

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.

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**SIXTH REPORT (CORRECTED) 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 corrected Sixth 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

**Second Quarter 2005 Financial Statements for the Receivership Entities.**

This Report includes the corrected financial statements for the Receivership Entities for the second quarter of 2005, which are attached as **Exhibit A**. The financial statements are unaudited, and the data is derived from the Receivership Entities' accounting records and bank statements.<sup>1</sup>

DATED: July 26, 2005.

Respectfully submitted,



ROBERTO MARTINEZ  
RECEIVER

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<sup>1</sup> The previously filed Combining Statement of Operations inadvertently omitted a line item under "Operating Expenses" for "Professional Fees - Legal" in the amount of \$43,254. This amount reflects the payments authorized by the Court in its April 28, 2005 Order Granting Motion to Authorize Payment to Local Counsel [D.E. 897] to MBC's pre- Receivership local counsel who continued to perform limited post- Receivership services to maintain the status quo in connection with civil and regulatory actions pending against MBC around the United States. No other changes have been made to the financial statements, and the omitted line item does not otherwise change the Combining Statement of Operations.

**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 July 26, 2005.

  
Curtis Miner

**SERVICE LIST OF RECEIVER**

Case No.: 04-60573 CIV-Moreno

VIA ELECTRONIC MAIL		
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**Exhibit A**

**Mutual Benefits Corporation and Affiliated Entities and Accounts Under Receivership Control**  
**Combining Balance Sheet**  
**June 30, 2005 (Unaudited)**

	Mutual Benefits Corporation	Union Planters Premium Accounts	Livolt PA Premium Accounts	Vitalcal Benefactors, LLC	Vitalcal Services, Inc.	Eliminations	Receivership (Total)
<b>ASSETS</b>							
<b>Current Assets:</b>							
Cash Available for Operations (Note 2)	\$ 384,813	\$ -	\$ -	\$ 159,803	\$ 1,600,497	\$ -	\$ 2,145,113
Cash for Premiums on Vitalsols Sold to Investors (Note 8)	-	66,586,867	34,090	-	-	-	66,620,957
Restricted Cash (Note 7)	-	426,925	-	-	-	-	426,925
Note Receivable - Officer (Note 4)	1,240,545	-	-	-	-	-	1,240,545
Due from Escrow Agent (Note 18)	222,419	-	-	-	44,038	(266,457)	-
Due from Receivership Entity (Note 6)	1,847,777	67,013,792	34,090	159,803	1,644,535	(266,457)	70,433,540
Total Current Assets							
Office Furniture and Equipment, net	276,846	-	-	-	4,957	-	281,803
<b>Other Assets:</b>							
Restricted Cash from Death Benefit Proceeds, includes earned interest of \$85,905 (Note 3)	15,489,573	-	-	-	-	-	15,489,573
Funds Held - Other (Note 5)	440,729	-	-	-	-	-	440,729
Investments in Policies, at Cost (Note 9)	2,440,893	-	-	-	-	-	2,440,893
Lease Deposits and Other (Note 10)	382,916	-	-	-	20,647	-	403,563
Retainers, net (Note 11)	573,657	-	-	-	-	-	573,657
Total Assets	\$ 21,452,391	\$ 67,013,792	\$ 34,090	\$ 159,803	\$ 1,670,139	\$ (266,457)	\$ 90,063,758
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>							
<b>Current Liabilities:</b>							
Accounts Payable and Accrued Expenses (Notes 12, 17)	\$ 1,156,560	\$ -	\$ -	\$ 2,722	\$ 390,008	\$ -	\$ 1,549,290
Income Taxes Payable (Note 13)	-	-	-	234,550	-	-	234,550
Due to Receivership Entity (Note 6)	44,038	222,419	-	-	-	(266,457)	-
Purchaser deposits held by escrow agent (Note 18)	-	-	-	-	-	-	-
Funds Held for Premiums on Vitalsols Sold to Investors (Note 8)	-	66,364,448	34,090	-	-	-	66,398,538
Funds Held for Restricted Use (Note 7)	-	426,925	-	-	-	-	426,925
Other Payables	-	-	-	-	-	-	-
Total Current Liabilities	1,200,598	67,013,792	34,090	237,272	390,008	(266,457)	68,609,293
<b>Long Term Liabilities:</b>							
Funds Held from Death Benefit Proceeds (Note 3)	15,403,668	-	-	-	-	-	15,403,668
Funds Held - Other (Note 5)	221,557	-	-	-	-	-	221,557
Investments in Policies Held for Restricted Use (Note 9)	2,440,893	-	-	-	-	-	2,440,893
Pre-Receivership Obligations (Note 14)	2,568,853	-	-	23,209	-	-	2,592,062
Settlement Payable (Note 15)	1,671,394	-	-	-	-	-	1,671,394
Unearned Vitalcal Management Services (Note 16)	-	-	-	-	1,352,847	-	1,352,847
Total Long Term Liabilities	22,306,365	-	-	23,209	1,352,847	-	23,682,421
<b>Shareholder's Equity (Deficit):</b>							
Common Stock	100	-	-	100	-	-	300
Additional Paid-In Capital	19,900	-	-	50,000	-	-	69,900
Retained Earnings (Accumulated Deficit)	(2,074,562)	-	-	(150,776)	(72,816)	-	(2,298,156)
Total Shareholder's Equity (Deficit)	(2,054,562)	-	-	(100,676)	(72,716)	-	(2,227,956)
Total Liabilities and Shareholder's Equity	\$ 21,452,391	\$ 67,013,792	\$ 34,090	\$ 159,803	\$ 1,670,139	\$ (266,457)	\$ 90,063,758

Mutual Benefits Purchase Escrow Accounts (Non-Consolidated)  
Balance Sheet  
June 30, 2005 (Unaudited)

**ASSETS**

Current Assets:	
Due from Escrow Agent (Note 18)	\$ 78,070,923
Total Assets	\$ 78,070,923

**LIABILITIES AND SHAREHOLDER'S EQUITY**

Current Liabilities:	
Purchaser deposits held by escrow agent (Note 18)	\$ 78,070,923
Total Liabilities	78,070,923
Total Shareholder's Equity	-
Total Liabilities and Shareholder's Equity	\$ 78,070,923



Mutual Benefits Corporation and Affiliated Entities and Accounts Under Receivership Control  
 Combining Statements of Operations and Retained Earnings (Accumulated Deficit)  
 Six Months Ended June 30, 2005 (Unaudited)

	Mutual Benefits Corporation	Viatical Benefactors LLC	Viatical Services Inc.	Eliminations	Receivership (Total)
Premium Servicing Fees (Note 16)	\$ -	\$ -	\$ 673,654	\$ -	\$ 673,654
Operating Expenses:					
Salaries and Consulting	378,194	16,360	393,436	-	787,990
Copying and Office Expenses	20,898	536	15,956	-	37,390
Depreciation and Amortization	88,834	27,111	10,003	-	125,948
Insurance	106,849	-	73,025	-	179,874
Licenses and Permits	9,401	1,306	411	-	11,118
Medical Records and Exams	2,802	78	465	-	3,345
Other	2,188	570	1,477	-	4,235
Postage and Delivery	23,045	528	6,368	-	29,941
Premium Tracking Expense	-	-	5,080	-	5,080
Professional Fees - Accounting	1,679	-	-	-	1,679
Professional Fees - Legal	43,254	-	-	-	43,254
Rent - Equipment	27,960	5,815	5,974	-	39,749
Rent - Office	331,912	7,023	65,009	-	403,944
Security	122,413	-	80,055	-	202,468
Telephone	35,939	1,950	16,395	-	54,284
Total Operating Expenses:	1,195,368	61,277	673,654	-	1,930,299
Income (Loss) From Operations	(1,195,368)	(61,277)	-	-	(1,256,645)
Other Income - Primarily Interest	204,931	3,066	16,627	-	224,624
Other Expenses:					
Interest on Settlement (Note 15)	80,565	-	-	-	80,565
Receivership Expenses	1,176,901	-	486,717	-	1,663,618
Relocation Expenses	45,131	-	28,053	-	73,184
Expenses related to Commitments - Pre-Receiver (Note 19)	200,000	6,000	-	-	206,000
Viator Insurance Premiums Paid	78,261	-	-	-	78,261
Loss before Taxes	(2,571,295)	(64,211)	(498,143)	-	(3,060,465)
Federal, State and Local Taxes	-	49	15,627	-	15,676
Net Loss	(2,571,295)	(64,260)	(513,770)	-	(3,076,141)
Retained Earnings (Accumulated Deficit) - Beginning of the Year	496,733	(86,518)	440,954	-	851,169
Retained Earnings (Accumulated Deficit) - End of the Period	(2,074,562)	(150,778)	(72,816)	-	(2,224,972)

**Mutual Benefits Corporation and Affiliated Entities and Accounts Under Receivership Control**  
**Notes to Combining Financial Statements**  
**June 30, 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: Mutual Benefits Corporation ("MBC"), Mutual Benefits Corporation Premium Accounts, Viatical Services, Inc ("VSI"), Anthony Livoti PA ("Livoti") Premium Accounts, Viatical Benefactors LLC ("VBLLC"), and Viatical Benefactors LLC Premium Accounts (referred to collectively as "MBC et. al."). 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 Services, Inc ("VSI"), and Viatical Benefactors LLC ("VBLLC"). 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 arise 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. 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. The only other source of funds for the operating accounts is interest earned on operating funds.

**Note 3. Restricted Cash from Death Benefit Proceeds.** Funds received from insurance policy maturity claims are being deposited into a separate interest bearing account. 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.

**Note 4. Note Receivable - Officer.** This account includes a demand note receivable, principal balance of \$1,160,000 dated February 28, 2002, from Steven Steiner. MBC earns interest on the principal balance, accrued at the IRS blended annual rate as specified in the note, which amounted to \$80,545 through June 30, 2005. The Receiver has made a demand for repayment of the note and has filed a lawsuit in an attempt to collect these funds. At this time, the Receiver believes the principal and accrued interest are fully collectible.

**Note 5. Other Funds Being Held.** Over the course of the Receivership, the Receiver has collected funds on behalf of the Receivership from various sources including death benefit proceeds from insurance policies, stock dividends, interest and other ancillary revenues. These funds are being deposited into interest bearing accounts pending determination of their ultimate disposition. Historically, these funds were used to pay existing policy premiums. Funds received from miscellaneous proceeds from life insurance policies totaled \$221,557 at June 30, 2005 and a liability for this amount has been established pending the ultimate disposition of the funds. The Receiver has also initiated efforts to recover retainers paid to law firms, commissions paid, donations and other disbursements made by MBC. As of June 30, 2005, funds of \$219,172 have been received and deposited into a separate bank account. These funds are also being held pending determination of their ultimate disposition.

**Note 6. Due to/from Receivership Entity.** In 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 costs (\$44,038) were allocated to MBC. In addition, MBC continues to pay life insurance premiums from its operating account. These premium outlays are to be reimbursed from the premium accounts. As of June 30, 2005, MBC reflected a receivable of \$222,419 from the premium accounts for premiums paid.

**Note 7. Restricted Cash.** Consists of \$426,925 in a Holland & Knight escrow trust account for the benefit of MBC, which are restricted pending legal matters. The Holland & Knight escrow trust account balance is as of June 30, 2004 and does not reflect any accrued interest and/or bank fees incurred from July 1, 2004 through June 30, 2005.

**Note 8. 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 a premium account to pay life insurance policy premiums during the insured's life expectancy. Information has come to the attention of the Receiver that suggests 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 are likely 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 also 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 are 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. As of December 31, 2004, the balance in these accounts was approximately \$401,868. The Receiver continued to use these funds until mid-January 2005, at which point the funds were exhausted to their current level of \$34,090. Currently, premiums for these policies are being paid from the Union Planters Mutual Benefits Corporation premium account.

**Mutual Benefits Corporation and Affiliated Entities and Accounts Under Receivership Control**  
**Notes to Combining Financial Statements**  
**June 30, 2005 (Unaudited)**

With the exception of policies sold to investors by MBC in the early years (1994 - 1997) which are 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 Union Planters Bank, N.A. ("UPBNA") which is now known as Regents Bank. The UPBNA 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.

In approximately April, 2003, pursuant to an agreement and a purchase escrow agreement between UPBNA and MBC, the funds in the AMEX premium accounts were transferred to premium accounts set up a UPBNA. The VBLLC premium funds were also transferred at that time into a separate VBLLC UPBNA premium account; however, there does not appear to be a separate premium escrow agreement between VBLLC and UPBNA. 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 UPBNA premium accounts.

**Note 9. Investments in Policies at Cost.** MBC has acquired interests in various policies over time by refunding monies to investors. These interest in policies are stated at cost. 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.

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 UPBNA premium account. However, because of the timing of the Receivership, this \$9,176,704 remains in the Purchase Escrow Accounts which the Court has determined is outside of the Receivership. Nonetheless, the need to fund these premiums remains an obligation of the Receivership.

Although MBC has no cost basis in these policies, 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 10. Lease Deposits and Other Assets.** Includes a \$129,581 CD backing a \$60,000 letter of credit securing the lease on 200 East Broward Blvd. and approximately \$252,000 in CDs securing various State bonds in conjunction with licenses.

**Note 11. Retainers.** MBC, prior to the receivership, paid monies to various law firms in anticipation of the need for their legal services. At December 31, 2004, the gross amount of Retainers was \$997,409. While the Receiver has initiated steps to have these retainers returned to MBC, \$300,000 has been written off, with the remainder expected to be recovered. Retainers are reported net of this writeoff and less recoveries.

**Note 12. 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. Accrued expenses include those expenses that were paid after June 30, 2005 for which services/goods were provided prior to June 30, 2005.

**Note 13. Income Taxes Payable.** Prior to the Receivership, Viatical Benefactors, LLC 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 14. Pre-Receivership Obligations.** MBC, VSI and VBLLC had certain arrangements with vendors prior to May 5, 2004 and the entities continue to receive invoices per these arrangements. Pending the ultimate resolution of claims made by creditors, the receivership entities continue to record these payables and related expenses.

**Note 15. Settlement Payable.** 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. As a result of certain interest accruals, interest and principal payments, the Company currently reflects an obligation of approximately \$1,672,000 related to this settlement.

**Note 16. 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 \$2,492,366.86. 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.

**Mutual Benefits Corporation and Affiliated Entities and Accounts Under Receivership Control**  
**Notes to Combining Financial Statements**  
**June 30, 2005 (Unaudited)**

**Note 17. Professional Fees and Costs.** The Receiver has retained various professionals to support the operations of the Receivership. A first fee application was submitted to the court for professional fees and costs incurred from May 5, 2004 through June 18, 2004. Judge Moreno issued an Order in November 2004 approving certain of these professional fees. Second and Third Fee Applications were submitted in December 2004 and March 2005 respectively. The Third Fee applications reflect fees and expenses incurred through January 31, 2005. On June 1, 2005, Judge Moreno issued orders approving certain of these professional fees. Fee Applications for the time periods subsequent to February 1, 2005 are in process and have not yet been filed with the court. Fees that have been approved by the court but have not yet been paid have been recorded as liabilities of the Receivership entities. Fees, listed below under Pending Approval, have not been approved by the court and are not included in Accrued Expenses. The following chart summarizes the total fees and costs requested, the amounts awarded and amounts paid as of June 30, 2005:

Applicant	Application Number	Application Period	Date Submitted	Fees Requested	Costs Requested	Amount Requested	Amount Awarded	Date Awarded	Amount Paid
Allen Norton & Blue	1	5/6/04 - 6/18/04	7/2/2004	\$10,493.75	\$51.53	\$10,545.28	\$10,546.15	7/6/2004	\$10,546.15
	2	6/19/04 - 9/30/04	12/15/2004	\$1,762.50	\$262.39	\$2,024.89	\$1,762.50	7/12/2005	
	<b>TOTAL</b>			\$12,256.25	\$313.92	\$12,569.30	\$12,308.65		\$10,546.15
Berkowitz Dick Pollack & Brant	1	5/4/04 - 6/18/04	7/2/2004	\$228,589.43	\$0.00	\$228,589.43	\$228,589.00	10/22/2004	\$228,589.00
	2	6/19/04 - 9/30/04	12/15/2004	\$193,806.45	\$0.00	\$193,806.45	\$193,806.45	6/1/2005	\$193,806.45
	3	10/1/04 - 1/31/05	3/16/2005	\$266,723.10	\$0.00	\$266,723.10	\$266,723.10	6/1/2005	
	<b>TOTAL</b>			\$689,118.98	\$0.00	\$689,118.98	\$689,118.55		\$422,395.45
Colson Hicks Eidson	1	5/4/04 - 6/18/04	7/2/2004	\$220,751.50	\$6,709.88	\$227,461.38	\$80,709.00	10/22/2004	\$80,709.00
	2	6/19/04 - 9/30/04	12/15/2004	\$287,905.00	\$9,771.19	\$297,676.19	\$297,676.19	6/1/2005	\$146,751.00
	3	10/1/04 - 1/31/05	3/17/2005	\$371,496.00	\$30,264.16	\$401,760.16	\$401,760.16	6/1/2005	
	<b>TOTAL</b>			\$880,152.50	\$46,745.23	\$926,897.73	\$926,896.35		\$227,460.00
The Garden City Group	1	5/4/04 - 6/18/04	7/2/2004	\$50,195.54	\$750.00	\$50,945.54	\$50,945.00	10/25/2004	\$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	
	3	10/1/04 - 1/31/05	3/24/2005	\$79,149.35	\$909.14	\$80,058.49			
	<b>TOTAL</b>			\$177,836.83	\$2,225.40	\$180,062.23	\$90,945.00		\$50,945.00
Integrity Plus Services	1	5/4/04 - 6/18/04	7/15/2004	\$183,780.30	\$6,909.17	\$190,689.47	\$190,689.00	10/22/2004	\$190,689.00
	2	6/19/04 - 9/30/04	12/27/2004	\$81,237.50	\$1,295.77	\$82,533.27	\$82,533.27	6/1/2005	\$52,722.17
	3	10/1/04 - 2/4/05	3/24/2005	\$54,125.00	\$1,433.73	\$55,558.73	\$55,557.73	6/1/2005	
	<b>TOTAL</b>			\$319,142.80	\$9,637.67	\$328,780.47	\$328,780.00		\$243,411.17
Kozynk Tropin & Throckmorton, PA	1	5/4/04 - 6/18/04	7/8/2004	\$353,813.47	\$22,227.52	\$376,040.99	\$140,242.00	10/22/2004	\$140,252.00
	(as amended)						\$235,813.00	12/15/2004	\$235,813.00
	2	6/19/04 - 9/30/04	12/7/2004	\$196,416.65	\$29,051.41	\$225,468.06	\$200,000.00	6/1/2005	
	3	10/1/04 - 1/31/05	3/11/2005	\$103,976.05	\$8,224.12	\$112,200.17	\$109,000.00	6/1/2005	
<b>TOTAL</b>			\$654,206.17	\$59,503.05	\$713,709.22	\$676,055.00		\$376,065.00	
Rachlin Cohen & Holz	1	5/5/05 - 6/25/04	7/15/2004	\$33,558.28	\$134.50	\$33,692.78	\$33,692.00	10/22/2004	\$33,692.00
	2	6/26/04 - 9/30/04	12/17/2004	\$7,762.50	\$0.00	\$7,762.50	\$7,762.50	7/12/2005	
	<b>TOTAL</b>			\$41,320.78	\$134.50	\$41,455.28	\$41,454.50		\$33,692.00

**Note 18. Due from Escrow Agent.** Pursuant to an order issued by Judge Moreno 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 Court has not decided at this time who will bear the costs of disbursement of these funds but has set aside accumulated interest on these funds and will determine in the future who is entitled to costs and attorney's fees. As these are not considered assets of the Receivership, they have been placed in a separate non-combining schedule with a corresponding liability for the funds. Pursuant to three court orders, funds totaling \$28,496,949 were returned to investors.

**Note 19. Expenses related to commitments - pre-receiver.** MBC, VSI and VBLLC had certain arrangements with vendors prior to May 5, 2004 and the entities continue to receive invoices per these arrangements. Pending the ultimate resolution of claims made by creditors, the receivership entities continue to record these payables and related expenses.