed him to take control of the Receivership Entities. While the ultimate resolution of the entities' status remain uncertain, there is substantial doubt that the entities will be able to continue as going concerns. The accompanying financial statements do not include any adjustments to present the entities on a liquidating basis and such adjustments could be material.

**Note 2. Cash Available for Operations.** Cash available for operations initially arose primarily from funds that were in the operating and money market accounts of the Receivership Entities at the time the receivership was put in place. MBC has depleted these funds over the course of the Receivership. On June 29, 2004, an order was entered by the Court giving the Receiver the authority to pay insurance premiums for all policies from the various premium escrow accounts including premiums for those policies that were previously paid out of the MBC operating account. As such, the Receiver paid premiums previously paid out of the MBC operating account, first, using funds from the VSI Northern Trust Premium Reserve account and then from the Union Planters Premium Accounts.

On September 6, 2005, the Court ordered that Union Planters (now known and hereinafter referred to as Regions Bank) should release the accrued interest in the premium escrow accounts to the Receiver. It was also directed to release future interest income in the premium escrow accounts to the Receiver. The Receiver was authorized to use the interest to fund continuing Receivership operations. Through December 31, 2005, \$3,010,451 has been transferred from the premium escrow accounts held by Regions Bank to the Receiver's Operating Account at MBC. At December 31, 2005, MBC recorded a receivable of \$140,764 which represents interest earned from November 2005 through December 2005 on the premium escrow funds but not yet transferred to MBC.

**Note 3. Cash For Premiums On Viaticals Sold To Investors & Funds Held For Premiums On Viaticals Sold To Investors.** At the time life insurance policies were sold to investors, a portion of the investors' funds were paid into various premium accounts to pay life insurance policy premiums during the insured's projected life expectancy. Over the course of this Receivership, it has become apparent that: (a.) a significant number of insureds outlived the life expectancy that was represented to the respective investors by MBC; (b.) the premiums set aside for such policies have been exhausted; (c.) in order to continue to fund these insurance policies, MBC used premium funds that were received from other investors that purchased other policies and to a lesser extent other sources of funds (e.g., policy dividends, proceeds from demutualization of insurance policies, etc.); and (d.) that significant additional insureds have and will likely continue to outlive the life expectancies represented by MBC. The combining financial statements do not reflect any reserves or other adjustment related to these potential circumstances.

Beginning in 1996, Livoti, as trustee, entered into an agreement with MBC whereby, in addition to serving, at times, as the owner of most of the policies, Livoti agreed to make the payment of premiums from funds identified at the time of closing and transferred to Livoti's control. According to VSI and Livoti, the funds used by Livoti to make the premium payments on these policies were maintained in four money market accounts located at three different banks. The money market accounts were referred to by MBC, VSI, and Livoti as MMI for one of the accounts or MMII collectively for a group of three money market accounts. The Receiver has continued to use these funds until mid-January 2006, which have been exhausted to their current level of \$38,340. Premiums for these policies were paid from the Mutual Benefits Corporation premium account maintained at Regions Bank through December 31, 2005. The remaining funds in these accounts were transferred to Northern Trust Bank on February 1, 2006.

With the exception of policies sold to investors by MBC in the early years (1994 - 1997), which continue to be paid from MBC's operating account (these amounts are subject to reimbursement from the Premium accounts since June 29, 2004), all other premiums are paid through premium accounts maintained at Regions Bank. The Regions Bank accounts are used to pay premiums for policies owned by MBC and VBLLC (Texas and California policies). The funds in these accounts are made up of monies escrowed for the payment of premiums for policies purchased by or through MBC or VBLLC beginning around June, 2002 when MBC entered into an escrow agreement with American Express Business Services, Inc. ("AMEX") whereby, among other services, AMEX set up a premium account at Bank of America to pay premiums from funds paid into the account at the time of closing.

**Mutual Benefits Corporation and Affiliated Entities and Accounts Under Receivership Control**  
**Notes to Combining Financial Statements**  
**December 31, 2005 (Unaudited)**

In approximately April, 2003, pursuant to an agreement and a purchase escrow agreement between Regions Bank and MBC, the funds in the AMEX premium accounts were transferred to premium accounts set up at Regions Bank. The VBLLC premium funds were also transferred at that time into a separate VBLLC Regions Bank premium account; however, there does not appear to be a separate premium escrow agreement between VBLLC and Regions Bank. For most policies purchased after April 2003, MBC designated funds that were to be used to pay premiums on closed policies. These funds were collected at closing and deposited into Regions Bank premium accounts. The funds in these accounts were transferred to Northern Trust Bank on February 1, 2006.

**Note 4. Note Receivable - Officer.** This account includes a loan receivable, principal balance of \$1,160,000, from Steven Steiner. MBC earns interest on the principal balance, which amounted to \$92,490 through December 31, 2005. The Receiver has made a demand for repayment of the loan and has filed a lawsuit in an attempt to collect these funds. At this time, the Receiver believes the principal and accrued interest should be fully collectible.

**Note 5. Due to/from Receivership Entity.** Consists of the following items: (a.) During the second quarter of 2005, the Receivership consolidated the operations of the entities into one location. While certain expenses were paid in full by VSI, a portion of these and other ongoing common costs (\$184,808) were allocated to MBC by VSI; (b.) MBC continues to pay life insurance premiums on viaticals from its operating account, which are being reimbursed from the premium accounts now held at Northern Trust. As of December 31, 2005, MBC reflected a receivable of \$193,868 from the premium accounts for premiums paid; (c.) As stated in Note 2, the Court has ordered that interest on funds in the premium escrow accounts be used to fund the operations of the receivership. Interest in the amount of \$140,764 was earned in November and December 2005 and had not been transferred to the MBC operating account from the premium accounts; (d.) Professional fees of \$420,383 that were previously paid by MBC have been reallocated to VBLLC, in relationship to the face value of viatical policies originated by each entity. As of December 31, 2005, VBLLC had reduced its obligation to MBC to \$275,383.

**Note 6. Restricted Cash from Death Benefit Proceeds.** Funds received from insurance policy maturity claims have been deposited into a separate interest bearing account at Northern Trust Bank. These funds include death benefit proceeds, interest on death benefits paid by the insurance companies, return of unearned insurance premiums and interest on the funds in the account paid by the bank. On September 14, 2005, the Court ordered that all death benefits be paid to investors along with any accrued interest. The Receiver has notified investors that their policies have matured and has requested that investors return the appropriate tax forms to allow the Receiver to determine U.S. federal income tax to be withheld, if applicable, and to disburse the funds.

**Note 7. Other Funds Being Held.** MBC received funds from the federal government as a settlement of a pre-receivership forfeiture action. These forfeiture related funds, which total \$700,407 as of December 31, 2005, inclusive of accrued interest, may not be used for operations and are to be distributed to investors and creditors of MBC. An equal and offsetting liability has been established for these funds pending their ultimate disposition.

**Note 8. Investments in Policies at Cost and Settlement Payable.** MBC has acquired interests in various policies over time by refunding monies to investors. Its interest in these policies are stated at MBC's cost of \$2,000,225. It is anticipated at this time that any assets realized from the sale/maturity of these investments will be distributed in some manner to investors of MBC. As the value of the assets is dependent upon the payment of premiums and such premium funds are being depleted, an equal and offsetting reserve has been established for these assets. As policies mature, and death benefits are realized, the Receiver will recognize the gains and other income received.

Under the terms of a Settlement Agreement dated June 2003, as amended, the Company was previously obligated to pay to certain parties a principal amount of \$2,165,000. This payment was to repurchase investments in the death benefits of life insurance policies. These policies are part of the amount reflected in Investment in Policies at Cost. As a result of certain interest accruals, interest and principal payments, the Company currently reflects an obligation of approximately \$1,756,008 related to this settlement.

Additionally, certain policies were not fully placed with investors as of May 5, 2004. The unplaced portion of these investments represented \$52,960,167 of the total death benefits of these policies which is \$84,904,300. On certain of these policies, no funds were received for payment of premiums. Based on life expectancies projected by MBC prior to the Receivership, \$9,176,704 should have been deposited in the Regions Bank premium account. However, because of the timing of the Receivership, this \$9,176,704 was not transferred from the Purchase Escrow Accounts. The Court has determined that the Purchase Escrow Accounts are outside of the Receivership. Nonetheless, the need to fund these premiums remains an obligation of the Receivership.

MBC has no cost basis in those policies that were not fully placed with investors as of May 5, 2004. As such, these policies are reflected on MBC's financial statements at their \$0 cost. However, certain additional amounts may be realized upon their sale/maturity. The value of these investments, and any gain/loss realized, will be determined upon their disposition.

**Note 9. Lease Deposits and Other Assets.** Includes approximately \$154,026 in certificates of deposit securing various State bonds in conjunction with licenses and an additional \$24,395 securing various deposits on MBC / VSI's new facility. There was a reduction in certificates of deposit for claims made on bonds in Oklahoma and Nebraska. The Receiver is currently investigating these claims.

**Mutual Benefits Corporation and Affiliated Entities and Accounts Under Receivership Control**  
**Notes to Combining Financial Statements**  
**December 31, 2005 (Unaudited)**

**Note 10. Retainers.** MBC, prior to the receivership, paid monies to various law firms in anticipation of the need for their legal services. As of December 31, 2005, the gross amount of outstanding Retainers was \$257,171, which reflects total returned retainers in 2005 of \$577,656 and retainers written off against the reserve in 2005 of \$162,582. While the Receiver continues to attempt to have these retainers returned to MBC, a reserve has been established for the amount the Receiver estimates may be uncollectible. The total of returned retainers includes a recovery from Holland & Knight of \$446,042. These funds were presented on prior financial statements as both restricted cash of \$426,925 and as part of the Retainers Account.

**Note 11. Accounts Payable.** Accounts Payable represents only those payables where the Receiver has made a determination that the payment of which provides on-going and/or necessary benefits to the Receivership. Amounts representing obligations that existed or were caused to be incurred prior to the Receivership have been included in the Other Liabilities Section under Pre-Receivership Obligations.

**Note 12. Income Taxes Payable.** Prior to the Receivership, VBLLC elected to treat itself as a tax paying entity. As such, an accrual was made for the anticipated federal, local and state taxes payable by the entity.

**Note 13. Unearned Viatical Management Services.** VSI was paid a fee at the closing of each policy. These fees were intended to provide VSI with the funds required to service the premium payments and track the insureds over the remaining life of each policy and to file the death claim upon each policy's maturity. When the Receiver assumed control over VSI, its books and records reflected unearned revenues of \$2,492,366. Given the current unavailability of reliable actuarial estimates, premium servicing fees earned for the period have been limited to the expenses incurred during the period. The Receiver and his professionals are currently analyzing the appropriate financial statement and tax treatment of these revenue recognition policies.

**Note 14. Due From Escrow Agent.** Pursuant to an order issued by the Court in February 2005, funds paid by the investor into the various purchaser escrow accounts of MBC are not considered assets of the company and are being held in the purchaser escrow accounts pending distribution of these funds to the investors. The Court has ordered that the pre-closing investment funds not used to purchase interest in insurance policies be returned to the original investors. The disbursement of these funds has been managed by Regions Bank. As MBC neither has control nor plays any role with regard to the disbursement of these funds, they are no longer being reflected on these financial statements.