Court File No. 08-CL-7878

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OF ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

Applicant

ELEVENTH REPORT OF THE MONITOR
December 9, 2009

December 10, 2009

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TO: SERVICE LIST

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Court File No. 08-CL-7878

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Applicant

I N D E X

TAB NO.

TAB 1

Court File No. 08-CL-7878

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

ELEVENTH REPORT OF THE MONITOR
December 9, 2009

INTRODUCTION

1. On December 2, 2008, Universal Settlements International Inc. ("**USI**", the "**Company**") filed for and obtained protection from its creditors under the *Companies' Creditors Arrangement Act* R.S.C. 1985 c. C-36, as amended (the "**CCAA**") pursuant to provisions of an Order of this Honourable Court dated December 2, 2008 (the "**Initial Order**"). Pursuant to the Initial Order, Ernst & Young Inc. was appointed as monitor (the "**Monitor**") of the Company during these CCAA proceedings ("**CCAA Proceedings**").

2. On June 22, 2009, the Amended Plan of Compromise and Arrangement dated June 16, 2009 (the "**Plan**") was approved by this Honourable Court pursuant to the CCAA following approval by the requisite majorities of Creditors at the Meetings of Creditors held on June 17, 2009.

3. On July 21, 2009, USI implemented the Plan ("**Plan Implementation Date**") and the Monitored Account Agreement ("**MAA**") came into effect to facilitate the implementation and administration of the Plan by the Company. In accordance with the MAA, effective on the Plan Implementation Date, the Company and Mills, Potoczak and Company ("**Mills**" and collectively with the Company the "**Trustees**") began holding in trust the cash, insurance policies and other assets outlined in the Plan ("**Plan Assets**") for the benefit of the stakeholders of the Plan ("**Plan Beneficiaries**") to ensure that the Plan Assets are dealt with only in the manner provided for in the Plan. As a result, the Monitor does not have

possession of or control of the Plan Assets. The Monitor is responsible solely for monitoring the administration of the Plan Assets by the Company and Mills in accordance with the terms of the Plan and the MAA.

4. To date, the Monitor has filed the following reports with this Honourable Court, which are available on the Monitor's website (www.ey.com/ca/universalsettlements):

Report	Date
First Report	December 17, 2008
Second Report	December 22, 2008
Third Report	January 8, 2009
Fourth Report	January 20, 2009
Fifth Report	February 23, 2009
Sixth Report	April 21, 2009
Seventh Report and Supplement to Seventh Report	May 7, 2009 and May 15, 2009
Eighth Report	June 10, 2009
Ninth Report	June 19, 2009
Tenth Report	July 14, 2009

5. The purpose of this eleventh report (the "**Eleventh Report**" or "**Report**") is to report to this Honourable Court on:

i) the conditions satisfied for plan implementation;

ii) the status of outstanding creditor claims;

iii) cash receipts and disbursements for the Monitored Trust Account since the Plan Implementation Date; and

to request approval from this Honourable Court of:

iv) the transfer of the TPI Policy to VCH Expert US-Life GmbH & Co. KG ("**VCH**") pursuant to the VCH claim settlement as described further herein; and

v) the activities of the Monitor as set out in this Report.

TERMS OF REFERENCE

6. In preparing this Report, the Monitor has relied upon unaudited financial information, USI's books and records, financial information prepared by USI and Mills, the financial analysis prepared by USI in support of the Plan and discussions with the management, legal counsel and advisors of USI. The Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in this Report. An examination of the financial projection or any other future-oriented financial information as outlined in the Canadian Institute of Chartered Accountants Handbook has not been performed. Future-oriented financial information relied upon in this Report is based on the assumptions of USI's management regarding future events. Actual results achieved will vary from this information and the variations may be material.

7. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

8. Capitalized terms not defined in this Report are as defined in the Initial Order, the Monitor's previous reports to this Honourable Court, the Claims Procedure Order and the Plan.

CONDITIONS FOR APPROVAL OF THE PLAN

9. Following approval of the Amended Plan by the Creditors and this Honourable Court, the remaining conditions for Plan Implementation were satisfied, which were:

   i) execution and delivery of a corporate resolution of USI authorizing the Plan and the steps needed to implement the Plan, herein attached as **Appendix "A"**;

   ii) payment, or provision for payment, of Unaffected Claims;

   iii) execution and delivery of Declarations of Trust by the Company and Mills, herein attached as **Appendix "B"**;

iv) execution and delivery of the documents or instruments necessary to implement the provisions of the Plan or the Sanction Order. In addition to the MAA, which is attached as **Appendix "C"**, these documents included a direction from the shareholders of USI regarding the payment of the Escrow Funds (as defined in the Plan), attached as **Appendix "D"**, and the Guidelines for the establishment of the Creditors' Committee as required by the Plan, attached as **Appendix "E"**; and

v) opening of the Monitored Trust Account administered by USI and Mills.

UPDATE ON CLAIMS PROCEDURE

General

10. On January 23, 2009, the Applicant sought and obtained approval from this Honourable Court for a claims procedure (the "**Claims Procedure**") whereby the Applicant:

    i) acknowledged the claims of purchasers of life settlement investments from USI ("**Purchasers**"), based on the amounts of their original investments pursuant to acknowledgements of claim ("**Acknowledgements of Claim**") that were delivered by USI to purchasers; and

    ii) called for the claims of ordinary creditors of USI other than Purchasers ("**Ordinary Creditors**").

11. The purpose of the Claims Procedure was to identify all Claims against the Applicant and its current and former directors as at January 23, 2009 (the "**Valuation Date**").

12. The Sixth Report described the steps taken by the Monitor in carrying out the Claims Procedure as of the date of that Report. The Seventh Report provided a detailed summary of the Acknowledgements of Claim sent to Purchasers, Requests for Amendment received from Purchasers related to the information disclosed on their respective Acknowledgements of Claim, and Proofs of Claim received in the claims process from Ordinary Creditors.

13. To date, the Monitor, in consultation with USI, has resolved all but four (4) Proofs of Claim received in the claims process from Purchasers, which have an aggregate value of approximately $60,000.

14. There also remain four (4) Proofs of Claim from Ordinary Creditors, with an aggregate value of approximately $14.1 million that require resolution.

15. The following chart summarizes all outstanding claims of Purchasers and Ordinary Creditors:

($Cdn - thousands)	Number	Value	Value Accepted by Monitor	Value Disallowed by Monitor	Value Under Review by Monitor	Value in Dispute by Claimant
Acknowledgements of Claim sent by Monitor (Note 1, 5)	6,258	$ 159,259	$ 159,259	n/a	n/a	n/a
Requests for Amendment received from Purchasers (Note 2, 5)	14	$ 112	$ -	$ 112	$ -	$ -
Requests for Amendment received from Purchasers (Note 3, 5)	1,308	n/a	n/a	n/a	n/a	n/a
Proofs of Claim received from Purchasers (Note 4, 5)	1,408	$ 9,193	$ 8	$ 9,185	$ -	$ 60
Proofs of Claim received from Ordinary Creditors	12	$ 64,367	$ 37,778	$ 26,589	$ -	$ 14,127
Total	9,000	$ 232,931	$ 197,045	$ 35,886	$ -	$ 14,187

Note 1 - Includes investors in the M-Series Trust and the USII Trust valued at US $3,633,897 and US $5,639,816, respectively, which are excluded from the Proposed Plan.

Note 2 - Represents claims with changes to original investments.

Note 3 - Represents claims with changes to addresses, dates of investment, dates of maturity and maturity amounts. No changes were made to the Original Investment amounts.

Note 4 - Represents claims which, in the majority of cases, are duplicates of Acknowledgements of Claim sent by the Monitor.

Note 5 - Values with regards to Purchaser's claims are based on the value of the Purchasers' Original Investments.

16. Of the four claims of Ordinary Creditors that remain unresolved, one claim from a related party is discussed below.

17. The Monitor remains in various stages of discussions and negotiations with the remaining Purchasers and Ordinary Creditor claimants with unresolved claims in dispute and is hopeful these claims will be resolved. However, should this not be possible, the Monitor will attend before this Honourable Court to request assistance to resolve the remaining Purchaser and Ordinary Creditor claims pursuant to the Claims Procedure Order.

VCH Claim Settlement

18. In consultation with USI, the Monitor has settled an Ordinary Claim filed by VCH against USI in the amount of $36.2 million.

19. The claims of VCH arose principally from USI's inability to obtain contingency insurance from third party reinsurers for the life insurance policies which it sold to VCH (and for which it was paid to effect such insurance). VCH also asserted certain claims in respect of policies which it had purchased from USI and paid for, but which, for a variety of reasons, were not transferred to VCH.

20. After purchasing certain individual policies from USI in 2003, on September 8, 2005, VCH and USI entered into a Policy Purchase Agreement (the **"Block A Policy Purchase Agreement"**) for the purchase of a block of 21 of the policies which USI had purchased from the receiver (the **"TPI Receiver"**) of Trade Partners Inc. (**"TPI"**), an American life settlement company that had gone into receivership. Pursuant to the Block A Policy Purchase Agreement, the parties agreed that USI would arrange for contingency insurance of each policy by a third party bonding company, such that the face value of the policy will be paid to VCH at the insured's life expectancy plus one year, if the insured has not died by that time (the **"Bonding Obligation"**). VCH paid a premium equal to 5% of the policy purchase price to USI on account of the Bonding Obligation.

21. On December 31, 2005 VCH and USI entered into an agreement regarding VCH's purchase of twenty two (22) more TPI policies from USI (the **"Block B Policy Purchase Agreement"**). On May 1, 2006 VCH and USI entered into a agreement regarding the purchase of thirty three (33) additional TPI policies from USI (the **"Block C Policy Purchase Agreement"**). And on August 28, 2006, VCH and USI entered into an agreement regarding the purchase of six (6) TPI policies from USI (the **"Block D Policy Purchase Agreement"**). Each of the Block B, C and D Policy Purchase Agreements also contain a USI Bonding Obligation.

22. On February 23, 2009, in accordance with the Claims Procedure, VCH submitted a claim against USI in the total amount of $36.2 million (**"Original VCH Claim"**) for damages resulting from the breach of the Policy Purchase Agreement. The claim consisted of several elements of damages, including: (a) damages for the failure to provide contingency insurance, (b) costs associated with the loss of a guaranteed maturity date for the policies, (c) a claim for reimbursement of a portion of the purchase price related to eight (8) policies that had been purchased by VCH from USI, but which had not been transferred by USI to

VCH as a result of difficulties in obtaining transfer documentation from the TPI Receiver (the "**Untransferred Policies**"), and (d) losses relating to a post-closing purchase price adjustment which had not been settled.

23. Prior to the commencement of the CCAA, USI and VCH had agreed to settle their dispute with respect to the Untransferred Policies (the "**Settlement**"), pursuant to which USI and VCH agreed to substitute two other USI corporate policies ("**Substitute Policies**") for the Untransferred Policies and a third policy, with a face value of $2.0 million, from the TPI Receiver (the "**TPI Policy**"). The TPI Policy was an Untransferred Policy which, at the time of the Settlement, was determined to be available for transfer. The combined death benefits of the Substitute Policies and the TPI Policy approximate the aggregate death benefits of the Untransferred Policies.

24. However, the transfer of the TPI Policy was delayed as it remained in the hands of the TPI Receiver, and had not yet been transferred to USI in accordance with an agreement between USI and the TPI Receiver. USI and VCH agreed that USI would transfer the TPI Policy to VCH once it could be transferred to USI by the TPI Receiver. At the commencement of these CCAA proceedings the TPI Policy had not yet been transferred to USI by the TPI Receiver.

25. On June 16, 2009, after certain discussions between VCH and USI, VCH amended its claim (the "**Amended VCH Claim**") by reducing the quantum of its claim to $12.0 million, and including the transfer to VCH of the TPI Policy. The Amended VCH Claim was accepted for voting purposes.

26. In July, 2009, USI was able to obtain a transfer of the TPI Policy from the TPI Receiver. A condition of the transfer required by the TPI Receiver was the reimbursement to the TPI Receiver of premiums paid by the TPI Receiver in respect of the TPI Policy in the amount of US $111,935. USI reimbursed the premium payments on the TPI Policy from the Monitored Trust Account and proceeded with the transfer of the TPI Policy to USI. The TPI Policy was contributed by USI to the Plan Assets. On November 16, 2009 a further premium totalling US $21,145 was due in respect of the TPI Policy, which was also paid from the Monitored Trust Account.

27. In October, 2009 the Monitor undertook further discussions with VCH in order to attempt to resolve the Amended VCH Claim. As a result of those discussions, after considering the nature of the damages claim, the lack of any replacement contingency insurance available in the market, the estimate of remaining life expectancy used by VCH in respect of the policies purchased under the Policy Purchase Agreement, and taking into account the set-off of premiums paid on policies by USI on behalf of VCH, the Monitor and VCH have agreed, with the concurrence of USI, that the claim of VCH should be valued as an Ordinary Claim at $10,397,782, and the claim settled on this basis, together with a transfer to VCH of the TPI Policy, on obtaining the agreement of VCH that all premium payments related to the TPI Policy paid out of the Monitored Trust Account will be reimbursed by VCH upon transfer of the TPI Policy to VCH, and on payment of a US $10,000 fee to the Monitored Trust Account to compensate the Monitored Trust Account for having paid the premium payments in respect of the TPI Policy. A Notice of Revision or Disallowance, in the form attached hereto as **Appendix "F"** has been issued by the Monitor to VCH and the period for disputing the Notice of Revision or Disallowance was waived by VCH.

28. The transfer of the TPI Policy is subject to Court approval. As agreed with VCH, if Court approval is granted, the TPI Policy is only to be transferred to VCH on payment of all premiums funded by USI in respect of the TPI Policy, as well as payment of the US $10,000 fee.

29. USI therefore seeks the approval of this Honourable Court of the transfer of the TPI Policy to VCH in accordance with the settlement of the VCH claim, upon reimbursement of the sum of US $133,080 by VCH for premiums paid on its behalf, and on payment by VCH of the US $10,000 fee.

30. The Monitor considers the transfer of the TPI Policy to VCH to be reasonable since the Original VCH Claim amount which related to the Untransferred Policies has been withdrawn by VCH, and the TPI Policy, together with the Substituted Policies, replace the Untransferred policies that were purchased and paid for by VCH.

Related Party Claim

31. As described in the Seventh Report, an unsecured claim was filed in the amount of US $1.35 million by a party related to a shareholder of USI ("**Related Party**") with respect to a loan provided by the Related Party to USI (the "**Related Party Loan**").

32. Prior to the commencement of these CCAA Proceedings USI had transferred to the Related Party three (3) company-owned life insurance policies with face values totalling US $7.0 million. The claim filed by the Related Party did not refer to or account for the transfer of these policies. The Monitor advised this Honourable Court in its Seventh Report that it would be investigating the claim further in accordance with the Claims Procedure Order.

33. Upon inquiries of the Related Party and USI by the Monitor, the Monitor received further details of the Related Party Loan, including copies of the promissory notes and cancelled cheques that evidence the amounts advanced by the Related Party to USI. The Monitor was satisfied that the amount of US $1.35 million remained outstanding on the Related Party Loan.

34. It was also confirmed to the Monitor by USI and the Related Party that the policies were transferred to the Related Party as security for the Related Party Loan. As a result, the Monitor was of the view that it was necessary to take into account the value of the policies transferred to the Related Party in valuing the amount of the Related Party claim.

35. In order to address this issue, USI obtained from AVS Underwriting LLC an update to the original life expectancy reports of the insureds of the policies transferred to the Related Party. These updates were used to prepare present value calculations which approximated the US $1.35 million that remains outstanding on the Related Party Loan. The Monitor reviewed USI's calculations and does not consider USI's valuation to be unreasonable.

36. The claim filed in respect of the Related Party Loan did not include a claim for interest. Subsequent to its filing, the Related Party requested that the claim be amended to include accrued interest of US $279,158 for the period commencing with the transfer of the policies to the Related Party, and ending on the Valuation Date.

37. However, the Monitor has been advised by USI that subsequent to the transfer of the policies, premiums continued to be paid by USI in respect of those policies until December, 2008. The amount of premiums paid totalled US $180,603.

38. As a result of negotiations, the Monitor and the Related Party have agreed to settle the claim by setting off the value of the policies transferred to the Related Party against the principal amount of the loan in its entirety, and allowing only the amended claim for accrued interest, after deducting the amount of premiums paid by USI on behalf of the claimant. This results in an allowable net claim amount of US $98,555 (US $279,158 – US $180,603). A Notice of Revision or Disallowance will be issued by the Monitor in this amount.

STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE MONITORED TRUST ACCOUNT

39. As at November 20, 2009, the Trustees are holding cash in trust totalling approximately $7.3 million as reflected in the Statement of Receipts and Disbursements for the period from the Plan Implementation Date to November 20, 2009 ("**Reporting Period**") attached as **Appendix "G"**. During the Reporting Period the Plan Assets experienced a net cash flow decrease of approximately $2.7 million. The decrease is primarily the result of payments of premiums and Unaffected Claims totalling approximately $2.3 million and $915,000, respectively. According to USI, there are no further Unaffected Claims to be paid. According to the Trustees, Premium payments are in the range of approximately US $400,000 to US $700,000 per month after utilisation of available cash value in certain policies to reduce premium loads.

40. As described in previous reports to this Honourable Court, USI has drawn on policy loans to fund policy premiums and operating costs prior to Plan Implementation. Currently, there exists approximately US $1.5 million of outstanding policy loans accruing interest of approximately US $115,000 annually at interest rates ranging from 5% to 8%. The accrued interest is offset against the policies' death benefits and is therefore not paid from Plan Assets. USI intends to delay repayment of the policy loans until such time as there

exist sufficient excess Plan Assets to justify repayment or a distribution is made to Purchasers and Ordinary Creditors.

CONCLUSION

41. The Monitor requests that this Honourable Court approve:

    i) the transfer of the TPI Policy to VCH pursuant to the VCH claim settlement for the reasons noted above; and

    ii) the activities of the Monitor as set out in this Report.

ALL OF WHICH is respectfully submitted this 9th day of December, 2009.

ERNST & YOUNG INC.,
Court-appointed Monitor of Universal Settlements International Inc.

Per:

Brian Denega
Senior Vice-President

Rahn Dodick
Vice-President

APPENDIX “A”

UNIVERSAL SETTLEMENTS INTERNATIONAL INC.
(the "**Corporation**")

RESOLUTION OF THE BOARD OF DIRECTORS

WHEREAS on December 2, 2008, the Corporation obtained an Order (the "**Initial Order**") of the Ontario Superior Court of Justice (the "**Court**") granting it protection pursuant to Section 11 of the *Companies' Creditors Arrangement Act* (the "**CCAA**");

AND WHEREAS the Corporation has worked diligently to complete a restructuring and has developed an Amended Plan of Compromise and Arrangement dated June 16, 2008 (as amended, the "**Plan**");

AND WHEREAS the Plan was approved by the Ontario Superior Court of Justice (Commercial List) on June 22, 2009 (the "**Sanction Order**") in the form attached hereto as Exhibit "A";

AND WHEREAS the Corporation is required to take certain actions (the "**Proposed Actions**") ancillary to the Plan prior to and after the effective date of the Plan which include, without limitation, the creation of a number of segregated bank accounts, the execution of a Declaration of Trust (the "**Declaration of Trust**") in respect of a trust in which certain property will be held for the benefit of the Purchasers, the Ordinary Creditors (each as defined in the Plan), and other beneficiaries of the Plan substantially in the form of Exhibit "B" hereto, the execution of a monitored account agreement (the "**Monitored Account Agreement**") substantially in the form attached hereto as Exhibit "C"; and the establishment of a Creditors' Committee in accordance with the Plan (a "**Creditors' Committee**").

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation be and is hereby authorized to execute, deliver and take all steps necessary in order to give effect to and implement the Plan, including, without limitation executing, delivering and performing its obligations under the Declaration of Trust and the Monitored Account Agreement, and establishing a protocol of guidelines to govern the Creditors' Committee.

2. Any one (1) director or officer of the Corporation be and is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute, the Declaration of Trust or the Monitored Account Agreement, whether under the corporate seal of the Corporation, or otherwise, and deliver the Declaration of Trust or the Monitored Account Agreement, substantially in the form of and on the terms and subject to the conditions set out in the Declaration of Trust or the Monitored Account Agreement, with such changes thereto as that officer or director may approve, such approval to be evidenced conclusively by the execution of such agreement in accordance with this paragraph with such additions, alterations, amendments and deletions as may be approved by any one (1) of them.

3. That any one (1) director or officer of the Corporation be and is hereby authorized and directed, for and in the name of and on behalf of the Corporation to do all things and

execute (whether under corporate seal of the Corporation or otherwise) and deliver all such further documents, instruments, amendments, confirmations, acknowledgements, certificates and other documents and do all such other acts or things as that officer or director determines to be necessary or desirable in connection with the Plan or hereunder and that the doing of such act or thing or the signature of any one (1) director or officer of the Corporation of such document shall be conclusive evidence of such ratification, consent and approval and that the documents and instruments so executed are those authorized by this resolution; and

4. All acts and things done and all documents executed by any officer or director of the Corporation to date in connection with the Plan, including execution of any documents in connection therewith, are hereby confirmed, verified, sanctioned, approved, adopted and authorized.

THIS RESOLUTION may be signed in counterparts, including by facsimile and all such signed counterparts, when taken together, shall constitute one and the same resolution, effective on this date.

The foregoing resolution is hereby consented to as evidenced by the signatures of the directors of the Corporation in accordance with the provisions of the *Business Corporations Act* (Ontario).

DATED this 17th day of July, 2009.

Name: Jeffrey Panos

Name: Christopher Halas

EXHIBIT "A"
Plan

EXHIBIT "B"
Declaration of Trust

EXHIBIT "C"
Monitored Account Agreement

APPENDIX “B”

DECLARATION OF TRUST

Dated as of the 17th day of July, 2009

by **Universal Settlements International Inc.,**
a corporation incorporated under the laws of the Province of Ontario
(hereinafter referred to as the "**Trustee**")

WHEREAS:

(a) On December 2, 2008, the Trustee obtained an Order (the "**Initial Order**") of the Ontario Superior Court of Justice granting it protection pursuant to Section 11 of the *Companies' Creditors Arrangement Act* (the "**CCAA**");

(b) The Trustee has developed an Amended Plan of Compromise and Arrangement dated June 16, 2008 (as amended, the "**Plan**");

(c) The Plan was approved by the Ontario Superior Court of Justice on June 22, 2009 in the form attached hereto as Schedule "A";

(d) Under the terms of the Plan, certain Policies, Insurance Proceeds, Litigation Recovery, Cash on Hand, Tax Refunds and remaining TPI Proceeds (all as defined in the Plan) may be in the possession of or received by the Trustee (collectively, the "**Property**");

(e) For the purposes of this Declaration, the "**Beneficiaries**" include the following parties: the Purchasers (as defined in the Plan), the Ordinary Creditors (as defined in the Plan), and any other parties receiving benefits under the Plan; and

(f) The Trustee has agreed to hold the Property in trust for the Beneficiaries in accordance with Sections 4.2, 4.6, 4.7, and 4.8 of the Plan.

NOW THEREFORE the Trustee agrees as follows:

1. The Trustee declares that, effective on the Plan Implementation Date (as such term is defined in the Plan), the Trustee holds all Policies (as such term is defined in the Plan) and all funds deposited in the Monitored Trust Account (as defined in the Plan) in trust for the beneficiaries of the Plan, and that the Policies and Insurance Proceeds (as such terms are defined in the Plan) and all other funds held in the Monitored Trust Account (as defined in the Plan) shall be dealt with only in the manner provided for in the Plan and in the Monitored Account Agreement dated July 17, 2009 between the Trustee and Ernst & Young Inc., in its capacity as Monitor (the "**Monitored Account Agreement**").

2. The Trustee agrees to deal with the Property only as necessary to give effect to the provisions of the Plan and the Monitored Account Agreement.

3. The Trustee acknowledges and agrees that all profits, interest and other receipts of any nature or kind arising from the Property or the use thereof shall be held in trust for the benefit of the Beneficiaries and that the Trustee has no beneficial interest in such profits, interest and other receipts.

4. The Trustee shall promptly transmit to the Monitor copies of all notices, claims, demands or other communications which the Trustee may receive and which relate in any way to the Property.

5. The relationship between the Trustee and the Beneficiaries shall be that of trustee and beneficiary only. There is no intention to create a relationship of partnership, joint venture or association between the Beneficiaries and the Trustee in relation to the Property.

6. All provisions of this Declaration are subject to the terms of the Plan. In the case of any conflict between this Declaration and the Plan, the Plan will govern.

IN WITNESS WHEREOF this Declaration has been executed by the parties hereto on the day, month and year first above written.

UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

Per: ______________________

Name: Jeffrey Panos

Title: President

SCHEDULE "A"

UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

AMENDED PLAN OF COMPROMISE AND ARRANGEMENT

PURSUANT TO THE

***COMPANIES' CREDITORS ARRANGEMENT ACT* (CANADA)**

June 16, 2009

This Plan has not been approved or sanctioned in any way by the Ontario Superior Court of Justice (the "Court") pursuant to the proceeding brought by the Applicant under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended, and bearing Court File No. 08-CL-7878. Rather, the Court has only authorized that this Plan be sent to creditors of the Applicant for the purposes of allowing the Applicant to hold a meeting of creditors wherein its creditors may vote on whether or not to approve the Plan. Nothing in this Plan is to be taken as the Court having passed on the merits of this Plan.

AMENDED PLAN OF COMPROMISE AND ARRANGEMENT

This is the amended plan of compromise and arrangement of Universal Settlements International Inc. (the "**Plan**").

ARTICLE 1
INTERPRETATIONS

1.1 Definitions

In this Plan, unless otherwise stated or the context otherwise requires:

"**Actions**" has the meaning given to that term in Section 2.3 of this Plan.

"**Administrative Fee**" means the administrative fee set out in Schedule A to this Plan, for the performance of the services also set out in Schedule A to this Plan, payable to the Applicant monthly in advance from the Monitored Trust Account for each month (or part thereof) starting on Plan Implementation and continuing until the earlier of (i) the date on which one hundred percent (100%) of the Original Investment of Purchasers has been paid, (ii) six years from the Plan Implementation Date, and (iii) the Court otherwise directs.

"**Agent**" means any Person who acted to facilitate a purchase of a Life Settlement by a Purchaser, and for the purposes of this Plan shall include Universal Settlements Vermogensberatung GmbH.

"**Annuities**" means annuities payable to the Applicant or Mills under the Policies.

"**Applicant**" means Universal Settlements International Inc.

"**Borrowings**" means any borrowings for the payment of Premiums, the Professional Costs, the Administrative Fee and/or Mills' fees, as permitted by Section 4.4 of this Plan.

"**Borrowing Costs**" means any borrowing costs incurred with respect to Borrowings.

"**Business Day**" means a day other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario, Canada.

"**Cash on Hand**" has the meaning given to that term in Section 2.4 of this Plan.

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

"**CCAA Proceedings**" means the proceedings under the CCAA commenced by the Applicant in the Ontario Superior Court of Justice, Toronto (Commercial List) under Court File No. 08-CL-7878.

"**Charges**" means the Administration Charge and Directors' Charge, as those terms are defined in the Initial Order.

"**Claim**" means (i) any right of any Person against the Applicant in connection with any indebtedness, liability or obligation of any kind of the Applicant, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the Valuation Date or which would have been claims provable in bankruptcy had the Applicant become bankrupt on the Valuation Date (each a "Claim", and collectively, the "Claims"), and (ii) any right of any Person against the Directors of the Applicant that relates to the Claims for which the Directors of the Applicant are by law liable to pay in their capacity as directors, provided however that the terms "Claim" and "Claims" shall not include (i) Unaffected Claims, (ii) any claims made in the Actions.

"**Claims Procedure Order**" means the Order of the Court made on January 23, 2009 in the CCAA Proceedings.

"**Classes**" means the classes of Creditors for the purposes of considering and voting upon this Plan in accordance with the provisions of this Plan, and receiving Distributions hereunder.

"**Corporate Policies**" means the interests in life insurance policies that are not identified on the records of the Applicant or Mills as allocated to a Purchaser as of the Valuation Date, and in which the Applicant had retained such interest for its sole benefit, including any interest of the Applicant in policies held in the USII Trust.

"**Costs**" has the meaning given to that term in Section 4.2 of this Plan.

"**Court**" means the Ontario Superior Court of Justice (Commercial List) in Canada.

"**Creditor**" means any Purchaser, Ordinary Creditor, or any other Person having a Claim, and "**Creditors**" means all of such Persons.

"**Creditor Approval**" means the approval of this Plan by each Class of Creditors.

"**Crown**" means Her Majesty the Queen in the Right of Canada or any province thereof.

"**Death Benefit Maturity Funds**" means all monies that have been or are received by the Applicant prior to the Plan Implementation Date from matured Policies, and which monies continue to be held by the Applicant on the Plan Implementation Date.

"**Director**" means any director of the Applicant as of the date of this Plan, and "**Directors**" means all of such directors.

"**Distributions**" are the amounts available for distribution to Purchasers and to Ordinary Creditors, from the Purchaser Pool, ROI Pool and the Ordinary Creditor Pool, respectively.

"**Effective Time**" means noon (Eastern Standard/Daylight Time) on the Plan Implementation Date.

"**Escrow Fund**" means those monies paid into escrow pursuant to an interim award of the arbitrator dated January 16, 2007, in Re In the Matter of an Arbitration between The Brokerwise Group Inc. and 1508211 Ontario Inc., claimants, vs. Antonio Duscio and Martina Capital Corporation, respondents, and the term "Escrow Fund" shall include (i) any amounts previously paid out of the Escrow Fund to Antonio Duscio and which are subsequently repaid by him to the Escrow Fund, and (ii) any interest or gains on the Escrow Fund, net of applicable taxes, but for the purposes of this definition, Escow Fund shall be net of any legal costs or disbursements incurred to recover the Escrow Fund.

"**Initial Order**" means the Order of the Court dated December 2, 2008, made in the CCAA Proceedings.

"**Initial Order Date**" means December 2, 2008.

"**Insurance Proceeds**" means death benefits in respect of matured Policies together with any Annuities, interest and dividends, any return or refund of Premiums, and any other amounts paid by insurance companies with respect to the matured Policies.

"**Life Settlement**" means a financial transaction whereby owners of life insurance policies sell their legal title and beneficial interest in such policies to a third party at a discount from the face value of such policies.

"**Litigation Contribution**" means an amount not to exceed the aggregate of (i) U.S. $500,000 to be contributed, pursuant to Section 4.5 of this Plan, from the Monitored Trust Account toward payment of the legal fees and disbursements incurred by the Applicant in the Actions, and (ii) the Escrow Funds to be paid to the Monitored Trust Account pursuant to Section 2.5 of this Plan and to be applied toward payment of any additional legal fees and disbursements incurred by the Applicant in the Actions.

"**Litigation Recovery**" means any proceeds received by the Applicant from the determination or settlement of either or both of the Actions, and shall include any costs recovered by the Applicant in the Actions, but shall exclude the Escrow Funds payable to the Monitored Trust Account in accordance with Section 2.5 of this Plan.

"**M-Series Trust**" means the trust created pursuant to a Master Declaration of Trust dated March 21, 2008 between Universal Settlements International Inc. and Mills (as defined below).

"**mature**": a Policy matures when the individual whose life is insured under that Policy dies, and "**maturity**" and "**Matured Policy**" shall have a corresponding meaning.

"**Meeting Order**" means the Order of the Court made on May 11, 2009 in the CCAA Proceedings.

"**Meeting**" and "**Meetings**" means the meeting or meetings of Creditors called for the purpose of considering and voting in respect of this Plan pursuant to the CCAA.

"**Mills**" means Mills, Potoczak & Company, in its capacity as the United States of America service agent for the Policies on behalf of the Applicant.

"**Monitor**" means Ernst & Young Inc., solely in its capacity as the Monitor appointed pursuant to the Initial Order, and not in its personal capacity.

"**Monitored Trust Account**" means a bank account established by the Applicant and held at a Canadian chartered bank, into which (from and after Plan Implementation) shall be deposited the Cash on Hand, all Insurance Proceeds, all Litigation Recovery and any TPI Proceeds.

"**Monitored Account Agreement**" means the agreement to be executed by the Monitor and the Applicant as provided for under Section 4.2 of this Plan.

"**Order**" means any order of the Court in the CCAA Proceedings.

"**Ordinary Creditors**" means all Creditors other than Purchasers.

"**Original Investment**" means the initial investment made by a Purchaser, as determined pursuant to the Claims Procedure Order or any subsequent Order, without interest or any other return on such initial investment.

"**Ordinary Creditor Pool**" means a pool of funds created for payment of Distributions to Ordinary Creditors, as described in Section 4.8 of this Plan.

"**Person**" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted.

"**Plan**" means this plan of compromise and arrangement filed by the Applicant pursuant to the Initial Order and the CCAA, as such Plan may be further amended, varied or supplemented from time to time.

"**Plan Circular**" means a circular dated May 5, 2009 wherein this Plan is summarized and discussed.

"Plan Implementation Date" means the date that is one (1) Business Day after the satisfaction of all conditions precedent in section 6.2 of this Plan, or such later date as the Applicant and the Monitor may agree in writing, and **"Plan Implementation"** shall have a corresponding meaning.

"Policies" means Purchaser Policies and Corporate Policies.

"Pools" means, collectively, the Purchaser Pool, the ROI Pool and the Ordinary Creditor Pool.

"Premiums" mean the amounts payable by the Applicant to keep the Policies in good standing, as determined by the Applicant and Mills.

"Premium Reserves" means the funds that were previously segregated for the purposes of paying Premiums for specific Policies.

"Professional Costs" has the meaning given to that term in Section 2.6 of this Plan.

"Proven Claim" means the Claims of Creditors which are Proven Claims within the meaning given to that term in the Claims Procedure Order.

"Purchaser" means a person who, pursuant to a purchase agreement with the Applicant or an Agent, purchased an interest in a Life Settlement, and from whom the Applicant received monies for this purpose.

"Purchaser Policies" means the interests in life insurance policies that are identified on the records of the Applicant or Mills as allocated to a Purchaser as of the Valuation Date, but not including those Purchasers' interests in policies held in the M-Series Trust or in the USII Trust.

"Purchaser Pool" means a pool of funds created to provide Purchasers with a return of their Original Investments, as described in Section 4.6 of this Plan.

"Reserve for Costs" has the meaning given to that term in Section 4.3 of this Plan.

"ROI Pool" means a pool of funds created to provide Purchasers with an amount over and above their Original Investments, as described in Section 4.7 of this Plan.

"Sale Process" means a sale process that may be conducted by the Monitor in accordance with and upon fulfillment of the conditions set out in Section 4.9 of this Plan.

"Sanction Order" means an Order on terms satisfactory to the Applicant and the Monitor approving and sanctioning this Plan.

"Secured Claim" means any Claim or portion thereof that is secured by a security interest, pledge, mortgage, lien, hypothec or charge on any property of the Applicant, but only to the extent of the value of the security in respect of the Claim, and for greater certainty, the Charges each constitute a Secured Claim.

"**Shareholders**" means the current shareholders of the Applicant, being The Brokerwise Group Inc. and 1508211 Ontario Inc.

"**Success Fee**" means the success fee, if any, payable to the Applicant pursuant to Section 4.10 and Schedule B of this Plan.

"**Tax Refunds**" means all tax refunds, including sales tax refunds, received by the Applicant at any time and relating to the period prior to the Initial Order Date.

"**TPI Proceeds**" means the net proceeds from the sale of the TPI Portfolio, approved by the Court by Order dated December 23, 2008.

"**Unaffected Claims**" has the meaning given to such term in section 2.6 of this Plan and "Unaffected Claim" means any one of such Unaffected Claims.

"**Undistributed Distributions**" has the meaning given to such term in Section 5.5 of this Plan.

"**USII Trust**" means the trust created pursuant to a Trust Agreement dated June 30, 2008 between Universal Settlements International Inc. and Valenzano & Pillo LLP.

"**Valuation Date**" means January 23, 2009.

1.2 <u>Construction</u>

In this Plan, unless otherwise stated or the context otherwise requires:

(a) the division of the Plan into articles and sections and the use of headings are for convenience of reference only and do not affect the construction or interpretation of the Plan;

(b) the words "hereunder", "hereof" and similar expressions refer to this Plan and not to any particular article, section or schedule and references to "Articles", "Sections", and "Schedules" are to articles and sections of and schedules to this Plan;

(c) words importing the singular include the plural and vice versa and words importing any gender include all genders;

(d) the word "including" means "including without limiting the generality of the foregoing";

(e) a reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder;

(f) a reference to any agreement, indenture or other document is to that document as amended, supplemented, restated or replaced from time to time;

(g) references to dollar amounts are to Canadian dollars, unless otherwise indicated;

(h) Undistributed Distributions shall be deemed to be paid as of the date of the payment of the Distributions to which they relate, for the purposes of (A) determining when contributions to the Purchaser Pool cease, and contributions to the ROI Pool begin, (B) determining when a transfer from the Purchaser Pool to the ROI Pool should occur, pursuant to Section 4.10(a) of this Plan, (C) determining if and when the initial Success Fee (of U.S. $1,000,000) should be paid, (D) determining the date on which payment of the Administrative Fee ceases; and

(i) references to times are to local time in Toronto, Ontario, Canada.

1.3 Conversion

The Claims of Purchasers are in U.S. dollars, and may be dealt with entirely in U.S. dollars. All payments hereunder to Purchasers shall be in U.S. dollars. The Claims of Ordinary Creditors that are denominated in a currency other than lawful money of Canada are to be converted to the equivalent thereof in lawful money of Canada at the noon rate of exchange as quoted by the Bank of Canada on the Valuation Date.

1.4 Deeming Provisions

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

1.5 Date for any Action

If any date on which any action required to be taken hereunder by a Person is not a Business Day, such action must be taken on the next succeeding day which is a Business Day.

1.6 Schedules

The following are the Schedules to this Plan:

Schedule A	Administrative services to be provided
Schedule B	Methodology for payment of Distributions from the ROI Pool

ARTICLE 2
PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and arrangement of all Claims.

2.2 Overview

This overview is provided to assist the reader in understanding the Plan. Reference is also made to the Plan Circular, wherein further information with respect to the Plan is provided. In the event of an inconsistency between the overview in this Section 2.2 and the other provisions of the Plan, such other provisions shall govern. In the event of an inconsistency between the Plan Circular and the provisions of this Plan, this Plan shall govern.

The structure of the Plan and the flow of monies thereunder may be summarized as follows:

(a) Commencing on Plan Implementation, all Cash on Hand, Litigation Recovery, and remaining TPI Proceeds will be paid into the Monitored Trust Account. All Insurance Proceeds will continue to be received from the respective insurance companies by the Applicant, or Mills, each of whom shall receive such funds in trust for the benefit of this Plan, and each of whom will immediately pay and deposit the Insurance Proceeds into the Monitored Trust Account.

(b) Pursuant to the declaration of trust referred to in Section 6.2(e) of the Plan, effective on the Plan Implementation Date the Applicant will declare that it holds all Policies, Insurance Proceeds, Cash on Hand, Litigation Recovery, Tax Refunds, remaining TPI Proceeds and any other amounts to be deposited into the Monitored Trust Account in trust for the beneficiaries of the Plan, and that the Policies, Insurance Proceeds, Cash on Hand, Litigation Recovery, remaining TPI Proceeds and any other amounts shall be dealt with only in the manner provided for in the Plan. Pursuant to the trust declaration, no alteration in the Plan will affect the fact that the Policies are held in trust for the beneficiaries of the Plan.

(c) The Monitor and the Applicant shall enter into the Monitored Account Agreement.

(d) The majority of funds in the Monitored Trust Account will be available to pay Distributions to Purchasers and Ordinary Creditors in accordance with this Plan. However, the funds in the Monitored Trust Account will also be used to pay certain limited costs, being (i) Premiums on the Policies as and when due, (ii) Borrowing Costs, (iii) Professional Costs, (iv) the Administrative Fee and Mills' fees, (v) the Litigation Contribution, and (vi) Unaffected Claims, as provided for at Section 4.2 of the Plan.

(e) A Reserve for Costs will be maintained in the Monitored Trust Account, in accordance with Section 4.3 of the Plan. Once the funds available in the Monitored Trust Account exceed the Reserve for Costs amount by U.S. $5 million or more, 96.15% of such excess will be transferred into the Purchaser Pool (or the ROI Pool, as the case may be), which shall be used to pay Distributions to Purchasers, and 3.85% of such excess will be transferred into the Ordinary Creditor Pool, which shall be used to pay Distributions to Ordinary Creditors.

(f) Due to the costs of making a Distribution, it is anticipated that Distributions will be paid annually, and in any event not more frequently than semi-annually, in each case subject to availability of funds for the payment of Distributions.

(g) Distributions will be paid out of the Purchaser Pool until such time as Purchasers have been paid one hundred percent (100%) of their Original Investments, in aggregate. Distributions out of the Purchaser Pool will be calculated and paid based on the Original Investments, without interest or any other return. The Applicant anticipates that over approximately a six-year period the Purchaser Pool will pay sufficient Distributions to pay to Purchasers one hundred percent (100%) of their Original Investments.

(h) After Purchasers have been paid one hundred percent (100%) of their Original Investments, the ROI Pool shall be funded from the Monitored Trust Account, if additional monies are available. In addition, the Applicant is entitled to a Success Fee if one hundred and ten percent (110%) of Purchasers' Original Investments are paid, as described in Section 4.10 of this Plan.

(i) Distributions out of the ROI Pool will enable Purchasers to obtain a return on their investments, over and above their Original Investments; such Distributions will be paid based on the methodology found in Schedule B to this Plan.

(j) Distributions to Ordinary Creditors will be paid out of the Ordinary Creditor Pool, based on the Proven Claims of those Ordinary Creditors.

(k) A Sale Process relating to the Policies may in appropriate circumstances be conducted, as set out in Section 4.9 of this Plan.

2.3 Benefits of the Plan

It is the Applicant's view that the Plan offers several benefits to the Creditors, and will result in a maximization of the Distributions available to Creditors. The Applicant has identified the following benefits of a successful Plan implementation:

(a) This Plan will prevent a liquidation sale of the Applicant's portfolio of Policies. The Applicant believes that such a liquidation sale would generate net proceeds well below what this Plan will return to Creditors, and well below the Original Investments of Purchasers.

(b) The Applicant and Mills are very familiar with the portfolio of Policies and have been managing and administering this portfolio since inception. As such, there are existing processes and procedures in place, including databases, document management capabilities, insured monitoring protocols and other technological systems, all of which provide for the efficient maintenance of the portfolio. In addition, the Applicant and Mills have qualified administration staff who have relationships with insurance carriers, agents and the insured persons, and who routinely process premiums, track insured lives, and process death claims.

(c) This Plan will also permit the Applicant to utilize the Litigation Contribution to continue with two actions (the "**Actions**") currently outstanding, being *Universal Settlements International Inc.* v. *James Torchia, Marc Celello* and *National Viaticals Inc.* (United States District Court, Western District of Michigan, Court file no. 1:07-cv-1243) and in *Universal Settlements International Inc.* v. *Antonio Duscio et al.* (Ontario Superior Court of Justice, Court file no. 06-CV-323645 PD3), from which the Applicant expects to receive a net recovery. The potential benefit of the Actions may be lost if the Applicant does not continue to operate. As described in Section 4.5 of this Plan, all Litigation Recovery will be paid into the Monitored Trust Account.

(d) A typical Life Settlement transaction between the Applicant and a Purchaser commenced with the execution of a purchase agreement. The terms of the Applicant's purchase agreements evolved slightly over time as programs changed. The terms of many purchase agreements are ambiguous in some respects, and there is some doubt as to whether some Purchasers have (i) a claim only as a creditor of the Applicant, and no direct claim to the Policies purchased by the Applicant on their behalf, or (ii) a direct claim in the Policies purchased by the Applicant on their behalf. Except with respect to the life insurance policies held in the M-Series Trust or the USII Trust, since such policies are held in trust for the Purchasers of such policies, for the purposes of the Plan, all Purchasers will be treated as Creditors. The Applicant is strongly of the view that the approval and implementation of the Plan will return to Purchasers, in aggregate, more than the Purchasers would realize if they were to assert a direct ownership or beneficial interest in the Policies previously allocated to the Purchasers.

2.4 <u>Cash on Hand to be paid into Monitored Trust Account</u>

As of the close of business on June 25, 2009, the estimated Plan Implementation Date, the Applicant anticipates that the aggregate of approximately U.S. $8.7 million will be available for contribution into the Monitored Trust Account, such aggregate amount consisting of (i) cash in possession of the Applicant as of Plan Implementation Date, (ii) Premium Reserves, and (iii) Death Benefit Maturity Funds (collectively, "**Cash on Hand**").

2.5 <u>Escrow Fund</u>

The Shareholders have agreed that any and all portions of the Escrow Fund that are released to the Shareholders, or the Applicant, shall be paid into the Monitored Trust Account. Upon any release of all or any part of the Escrow Fund, it shall be deposited directly to the Monitored Trust Account, pursuant to a direction to be executed by the Applicant and the Shareholders. If all or any part of such amount is needed for the payment of the Applicant's legal fees and disbursements in the Actions, the Applicant shall be entitled to the release of all or part of such amount, upon presentation to the Monitor of a copy of an invoice or other similar documentary record of the amount to be paid, to the Applicant for such purpose. If not needed for payment of the Applicant's legal fees and disbursements in the Actions, 50% of the remaining balance of the Escrow Fund shall be paid directly to the Shareholders and the remaining 50% shall remain in the Monitored Trust Account to be distributed as otherwise provided for in this Plan. The

Monitor shall not be obliged to consider the reasonableness of the request for payment of any amount for the payment of legal fees equal to the amount of the Escrow Fund deposited to the Monitored Trust Account.

2.6 Unaffected Claims

This Plan does not affect the following claims, liabilities or other obligations of the Applicant, except as may expressly provided under the terms of any Order:

(a) *Post Filing Goods and Services* – the claims arising in respect of goods or services supplied after the Initial Order Date and prior to Plan Implementation;

(b) *Professional Advisors* - the claims of the Monitor and of the legal advisors to the Applicant and the Monitor for fees and disbursements (the "**Professional Costs**") incurred or to be incurred in connection with and incidental to (i) the CCAA Proceedings, (ii) the preparation, approval and administration of this Plan, and (iii) the recovery of Insurance Proceeds and the protection of the Policies, in each case other than fees and disbursements incurred with respect to the Actions.

(c) *Directors and Officers* – the Claims of individuals who are current officers or Directors of the Applicant for indemnity pursuant to indemnities provided by the Applicant.

(d) *Secured Creditors* – the Secured Claim of any Person.

(e) *Insured Claims* – the Claims arising in the ordinary course of business against the Applicant which are covered by insurance held by the Applicant ("Insured Claims"), including the Claims or portions of Claims which are below the deductible amounts in such insurance policies, provided, however, that the Applicant shall not be obliged to pay any obligations in respect of deductibles arising on or before the Initial Order Date. For greater certainty, Insured Claims shall have recourse solely against the applicable insurers, and neither the Person having an Insured Claim, nor the insurer itself (whether by subrogation or otherwise) shall have any recourse with respect to the Insured Claim as against the Applicant, or any Proven Claim for the purpose of the Plan.

(f) *Claims of the Crown* – Claims of the Crown referred to in paragraph 18.2(1) of the CCAA.

2.7 Affected Persons

On Plan Implementation, the Plan will become effective and be binding on the Applicant and the Creditors and all other Persons affected by the provisions of this Plan.

Other than the Corporate Policies, this Plan does not affect any policies held in the M-Series Trust or the USII Trust, since such policies are held in trust for the Purchasers of such policies. For greater certainty, however, this Plan does affect, compromise and release any Claim that any Purchaser of such policies may have against the Applicant or other Persons.

2.8 Persons not affected by this Plan

Except to the extent that they may be generally affected by the declarations of trust herein, (i) Persons holding Unaffected Claims shall not be affected by the compromise and arrangements set out in this Plan, and (ii) Persons with claims in the Actions shall not be affected by the compromise and arrangements set out in this Plan.

ARTICLE 3
CLASSIFICATION OF CREDITORS

3.1 Classification of Creditors

The classification of Creditors for the purpose of considering and voting on this Plan and receiving Distributions hereunder are:

(a) Purchasers; and

(b) Ordinary Creditors.

ARTICLE 4
TREATMENT OF CREDITORS

4.1 Compromise of Claims of Creditors

For the purposes of this Plan, the Creditors shall receive the treatment as provided in Article 4 of the Plan and on the Plan Implementation Date, Claims will be settled in accordance with the terms hereof.

Creditor Approval of this Plan shall be deemed to occur if each Class of Creditors (being Purchasers and Ordinary Creditors) approves this Plan in accordance with the CCAA at duly constituted Meetings of such Creditors, in which case this Plan and its terms shall bind all Creditors.

4.2 The Monitored Trust Account

The Monitored Trust Account shall be a segregated bank account or bank accounts in a Canadian chartered bank, established by the Applicant and, subject to the terms of this Plan, shall be held in trust for the Purchasers and the Ordinary Creditors, pursuant to a Declaration of Trust to be executed by the Applicant. As trustee for the Monitored Trust Account, the Applicant will enter into an agreement (the "Monitored Account Agreement") with the Monitor which will provide for the mechanics of operation of the Monitored Trust Account and the terms of oversight of the Monitored Trust Account to be provided by the Monitor.

The Monitored Trust Account may be held in Canadian or U.S. dollars, or in such other currencies as the Monitor may deem appropriate.

All Policies, Insurance Proceeds, Litigation Recovery, Cash on Hand, Tax Refunds, and remaining TPI Proceeds in possession of or received by the Applicant or Mills on or after Plan Implementation shall be held in trust by the Applicant, or Mills, as the case may be, pursuant to Declarations of Trust to be executed by the Applicant and Mills in favour of the Purchasers and the Ordinary Creditors. All Insurance Proceeds, Litigation Recovery, Cash on Hand, and remaining TPI Proceeds shall be paid forthwith after Plan Implementation by the Applicant, or Mills, as the case may be, for deposit into the Monitored Trust Account.

The funds may be disbursed out of the Monitored Trust Account in accordance with the Monitored Account Agreement and this Plan, to pay the following (collectively, the "**Costs**"):

1. Premiums;

2. Professional Costs;

3. Administrative Fees and Mills' fees;

4. Borrowing Costs ;

5. the Litigation Contribution; and

6. Unaffected Claims;

In addition, any bank charges related to the Monitored Trust Account may be deducted by the bank from the account.

Payment of such amounts are subject to:

- confirming that the Costs are due and are a permitted disbursement pursuant to the Plan;
- there being sufficient funds in the Monitored Trust Account to make such payments;
- the Monitor's review of the Costs for reasonableness;
- the Court's approval of fees and disbursements, where applicable; and
- the Monitor's ability to apply for direction from the Court, if necessary, prior to paying any Cost.

Payments out of the Monitored Trust Account on account of any Canadian taxes or withholdings as required by law shall also be permitted.

There shall be no obligation to pay Costs pro rata, in the event that sufficient funds are not available from time to time to pay all Cost, and the timing of the payment of all Costs shall be at the discretion of the Monitor, or as the Court may direct. The Monitor shall not incur any liability for the payment or non-payment of any Costs, or the timing or manner of such payments.

Subject to the Reserve for Costs described at Section 4.3 below, and the payment of Costs, funds may be made available to the Purchaser Pool, the ROI Pool and the Ordinary Creditor Pool in accordance with this Plan, to allow for the payment of Distributions from those Pools to Creditors. No payments shall be made directly to Creditors out of the Monitored Trust Account and Creditors shall not be entitled to assert any direct claim to the funds in the Monitored Trust Account, without Order of the Court.

4.3 Reserve for Costs

A reserve (the "**Reserve for Costs**") shall be established in the Monitored Trust Account in order to fund the Costs. As of Plan Implementation Date, the opening balance of the Reserve for Costs shall be the amount of the Cash on Hand. Thereafter, the Reserve For Costs shall be maintained in an amount sufficient, in the Monitor's sole discretion, to pay the anticipated Costs for the following two years. In determining the Reserve for Costs, the Monitor shall be entitled to rely on the information provided by the Applicant, Mills and the insurance companies, relating to projected Premium liabilities, Borrowing Costs, Professional Costs, Litigation Costs, the amount of any Unaffected Claims, and any other amounts or issues affecting the amount of Reserve for Costs.

Upon the maturity of all Policies and receipt of all Insurance Proceeds, or upon the completion of the Sale Process and the closing of all transactions for the sale of all remaining Policies, the remaining balance of the Reserve For Costs shall be available to pay any remaining Costs and to make transfers to the Pools for the payment of Distributions to Creditors.

4.4 Power to Borrow

The Applicant, with the Monitor's prior written consent, shall be entitled to borrow money against the Policies, and to grant security interests in the Policies to secure such loans, where such borrowings are necessary in the Monitor's opinion to provide funds for the payment of Premiums, the Professional Costs, the Administrative Fee and/or Mills' fees. Any such funds borrowed shall be deposited directly into the Monitored Trust Account to be used to pay the Premiums, Professional Costs, the Administration Fee, and Mills' fees. Other than borrowings for these purposes, the Applicant shall not borrow money against the Policies nor grant security interests in the Policies to secure any indebtedness or other obligations.

4.5 Litigation Contribution and Litigation Recovery

The Applicant shall have the power to continue the Actions, and the Litigation Contribution (including any portion of the Escrow Fund deposited into the Monitored Trust Account in accordance with Section 2.5 of this Plan) shall be made available to the Applicant and its counsel for the payment of the Applicant's legal fees and disbursements with respect to the Actions. As noted in the definition of "Litigation Contribution", U.S. $500,000 of the Litigation Contribution shall be made available from the Monitored Trust Account. In this Section 4.5, this is referred to as the "Litigation Contribution sourced from cash". In addition, any portion of the Escrow Fund paid into the Monitored Trust Account shall also be available as part of the Litigation

Contribution. In this Section 4.5, this is referred to as the "Litigation Contribution sourced from the Escrow Fund".

No amount in excess of the Litigation Contribution shall be paid out of the Monitored Trust Account toward payment of the Applicant's legal fees and disbursements with respect to the Actions.

To the extent that the Litigation Contribution sourced from the Escrow Fund is not needed to pay the Applicant's legal fees and disbursements with respect to the Actions, the Escrow Fund shall be distributed from the Monitored Trust Account in accordance with Section 2.5 of this Plan.

The amount of the Litigation Contribution actually used to pay the Applicant's legal fees and disbursements related to the Actions shall be considered a deduction from the monies otherwise transferable from the Monitored Trust Account to the Ordinary Creditor Pool. The Litigation Contribution may be paid out of the Monitored Trust Account at any time, and from time to time, provided that sufficient funds are available in the Monitored Trust Account, and regardless of whether the funds at that time available for transfer to the Ordinary Creditor Pool are greater than or less than the amount of the Litigation Contribution sought by the Applicant at that time. However, no transfer from the Monitored Trust Account to the Ordinary Creditor Pool shall take place until the funds available for transfer to the Ordinary Creditor Pool in accordance with Section 4.8 of this Plan exceed the Litigation Contribution previously paid out of the Monitored Trust Account and then outstanding.

All Litigation Recovery will be deposited into the Monitored Trust Account, and shall be applied as follows (in each case without interest or deduction):

(a) first, to reimburse the Monitored Trust Account for the full amount of any Litigation Contribution sourced from cash and previously paid out to fund the Applicant's legal fees and disbursements with respect to the Actions;

(b) next, to pay to Borden Ladner Gervais LLP the amount of its Claim secured by a solicitor's lien, to the maximum amount of $840,000, in accordance with a settlement agreement approved by the Court on June 12, 2009;

(c) next, on a *pari passu* basis, to (i) reimburse the Monitored Trust Account for fifty percent (50%) of any Litigation Contribution sourced from the Escrow Fund and previously paid out to fund the Applicant's legal fees and disbursements with respect to the Actions, and (ii) pay to the Shareholders an equal amount;

(d) if payment of any portion of the Litigation Contribution previously resulted in a lower amount being transferred from the Monitored Trust Account to the Ordinary Creditor Pool, then the reimbursements in paragraphs (a) and (c)(i) of this Section 4.5, together with such additional funds as are available in the Monitored Trust Account from the Litigation Recovery, shall be paid into the Ordinary Creditor Pool to restore it to the position that it would have been in, had the Litigation Contribution not been paid out;

(e) next, an additional amount of the Litigation Recovery, equal to the total amount of the Litigation Contribution paid out to fund the Applicant's legal fees and disbursements, shall be transferred from the Monitored Trust Account into the Ordinary Creditor Pool, without regard to the formulae set out in Sections 4.6 and 4.8 of this Plan; and

(f) any remaining Litigation Recovery shall remain in the Monitored Trust Account for disbursement in accordance with this Plan.

The Applicant has agreed to establish a committee of three Creditors to consult with the Applicant with respect to the conduct of the Actions and the fees and disbursements incurred in prosecuting the Actions.

4.6 Purchaser Pool

The Applicant shall establish a segregated bank account into which funds from the Monitored Trust Account, for payment of Distributions to Purchasers, will be deposited and held in trust by the Applicant, pursuant to a Declaration of Trust to be executed by the Applicant. The payment of all amounts to be paid out of the Purchaser Pool will be subject to the provisions of the Monitored Account Agreement.

Upon declaring a Distribution, the Purchaser Pool shall be funded out of the proceeds held in the Monitored Trust Account based upon the following formula (all amounts in the following formula are in U.S. dollars):

(Purchaser Policies' face values and Premium Reserves at Plan Implementation Date) / (Purchaser Policies' and Corporate Policies' face values[1] and Premium Reserves at Plan Implementation Date) = Purchaser Pool allocation

= ($185,040,918 + $2,709,072) / ($185,040,918 + $7,473,456 + $2,744,944)

= 96.15%

The Purchaser Pool shall be funded based upon the above formula until such time as (i) the Purchaser Pool is in an amount sufficient to pay Distributions to Purchasers equal to one hundred percent (100%) of their Original Investments, or (ii) there are no funds available in the Monitored Trust Account for such purpose.

4.7 ROI Pool

The Applicant shall establish a segregated bank account for purposes of establishing the ROI Pool, which shall be held in trust by the Applicant pursuant to a Declaration of Trust to be executed by the Applicant for purposes of paying Distributions to Purchasers. The payment of

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[1] Excluding the Applicant's interest in policies in the USII Trust, which the Applicant believes have negligible value.

all amounts to be paid out of the ROI Pool will be subject to the provisions of the Monitored Account Agreement.

Upon the payment into the Purchaser Pool of sufficient funds to pay to Purchasers amounts equal to one hundred percent (100%) of their Original Investments, funds shall be transferred to the ROI Pool from the Monitored Trust Account based upon the same formula used by the Monitor for transfers to the Purchaser Pool, as described in Section 4.6 above (that is, 96.15%).

4.8 Ordinary Creditor Pool

The Applicant shall establish a segregated bank account into which funds from the Monitored Trust Account, for payment of Distributions to Ordinary Creditors, will be deposited and held in trust by the Applicant, pursuant to a Declaration of Trust to be executed by the Applicant. The payment of all amounts to be paid out of the Ordinary Creditor Pool will be subject to the provisions of the Monitored Account Agreement.

Upon declaring a Distribution, the Monitor shall fund the Ordinary Creditor Pool out of the proceeds held in the Monitored Trust Account based upon the following formula (all amounts in the following formula are in U.S. dollars):

> (Corporate Policies' face values[2] + Premium Reserves at Plan Implementation Date) / (Purchaser Policies' and Corporate Policies' face values[3] + all Premium Reserves at Plan Implementation Date) = Ordinary Creditor Pool allocation
>
> = ($7,473,456 + $35,872) / ($185,040,918 + $7,473,456 + $2,744,944)
>
> = 3.85%

The Ordinary Creditor Pool shall be funded based upon the above formula until such time as (i) the Ordinary Creditor Pool is in an amount sufficient to pay Distributions to Ordinary Creditors equal to one hundred percent (100%) of their Proven Claims, or (ii) there are no funds available in the Monitored Trust Account for such purpose.

4.9 Sale Process

The Applicant may request that the Monitor commence a Sale Process with respect to some or all Policies that have not matured under the following circumstances:

(a) After sufficient funds are available in the Purchaser Pool to pay to Purchasers Distributions equal to one hundred percent (100%) of their Original Investments; or

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[2] See footnote 1, above.

[3] See footnote 1, above.

(b) Prior to there being sufficient funds in the Purchaser Pool to pay to Purchasers Distributions equal to one hundred percent (100%) of their Original Investments if the proceeds from the Sale Process would be sufficient to pay to Purchasers Distributions equal to one hundred percent (100%) of their Original Investments.

Such a Sale Process shall be commenced only if market conditions are such that the financial recovery from the sale of the Policies is determined by the Applicant, in consultation with the Monitor, to be more advantageous to Purchasers and Ordinary Creditors than the continued payment of the Costs and the continued collection of death benefits in respect of the Policies under the terms of this Plan. Such Sale Process shall not be held without further Order.

The net proceeds from the sale of any Policies shall be deposited into the Monitored Trust Account and distributed in accordance with this Plan.

4.10 Disbursements from Pools

Funds shall be transferred to the Purchaser Pool (or the ROI Pool, as the case may be) and to the Ordinary Creditor Pool from the Monitored Trust Account as frequently as the Monitor deems prudent, or as directed by the Court, taking into account the amount contained in the Monitored Trust Account from time to time, the required amount of Reserve for Costs, timing, any disputed issues outstanding, and any other issues that may then exist, subject to the Reserve for Costs remaining in the Monitored Trust Account at all times and subject to all applicable tax payment or withholding obligations, and provided that a decision by the Monitor or the Court as to the frequency of Distributions is final and binding for all purposes. Distributions shall be paid from the Pools, in accordance with this Plan. The payment of the first Distribution, subject to the above conditions, will be made as soon as practicable after June 1, 2010.

Distributions will be paid from the Pools as follows:

(a) *Purchaser Pool*: Distributions from the Purchaser Pool shall be paid to Purchasers *pro rata* calculated on the basis of the amount of Purchasers' Original Investment, and without regard to (i) the date of that Original Investment, or (ii) any Claim based on interest or other return on the Original Investments of Purchasers. If at any time there are more monies in the Purchaser Pool than are necessary to pay to Purchasers one hundred percent (100%) of the Original Investments made by Purchasers, then the excess monies shall be transferred from the Purchaser Pool to the ROI Pool. Other than Distributions to Purchasers and the transfer of excess monies from the Purchaser Pool to the ROI Pool, no payments shall be made out of the Purchaser Pool.

(b) *ROI Pool*: Distributions from the ROI Pool shall be paid to Purchasers based on the methodology set out in Schedule B to this Plan, which includes the payment of the Success Fee to the Applicant. Payment of the Success Fee is aligned with the interests of the Purchasers since it shall only be paid to the Applicant after Distributions totalling 110% of Purchasers' Original Investments have been distributed to Purchasers. The Success Fee is calculated as follows:

U.S. $1 million Success Fee paid when 110% of Original Investments is paid to Purchasers; and

After payment of U.S. $1 million Success Fee, proceeds shared 75% / 25% (Purchasers / Applicant) for that portion of the ROI Pool in excess of 110% of Original Investments paid to Purchasers.

(c) *Ordinary Creditor Pool*: Distributions from the Ordinary Creditor Pool shall first be used to pay to Ordinary Creditors on a *pro rata* basis 100% of the lesser of $250,000 or the total of each Proven Claim, and thereafter *pro rata* based on the remaining unpaid balance of each Proven Claim, at the same times as from the Purchaser Pool (or the ROI Pool, as the case may be). If the funds available in the Ordinary Creditor Pool exceed the aggregate amount of all Claims of Ordinary Creditors as of the Valuation Date, the Applicant shall transfer any remaining funds in the Ordinary Creditor Pool to the ROI Pool.

Notwithstanding the foregoing restrictions on disbursements from the Pools, disbursements may also be made on account of any clearance certificates or other legal or regulatory pre-conditions to payment of Distributions.

In making Distributions, the Applicant and the Monitor shall take into account the most cost-effective means of doing this, from both the Applicant's / Monitor's perspective, and also from the recipient's perspective.

4.11 Right to Vote and Receive Distributions

Only Creditors with a Proven Claim shall be entitled to vote or receive any Distribution under the Plan or in respect of a Claim, unless otherwise ordered by the Court. Notwithstanding the foregoing, if any Claims have not been finally determined pursuant to the Claims Procedure Order by the date of the Meeting, then a vote with respect to these unresolved Claims shall be recorded by the Monitor in accordance with Section 28 of the Claims Procedure Order. Purchasers shall not be entitled to recovery of any Claims out of any funds other than the Purchaser Pool and ROI Pool, and Ordinary Creditors shall not be entitled to recovery of any Claims out of any funds other than the Ordinary Creditor Pool.

4.12 Crown Priority Claims

Within six months after the date of the Sanction Order, the Applicant will pay in full all Claims pursuant to Section 18.2(1) of the CCAA.

4.13 Effect of Plan Generally

Save and except as otherwise provided herein, on the Plan Implementation Date the treatment of Claims under this Plan shall be final and binding on the Applicant and all Creditors (and their respective heirs, executors, administrators, legal or personal representatives, successors and assigns), and the Plan shall constitute (i) full, final and absolute settlement of all rights of the holders of all Claims; and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Applicant, any Director, and any Agent in respect of any Claim.

From and after the Plan Implementation Date, no Creditor shall have any right to assert any claim against the Applicant, the Directors, the Monitor, or any Agent based, without limitation, on an assertion of a beneficial interest, ownership interest, trust interest, or any other proprietary interest against the Applicant or in any of its assets (including the Policies, the Premium Reserves and any Death Benefit Maturity Funds).

Further, on the Plan Implementation Date, all Creditors release and shall be deemed to release the Applicant, the Directors, the Monitor, and all Agents, of and from all obligations, liabilities, claims and causes of action, as set out more fully in Section 7.4 of this Plan.

4.14 Events of Default

If in the Monitor's opinion, acting reasonably, the Applicant has defaulted in the performance of this Plan, the Monitor shall promptly provide written notice to the Applicant of such default. If within thirty (30) days of written notice of default the Applicant has not remedied the default identified by the Monitor, and if the Monitor has not withdrawn its written notice of default, then the Monitor shall apply to the Court for such directions or Orders as it deems appropriate in the circumstances. As provided in Section 7.8 of this Plan, the Applicant and the Monitor may also, at any time, seek directions from the Court. If the urgency of the default is such that the Monitor, acting reasonably, cannot give the notice required herein, then the Monitor may apply to the Court for directions, on such notice as the Court may direct.

ARTICLE 5
MONITOR'S ROLE AND OTHER MATTERS

5.1 Monitor's Role

In addition to any role that it may have under any Order, the Monitor shall supervise this Plan and monitor the Applicant's compliance with this Plan. The Monitor shall have access to the Applicant's books and records for the purposes of such supervision and monitoring, but shall not assume management or control of the Applicant or its business. The Applicant shall at the Monitor's request compile and make commercially reasonable efforts to obtain information relating to verifications of coverage of Policies, annual reports from insurance companies, tracking reports of maturities, Premium illustrations, correspondence with insurance companies, Unaffected Claims, due diligence of Policy portfolio for purposes of the Sale Process, and previously transferred Policies, and shall provide all such information to the Monitor at the Monitor's request. The Monitor may report to the Court and/or Creditors and seek directions from the Court from time to time as to the status of the Plan, the Monitored Trust Account, the Reserve for Costs, Borrowings, or any other matter.

5.2 Protections relating to the Monitor

Ernst & Young Inc. is acting as Monitor in the CCAA Proceedings with respect to the Applicant and not in its personal or corporate capacity and will not be responsible or liable for any obligations of the Applicant. The Monitor shall be entitled to rely on information provided by the Applicant, subject only to the Monitor's review of such information for reasonableness. Ernst & Young Inc. in its capacity as Monitor will have the powers and protections granted to it by this Plan, the CCAA, the Initial Order, the Meeting Order, the Sanction Order and any other Order. When in the Monitor's view (i) all or substantially all of the obligations under the Plan have been performed, or (ii) a material adverse change with respect to the Plan has occurred, it may apply to the Court for directions with respect to the performance of any remaining obligations under the Plan or any other matter, and may seek its discharge as Monitor.

5.3 Role of Mills

As the United States of America service agent for the Policies on behalf of the Applicant, Mills will continue to service 138 of the 155 open Policies for the Applicant. Mills will execute a declaration of trust pursuant to the terms of the Plan. Pursuant to direction from the Applicant, Mills will perform limited policy administration services, including the payment of Premiums and Premium Reserves and the collection of death benefits. Further, Mills will correspond with insurance companies as required and directed by the Applicant, and assist the Applicant in managing any issues which arise with respect to Policies. For its services, Mills will charge a transaction based fee. Mills fee will not be paid from the Administrative Fee set out in Schedule A to this Plan.

5.4 Risks related to the Plan

The implementation and funding of the Plan is subject to a number of risks, which include without limitation:

(a) it may take significantly longer than anticipated for Policies to mature, resulting in additional costs incurred by the Monitored Trust Account to pay the Premiums and Costs necessary to maintain the Policies;

(b) if funds are not available (in the Reserve for Costs, or by way of Borrowings) to pay Premiums at any time, Policies may lapse;

(c) if there is a dispute with the insurance company issuing any of the Policies, payment of Insurance Proceeds with respect to such Policies may be delayed or may not be received;

(d) if the insured Person under any Policy cannot be located by the Applicant, or if a death certificate for that Person cannot be obtained on maturity of the Policy, the death benefit payable under the Policy may be delayed or may not be received;

(e) certain Policies do not record the Applicant as the owner of such Policies, and such Policies could in some circumstances be revoked by the Person recorded as the owner of such Policies;

(f) certain Policies are term life insurance policies, and may not be convertible to whole life policies, or may be subject to renewal at higher premiums;

(g) the insolvency of any life insurance company would jeopardize the Policies insured by that insurer;

(h) the Applicant's ability to retain its operations and perform the services outlined in Schedule A may in the future be adversely affected by changes in its business environment, by staff departures, or by other factors affecting its business, including without limitation any claims against it in the Actions.

5.5 Unpaid or Unclaimed Distributions

It is the Creditor's responsibility to ensure that the Creditor's current address is provided to the Applicant and the Monitor, and to advise the Applicant and the Monitor in writing if that address changes.

If the Monitor does not have the correct address for any Creditor entitled to a Distribution pursuant to this Plan, then such Distribution to that Creditor shall not be paid, and the amount of such Distribution shall remain in the applicable Pool. If such Creditor later provides a current address, the Distribution shall then be paid to the Creditor, without interest. Nothing contained in this Plan shall require the Applicant or the Monitor to locate such Creditor.

If prior to the time of the final payment of Distributions to Creditors from any Pool (i) any prior Distribution has not been paid to a Creditor, (ii) any cheque with respect to a prior Distribution has not been cashed, or (iii) the Monitor does not have any Creditor's then-current address for payment of any Distribution, then the Monitor shall deal with such Distributions ("**Undistributed Distributions**") in the manner then required by the CCAA, or as the Court may direct.

5.6 Effect of Sanction Order

The Applicant will seek a Sanction Order that will, in addition to sanctioning the Plan, and without limitation to any other terms that it may contain:

(a) declare that the compromises effected hereby are approved, binding and effective as herein set out upon all Creditors;

(b) approve all steps and transactions contemplated by the Plan, including, without limitation, those taken in connection with the completion of the restructuring;

(c) stay any and all steps or proceedings commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any or all Directors or Agents in respect of any Claim compromised or released hereby; and

(d) be in form and substance satisfactory to the Applicant and to the Monitor, acting reasonably.

ARTICLE 6
CONDITIONS PRECEDENT

6.1 Application for Sanction Order

The Applicant will apply to the Court for the Sanction Order within 10 days following the date upon which Creditor Approval is obtained. On the Plan Implementation Date, subject to the satisfaction or waiver of the conditions contained in section 6.2, the Plan shall be implemented by the Applicant and shall be binding upon all Creditors and all other Persons affected by the provisions of this Plan.

6.2 Conditions Precedent to the Implementation of the Plan

The implementation of this Plan will be conditional on the satisfaction of the following conditions:

(a) *Creditor Approval* - The Plan has been approved pursuant to the CCAA by each Class of Creditors;

(b) *Approval* - The Applicant shall have taken all corporate actions and proceedings which, in their reasonable opinion, are necessary to approve this Plan, and to enable them to execute, deliver and perform their obligations under this Plan;

(c) *Sanction Order* - The Sanction Order has been issued by the Court on or before June 22, 2009, or such later date as the Applicant and the Monitor deems reasonable, and any other order deemed necessary or desirable by the Applicant or the Monitor has been obtained;

(d) *Payment of Unaffected Claims* - all of the Unaffected Claims accrued to the Plan Implementation Date shall have been paid, or provision for payment of the Unaffected Claims shall have been made (in the opinion of both the Applicant and the Monitor, each acting reasonably);

(e) *Declaration of Trust* – the Applicant shall have delivered to the Monitor a declaration of trust, wherein the Applicant declares that effective on the Plan Implementation Date the Applicant holds all Policies and all funds deposited into the Monitored Trust Account in trust for the beneficiaries of this Plan, and that the Policies and Insurance Proceeds and all other funds held in the Monitored Trust Account shall be dealt with only in the manner provided for in this Plan;

(f) *Deliveries of Instruments* – The Applicant shall have executed and delivered all such other agreements, indentures, documents and other instruments which, in its opinion, and the Monitor's opinion, acting reasonably, are necessary to be executed and delivered by the Applicant in order to implement the Plan and perform its obligations hereunder;

(g) *Directions and declarations of trust, generally* – all directions and declarations of trust to be delivered pursuant to this Plan shall have been delivered in a form satisfactory to the Applicant and the Monitor, each acting reasonably; and

(h) *Deliveries of Documents* - all relevant Persons have executed, delivered and filed all documents and other instruments that, in the opinion of the Applicant and the Monitor, acting reasonably, are necessary to implement the provisions of the Plan or the Sanction Order.

ARTICLE 7
GENERAL

7.1 Binding Effect

At the Effective Time on the Plan Implementation Date, the Plan will become effective and be binding on and enure to the benefit of the Applicant, the Creditors and all other Persons named or referred to in, or subject to, this Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

7.2 Amendments

(a) The Applicant reserves the right, at any time and from time to time, to amend modify and/or supplement this Plan, provided that any such amendment, modification or supplement must be contained in a written document which is filed with the Court and (i) if made prior to any meeting of Creditors called for the purpose of considering and voting in respect of the Plan pursuant to the CCAA, communicated to the Creditors in the manner deemed appropriate by the Monitor; and (ii) if made following such meeting, approved by the Court following notice to the Creditors affected thereby.

(b) Any amendment, modification or supplement may be made by the Applicant following the Sanction Order, with the consent of the Monitor, provided that it concerns a matter which, in the opinion of the Applicant, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and to the Sanction Order and is not adverse to the financial or economic interests of the Creditors.

(c) Any supplementary plan or plans of compromise or arrangement filed with the Court and, if required by this Section, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporate into this Plan.

7.3 Termination

At any time prior to the Plan Implementation Date, the Applicant may determine not to proceed with this Plan, notwithstanding any prior approvals given at any Meeting or the obtaining of the Sanction Order.

7.4 Releases

Other than in respect of Unaffected Claims and obligations under the Plan, as at the Effective Time, each Creditor will be deemed to forever release, waive and discharge all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities (including any claim of a beneficial interest, ownership interest, trust interest, or any other proprietary interest against the Applicant or in any of its assets, including the Policies and the Premium Reserves), in each case whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Valuation Date in any way relating to the Applicant, the CCAA Proceedings or this Plan against: (i) the Applicant; (ii) the Directors and those Persons who were employees of the Applicant as of the Valuation Date or thereafter; (iii) Persons who may claim contribution or indemnification against or from the Applicant; (iv) Agents, (v) the Monitor, and (vi) the legal counsel and other professional advisors to the Applicant or the Monitor, provided that nothing herein will release or discharge (A) directors or officers of the Applicant in respect of any claim referred to in paragraph 5.1(2) of the CCAA, or (B) any claims made in the Actions against the Applicant.

7.5 Consents, Waivers and Agreements

At the Effective Time, each Creditor shall be deemed to have consented and agreed to all of the provisions of this Plan, as an entirety. Without limitation to the foregoing, each Creditor will be deemed:

(a) to have executed and delivered to the Applicant all consents, assignments, releases and waivers, statutory or otherwise, required to implement and carry out this Plan as an entirety;

(b) to have waived any default by or rescinded any demand for payment against the Applicant that has occurred on or prior to the Plan Implementation Date pursuant to, based on or as a result of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and such Applicant with respect to a Claim; and

(c) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Applicant with respect to a Claim as at the Plan Implementation Date and the provisions of this Plan, then the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly.

7.6 Severability of Plan Provisions

If, prior to the Effective Time, any provision of this Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Monitor may alter such provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of such provision, and such provision will then be applicable as altered and the remainder of the provisions of this Plan will remain in full force and effect and will in no way be invalidated by such alteration.

7.7 Governing Law

This Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

The Applicant agrees to execute and deliver, on or after the Effective Time, all such agreements, instruments and documents and to take all further actions as may be reasonably necessary from time to time to carry out the intent and purposes of this Plan.

7.8 Directions

The Applicant or the Monitor may at any time, and with such notice as the Court may require, seek directions from the Court with respect to this Plan and the provisions hereof, including the Schedules.

7.9 Notices

Any notice or other communication to be delivered or filed hereunder must be in writing and reference this Plan and may, subject as hereinafter provided, be made or given by personal delivery, courier, registered mail, electronic mail or by facsimile addressed to the respective parties as follows:

(a) if to the Monitor:

Ernst & Young Inc.
Court-appointed Monitor of Universal Settlements International Inc.
222 Bay Street, Suite 1600
Toronto, Ontario M5K 1J7
Canada

Attention: Brian Denega
Fax No.: (416) 943-3300
Email: universal.settlements@ca.ey.com

(b) if to a Creditor:

to the last known address (including facsimile number) for such Creditor, or to such address specified in an Acknowledgement of Claim or Request for Amendment (each as defined in the Claims Procedure Order) or a Proof of Claim relating to such Creditor, or as such Creditor has otherwise specified in writing to the Monitor.

(c) if to the Applicant:

Universal Settlements International Inc.
5500 North Service Road
Burlington, Ontario
Canada L7L 6W6

Attention: Jeff Panos, President
Fax No.: (905) 331-6011
Email: jpanos@universalsettlements.com

with a copy to:

Rueter Scargall Bennett LLP
Brookfield Place
161 Bay Street, Ste 4220
Box 226
Toronto, Ontario M5J 2S1 Canada

Attention: Randy Bennett
Fax No.: (416) 869-3411
Email: randy.bennett@rslawyers.com

with a copy to:

Ogilvy Renault LLP / S.E.N.C.R.L., s.r.l.
Suite 3800, P.O. Box 84
Royal Bank Plaza, South Tower
200 Bay Street
Toronto, Ontario M5J 2Z4 Canada

Attention: William McNamara
Fax No.: (416) 216-3930
Email: wmcnamara@ogilvyrenault.com

or to such other address as any party may from time to time notify the others in accordance with this Section. All such communications that are delivered will be deemed to have been received on the day of delivery. All such communications that are sent by facsimile or electronic mail will be deemed to be received on the day sent if sent before 5:00 p.m. on a Business Day and otherwise will be deemed to be received on the Business Day next following the day upon which such facsimile or electronic mail was sent. Any notice or other communication sent by registered mail will be deemed to have been received on the third day after the date of mailing.

SCHEDULE A
(administrative services to be provided)

In consideration of the payment of the Administrative Fee of CDN $100,000 per month, the Applicant (with the assistance of Mills) shall provide the following services relating to the administration of the Policies and to the discharge by the Applicant of its duties under the Plan:

The Applicant will continue to do the following:

1. **Premium management and funding**
   - Premium payments.
   - monthly Premium reports.
   - Premium payment optimization. Modifying the Premiums needed on a regular basis so as to minimize the Premiums needed to maintain Policies in good standing as new data is received.

2. **Performing cash-value analyses and borrowing against or from Policies, where permitted by the Plan and for the purposes specified therein**

3. **Active management of cash surrender values on Policies**

4. **Insured tracking**
   - Monitoring the status of each insured person within the portfolio.
   - Maintain direct personal contact with each insured person quarterly.

5. **Group policy and Premium waiver management**

6. **Processing death claims as policy maturities occur, utilizing where possible the Applicant's relationships with insurers to facilitate the processing and collection of death benefits**

7. **Investor communications and information updates**
   - Collection of verifications of coverage annually and other information and documents from insurance companies as required.
   - Collection of updated medical information and life expectancy reports as requested by the Monitor.
   - Maintain, update and enhance Policy databases and related spreadsheets.
   - Database updates and administrative processing of investor requests such as collateral assignments, beneficiary changes etc.
   - Continuing to liaise with all Purchasers to ensure that everybody understands processes.
   -

8. **Maintaining web access for investors to view documents online.**
   - Maintain Purchaser communication tools like website and corporate updates.

9. **Provide written reports to Purchasers as requested.**

10. Customer support for Purchasers' telephone, fax or email inquiries, on Business Days during normal business hours.

11. Daily cash-flow reconciliations and reports.

12. Regular reporting to Monitor and Purchasers as mandated by the Court.

13. Ensuring regulatory compliance with respect to the Policies.

In the event that the Applicant defaults in the performance of these services for any reason, the Monitor shall be entitled to take the steps outlined in Section 4.14 of the Plan or, if the urgency of the default is such that the Monitor, acting reasonably, cannot give the notice required by Section 4.14 of the Plan, then the Monitor may apply to the Court for directions, on such notice as the Court may direct.

SCHEDULE B
(Methodology for payment of Distributions from the ROI Pool)

The monies in the ROI Pool shall be paid by the Monitor in the following order and in accordance with the following terms:

FIRSTLY, if monies are available in the ROI Pool after the payment of one hundred percent (100%) of Purchasers' Original Investments, then the Monitor shall pay Distributions to each Purchaser based on each Purchaser's proportionate entitlement, calculated in accordance with the following formula:

2009 minus the year in which the Original Investment was made by the Purchaser;

add one (1);

multiply by the amount of the Original Investment made by the Purchaser;

the product will then represent each Purchaser's proportionate entitlement to Distributions from the monies available in the ROI Pool.

FOR EXAMPLE:

Purchaser A invested \$100,000 in 2001, and Purchaser B invested \$100,000 in 2005. Their respective proportionate entitlements would be:

Purchaser A – 2009 minus 2001 equals 8, plus 1 equals 9, multiplied by \$100,000 equals 900,000 'units' for the purposes of calculating sharing of the monies available in the ROI Pool

Purchaser B – 2009 minus 2005 equals 4, plus 1 equals 5, multiplied by \$100,000 equals 500,000 'units' for the purposes of calculating sharing of the monies available in the ROI Pool

Such Distributions shall continue until Purchasers in aggregate are paid one hundred and ten percent (110%) of their Original Investments.

SECONDLY, the Monitor shall pay the next U.S. \$1,000,000 to the Applicant as a success fee.

THIRDLY, any monies remaining in the ROI Pool shall be distributed (i) seventy-five percent (75%) to the Purchasers, in accordance with the above formula, and (ii) twenty-five percent (25%) to the Applicant.

DECLARATION OF TRUST

Dated as of the 17th day of July, 2009,

by **Mills, Potoczak & Company,**
a **[corporation]** incorporated under the laws of the **[State of Ohio]**
(hereinafter referred to as the "**Trustee**")

WHEREAS:

(a) On December 2, 2008, Universal Settlements International Inc. ("**USI**") obtained an Order (the "**Initial Order**") of the Ontario Superior Court of Justice granting it protection pursuant to Section 11 of the *Companies' Creditors Arrangement Act* (the "**CCAA**");

(b) USI has developed an Amended Plan of Compromise and Arrangement dated June 16, 2008 (as amended, the "**Plan**");

(c) The Plan was approved by the Ontario Superior Court of Justice on June 22, 2009 in the form attached hereto as Schedule "A";

(d) Under the terms of the Plan, as the United States of America service agent for the Policies (as defined in the Plan) on behalf of USI, the Trustee will continue to service certain of the Policies for USI;

(e) Under the terms of the Plan, certain Policies and Insurance Proceeds (all as defined in the Plan) may be in the possession of or received by the Trustee (collectively, the "**Property**");

(f) For the purposes of this Declaration, the "**Beneficiaries**" include the following parties: the Purchasers (as defined in the Plan); the Ordinary Creditors (as defined in the Plan); and any other parties receiving benefits under the Plan; and

(g) The Trustee has agreed to hold the Property in trust for the Beneficiaries in accordance with Sections 4.2 and 5.3 of the Plan.

NOW THEREFORE the Trustee agrees as follows:

1. The Trustee declares that it holds the Property in trust for the Beneficiaries in accordance with the terms of the Plan and the Monitored Account Agreement dated July 17, 2009 between USI and Ernst & Young Inc., in its capacity as Monitor (the "**Monitored Account Agreement**").

2. The Trustee agrees to deal with the Property only as necessary to give effect to the provisions of the Plan and the Monitored Account Agreement.

3. The Trustee acknowledges and agrees that all profits, interest and other receipts of any nature or kind arising from the Property or the use thereof shall be held in trust for the benefit of the Beneficiaries and that the Trustee has no beneficial interest in such profits, interest and other receipts.

4. The Trustee shall promptly transmit to the Monitor and USI copies of all notices, claims, demands or other communications which the Trustee may receive and which relate in any way to the Property, and shall provide such information relating to the Property as may be requested by USI or the Monitor.

5. The relationship between the Trustee and the Beneficiaries shall be that of trustee and beneficiary only. There is no intention to create a relationship of partnership, joint venture or association between the Beneficiaries and the Trustee in relation to the Property.

6. All provisions of this Declaration are subject to the terms of the Plan. In the case of any conflict between this Declaration and the Plan, the Plan will govern.

IN WITNESS WHEREOF this Declaration has been executed by the Trustee on the day, month and year first above written.

MILLS, POTOCZAK & COMPANY

Per: William M Potoczak

Name: William M. Potoczak
Title: President
I have the authority to bind the Corporation

SCHEDULE "A"

UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

AMENDED PLAN OF COMPROMISE AND ARRANGEMENT

PURSUANT TO THE

***COMPANIES' CREDITORS ARRANGEMENT ACT* (CANADA)**

June 16, 2009

This Plan has not been approved or sanctioned in any way by the Ontario Superior Court of Justice (the "Court") pursuant to the proceeding brought by the Applicant under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended, and bearing Court File No. 08-CL-7878. Rather, the Court has only authorized that this Plan be sent to creditors of the Applicant for the purposes of allowing the Applicant to hold a meeting of creditors wherein its creditors may vote on whether or not to approve the Plan. Nothing in this Plan is to be taken as the Court having passed on the merits of this Plan.

AMENDED PLAN OF COMPROMISE AND ARRANGEMENT

This is the amended plan of compromise and arrangement of Universal Settlements International Inc. (the "**Plan**").

ARTICLE 1
INTERPRETATIONS

1.1 Definitions

In this Plan, unless otherwise stated or the context otherwise requires:

"**Actions**" has the meaning given to that term in Section 2.3 of this Plan.

"**Administrative Fee**" means the administrative fee set out in Schedule A to this Plan, for the performance of the services also set out in Schedule A to this Plan, payable to the Applicant monthly in advance from the Monitored Trust Account for each month (or part thereof) starting on Plan Implementation and continuing until the earlier of (i) the date on which one hundred percent (100%) of the Original Investment of Purchasers has been paid, (ii) six years from the Plan Implementation Date, and (iii) the Court otherwise directs.

"**Agent**" means any Person who acted to facilitate a purchase of a Life Settlement by a Purchaser, and for the purposes of this Plan shall include Universal Settlements Vermogensberatung GmbH.

"**Annuities**" means annuities payable to the Applicant or Mills under the Policies.

"**Applicant**" means Universal Settlements International Inc.

"**Borrowings**" means any borrowings for the payment of Premiums, the Professional Costs, the Administrative Fee and/or Mills' fees, as permitted by Section 4.4 of this Plan.

"**Borrowing Costs**" means any borrowing costs incurred with respect to Borrowings.

"**Business Day**" means a day other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario, Canada.

"**Cash on Hand**" has the meaning given to that term in Section 2.4 of this Plan.

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

"**CCAA Proceedings**" means the proceedings under the CCAA commenced by the Applicant in the Ontario Superior Court of Justice, Toronto (Commercial List) under Court File No. 08-CL-7878.

"**Charges**" means the Administration Charge and Directors' Charge, as those terms are defined in the Initial Order.

"**Claim**" means (i) any right of any Person against the Applicant in connection with any indebtedness, liability or obligation of any kind of the Applicant, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the Valuation Date or which would have been claims provable in bankruptcy had the Applicant become bankrupt on the Valuation Date (each a "Claim", and collectively, the "Claims"), and (ii) any right of any Person against the Directors of the Applicant that relates to the Claims for which the Directors of the Applicant are by law liable to pay in their capacity as directors, provided however that the terms "Claim" and "Claims" shall not include (i) Unaffected Claims, (ii) any claims made in the Actions.

"**Claims Procedure Order**" means the Order of the Court made on January 23, 2009 in the CCAA Proceedings.

"**Classes**" means the classes of Creditors for the purposes of considering and voting upon this Plan in accordance with the provisions of this Plan, and receiving Distributions hereunder.

"**Corporate Policies**" means the interests in life insurance policies that are not identified on the records of the Applicant or Mills as allocated to a Purchaser as of the Valuation Date, and in which the Applicant had retained such interest for its sole benefit, including any interest of the Applicant in policies held in the USII Trust.

"**Costs**" has the meaning given to that term in Section 4.2 of this Plan.

"**Court**" means the Ontario Superior Court of Justice (Commercial List) in Canada.

"**Creditor**" means any Purchaser, Ordinary Creditor, or any other Person having a Claim, and "**Creditors**" means all of such Persons.

"**Creditor Approval**" means the approval of this Plan by each Class of Creditors.

"**Crown**" means Her Majesty the Queen in the Right of Canada or any province thereof.

"Death Benefit Maturity Funds" means all monies that have been or are received by the Applicant prior to the Plan Implementation Date from matured Policies, and which monies continue to be held by the Applicant on the Plan Implementation Date.

"Director" means any director of the Applicant as of the date of this Plan, and **"Directors"** means all of such directors.

"Distributions" are the amounts available for distribution to Purchasers and to Ordinary Creditors, from the Purchaser Pool, ROI Pool and the Ordinary Creditor Pool, respectively.

"Effective Time" means noon (Eastern Standard/Daylight Time) on the Plan Implementation Date.

"Escrow Fund" means those monies paid into escrow pursuant to an interim award of the arbitrator dated January 16, 2007, in Re In the Matter of an Arbitration between The Brokerwise Group Inc. and 1508211 Ontario Inc., claimants, vs. Antonio Duscio and Martina Capital Corporation, respondents, and the term "Escrow Fund" shall include (i) any amounts previously paid out of the Escrow Fund to Antonio Duscio and which are subsequently repaid by him to the Escrow Fund, and (ii) any interest or gains on the Escrow Fund, net of applicable taxes, but for the purposes of this definition, Escow Fund shall be net of any legal costs or disbursements incurred to recover the Escrow Fund.

"Initial Order" means the Order of the Court dated December 2, 2008, made in the CCAA Proceedings.

"Initial Order Date" means December 2, 2008.

"Insurance Proceeds" means death benefits in respect of matured Policies together with any Annuities, interest and dividends, any return or refund of Premiums, and any other amounts paid by insurance companies with respect to the matured Policies.

"Life Settlement" means a financial transaction whereby owners of life insurance policies sell their legal title and beneficial interest in such policies to a third party at a discount from the face value of such policies.

"Litigation Contribution" means an amount not to exceed the aggregate of (i) U.S. $500,000 to be contributed, pursuant to Section 4.5 of this Plan, from the Monitored Trust Account toward payment of the legal fees and disbursements incurred by the Applicant in the Actions, and (ii) the Escrow Funds to be paid to the Monitored Trust Account pursuant to Section 2.5 of this Plan and to be applied toward payment of any additional legal fees and disbursements incurred by the Applicant in the Actions.

"Litigation Recovery" means any proceeds received by the Applicant from the determination or settlement of either or both of the Actions, and shall include any costs recovered by the Applicant in the Actions, but shall exclude the Escrow Funds payable to the Monitored Trust Account in accordance with Section 2.5 of this Plan.

"**M-Series Trust**" means the trust created pursuant to a Master Declaration of Trust dated March 21, 2008 between Universal Settlements International Inc. and Mills (as defined below).

"**mature**": a Policy matures when the individual whose life is insured under that Policy dies, and "**maturity**" and "**Matured Policy**" shall have a corresponding meaning.

"**Meeting Order**" means the Order of the Court made on May 11, 2009 in the CCAA Proceedings.

"**Meeting**" and "**Meetings**" means the meeting or meetings of Creditors called for the purpose of considering and voting in respect of this Plan pursuant to the CCAA.

"**Mills**" means Mills, Potoczak & Company, in its capacity as the United States of America service agent for the Policies on behalf of the Applicant.

"**Monitor**" means Ernst & Young Inc., solely in its capacity as the Monitor appointed pursuant to the Initial Order, and not in its personal capacity.

"**Monitored Trust Account**" means a bank account established by the Applicant and held at a Canadian chartered bank, into which (from and after Plan Implementation) shall be deposited the Cash on Hand, all Insurance Proceeds, all Litigation Recovery and any TPI Proceeds.

"**Monitored Account Agreement**" means the agreement to be executed by the Monitor and the Applicant as provided for under Section 4.2 of this Plan.

"**Order**" means any order of the Court in the CCAA Proceedings.

"**Ordinary Creditors**" means all Creditors other than Purchasers.

"**Original Investment**" means the initial investment made by a Purchaser, as determined pursuant to the Claims Procedure Order or any subsequent Order, without interest or any other return on such initial investment.

"**Ordinary Creditor Pool**" means a pool of funds created for payment of Distributions to Ordinary Creditors, as described in Section 4.8 of this Plan.

"**Person**" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted.

"**Plan**" means this plan of compromise and arrangement filed by the Applicant pursuant to the Initial Order and the CCAA, as such Plan may be further amended, varied or supplemented from time to time.

"**Plan Circular**" means a circular dated May 5, 2009 wherein this Plan is summarized and discussed.

"Plan Implementation Date" means the date that is one (1) Business Day after the satisfaction of all conditions precedent in section 6.2 of this Plan, or such later date as the Applicant and the Monitor may agree in writing, and **"Plan Implementation"** shall have a corresponding meaning.

"Policies" means Purchaser Policies and Corporate Policies.

"Pools" means, collectively, the Purchaser Pool, the ROI Pool and the Ordinary Creditor Pool.

"Premiums" mean the amounts payable by the Applicant to keep the Policies in good standing, as determined by the Applicant and Mills.

"Premium Reserves" means the funds that were previously segregated for the purposes of paying Premiums for specific Policies.

"Professional Costs" has the meaning given to that term in Section 2.6 of this Plan.

"Proven Claim" means the Claims of Creditors which are Proven Claims within the meaning given to that term in the Claims Procedure Order.

"Purchaser" means a person who, pursuant to a purchase agreement with the Applicant or an Agent, purchased an interest in a Life Settlement, and from whom the Applicant received monies for this purpose.

"Purchaser Policies" means the interests in life insurance policies that are identified on the records of the Applicant or Mills as allocated to a Purchaser as of the Valuation Date, but not including those Purchasers' interests in policies held in the M-Series Trust or in the USII Trust.

"Purchaser Pool" means a pool of funds created to provide Purchasers with a return of their Original Investments, as described in Section 4.6 of this Plan.

"Reserve for Costs" has the meaning given to that term in Section 4.3 of this Plan.

"ROI Pool" means a pool of funds created to provide Purchasers with an amount over and above their Original Investments, as described in Section 4.7 of this Plan.

"Sale Process" means a sale process that may be conducted by the Monitor in accordance with and upon fulfillment of the conditions set out in Section 4.9 of this Plan.

"Sanction Order" means an Order on terms satisfactory to the Applicant and the Monitor approving and sanctioning this Plan.

"Secured Claim" means any Claim or portion thereof that is secured by a security interest, pledge, mortgage, lien, hypothec or charge on any property of the Applicant, but only to the extent of the value of the security in respect of the Claim, and for greater certainty, the Charges each constitute a Secured Claim.

"**Shareholders**" means the current shareholders of the Applicant, being The Brokerwise Group Inc. and 1508211 Ontario Inc.

"**Success Fee**" means the success fee, if any, payable to the Applicant pursuant to Section 4.10 and Schedule B of this Plan.

"**Tax Refunds**" means all tax refunds, including sales tax refunds, received by the Applicant at any time and relating to the period prior to the Initial Order Date.

"**TPI Proceeds**" means the net proceeds from the sale of the TPI Portfolio, approved by the Court by Order dated December 23, 2008.

"**Unaffected Claims**" has the meaning given to such term in section 2.6 of this Plan and "Unaffected Claim" means any one of such Unaffected Claims.

"**Undistributed Distributions**" has the meaning given to such term in Section 5.5 of this Plan.

"**USII Trust**" means the trust created pursuant to a Trust Agreement dated June 30, 2008 between Universal Settlements International Inc. and Valenzano & Pillo LLP.

"**Valuation Date**" means January 23, 2009.

1.2 <u>Construction</u>

In this Plan, unless otherwise stated or the context otherwise requires:

(a) the division of the Plan into articles and sections and the use of headings are for convenience of reference only and do not affect the construction or interpretation of the Plan;

(b) the words "hereunder", "hereof" and similar expressions refer to this Plan and not to any particular article, section or schedule and references to "Articles", "Sections", and "Schedules" are to articles and sections of and schedules to this Plan;

(c) words importing the singular include the plural and vice versa and words importing any gender include all genders;

(d) the word "including" means "including without limiting the generality of the foregoing";

(e) a reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder;

(f) a reference to any agreement, indenture or other document is to that document as amended, supplemented, restated or replaced from time to time;

(g) references to dollar amounts are to Canadian dollars, unless otherwise indicated;

(h) Undistributed Distributions shall be deemed to be paid as of the date of the payment of the Distributions to which they relate, for the purposes of (A) determining when contributions to the Purchaser Pool cease, and contributions to the ROI Pool begin, (B) determining when a transfer from the Purchaser Pool to the ROI Pool should occur, pursuant to Section 4.10(a) of this Plan, (C) determining if and when the initial Success Fee (of U.S. $1,000,000) should be paid, (D) determining the date on which payment of the Administrative Fee ceases; and

(i) references to times are to local time in Toronto, Ontario, Canada.

1.3 Conversion

The Claims of Purchasers are in U.S. dollars, and may be dealt with entirely in U.S. dollars. All payments hereunder to Purchasers shall be in U.S. dollars. The Claims of Ordinary Creditors that are denominated in a currency other than lawful money of Canada are to be converted to the equivalent thereof in lawful money of Canada at the noon rate of exchange as quoted by the Bank of Canada on the Valuation Date.

1.4 Deeming Provisions

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

1.5 Date for any Action

If any date on which any action required to be taken hereunder by a Person is not a Business Day, such action must be taken on the next succeeding day which is a Business Day.

1.6 Schedules

The following are the Schedules to this Plan:

Schedule A	Administrative services to be provided
Schedule B	Methodology for payment of Distributions from the ROI Pool

ARTICLE 2
PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and arrangement of all Claims.

2.2 Overview

This overview is provided to assist the reader in understanding the Plan. Reference is also made to the Plan Circular, wherein further information with respect to the Plan is provided. In the event of an inconsistency between the overview in this Section 2.2 and the other provisions of the Plan, such other provisions shall govern. In the event of an inconsistency between the Plan Circular and the provisions of this Plan, this Plan shall govern.

The structure of the Plan and the flow of monies thereunder may be summarized as follows:

(a) Commencing on Plan Implementation, all Cash on Hand, Litigation Recovery, and remaining TPI Proceeds will be paid into the Monitored Trust Account. All Insurance Proceeds will continue to be received from the respective insurance companies by the Applicant, or Mills, each of whom shall receive such funds in trust for the benefit of this Plan, and each of whom will immediately pay and deposit the Insurance Proceeds into the Monitored Trust Account.

(b) Pursuant to the declaration of trust referred to in Section 6.2(e) of the Plan, effective on the Plan Implementation Date the Applicant will declare that it holds all Policies, Insurance Proceeds, Cash on Hand, Litigation Recovery, Tax Refunds, remaining TPI Proceeds and any other amounts to be deposited into the Monitored Trust Account in trust for the beneficiaries of the Plan, and that the Policies, Insurance Proceeds, Cash on Hand, Litigation Recovery, remaining TPI Proceeds and any other amounts shall be dealt with only in the manner provided for in the Plan. Pursuant to the trust declaration, no alteration in the Plan will affect the fact that the Policies are held in trust for the beneficiaries of the Plan.

(c) The Monitor and the Applicant shall enter into the Monitored Account Agreement.

(d) The majority of funds in the Monitored Trust Account will be available to pay Distributions to Purchasers and Ordinary Creditors in accordance with this Plan. However, the funds in the Monitored Trust Account will also be used to pay certain limited costs, being (i) Premiums on the Policies as and when due, (ii) Borrowing Costs, (iii) Professional Costs, (iv) the Administrative Fee and Mills' fees, (v) the Litigation Contribution, and (vi) Unaffected Claims, as provided for at Section 4.2 of the Plan.

(e) A Reserve for Costs will be maintained in the Monitored Trust Account, in accordance with Section 4.3 of the Plan. Once the funds available in the Monitored Trust Account exceed the Reserve for Costs amount by U.S. $5 million or more, 96.15% of such excess will be transferred into the Purchaser Pool (or the ROI Pool, as the case may be), which shall be used to pay Distributions to Purchasers, and 3.85% of such excess will be transferred into the Ordinary Creditor Pool, which shall be used to pay Distributions to Ordinary Creditors.

(f) Due to the costs of making a Distribution, it is anticipated that Distributions will be paid annually, and in any event not more frequently than semi-annually, in each case subject to availability of funds for the payment of Distributions.

(g) Distributions will be paid out of the Purchaser Pool until such time as Purchasers have been paid one hundred percent (100%) of their Original Investments, in aggregate. Distributions out of the Purchaser Pool will be calculated and paid based on the Original Investments, without interest or any other return. The Applicant anticipates that over approximately a six-year period the Purchaser Pool will pay sufficient Distributions to pay to Purchasers one hundred percent (100%) of their Original Investments.

(h) After Purchasers have been paid one hundred percent (100%) of their Original Investments, the ROI Pool shall be funded from the Monitored Trust Account, if additional monies are available. In addition, the Applicant is entitled to a Success Fee if one hundred and ten percent (110%) of Purchasers' Original Investments are paid, as described in Section 4.10 of this Plan.

(i) Distributions out of the ROI Pool will enable Purchasers to obtain a return on their investments, over and above their Original Investments; such Distributions will be paid based on the methodology found in Schedule B to this Plan.

(j) Distributions to Ordinary Creditors will be paid out of the Ordinary Creditor Pool, based on the Proven Claims of those Ordinary Creditors.

(k) A Sale Process relating to the Policies may in appropriate circumstances be conducted, as set out in Section 4.9 of this Plan.

2.3 Benefits of the Plan

It is the Applicant's view that the Plan offers several benefits to the Creditors, and will result in a maximization of the Distributions available to Creditors. The Applicant has identified the following benefits of a successful Plan implementation:

(a) This Plan will prevent a liquidation sale of the Applicant's portfolio of Policies. The Applicant believes that such a liquidation sale would generate net proceeds well below what this Plan will return to Creditors, and well below the Original Investments of Purchasers.

(b) The Applicant and Mills are very familiar with the portfolio of Policies and have been managing and administering this portfolio since inception. As such, there are existing processes and procedures in place, including databases, document management capabilities, insured monitoring protocols and other technological systems, all of which provide for the efficient maintenance of the portfolio. In addition, the Applicant and Mills have qualified administration staff who have relationships with insurance carriers, agents and the insured persons, and who routinely process premiums, track insured lives, and process death claims.

(c) This Plan will also permit the Applicant to utilize the Litigation Contribution to continue with two actions (the "**Actions**") currently outstanding, being *Universal Settlements International Inc.* v. *James Torchia*, *Marc Celello* and *National Viaticals Inc.* (United States District Court, Western District of Michigan, Court file no. 1:07-cv-1243) and in *Universal Settlements International Inc.* v. *Antonio Duscio et al.* (Ontario Superior Court of Justice, Court file no. 06-CV-323645 PD3), from which the Applicant expects to receive a net recovery. The potential benefit of the Actions may be lost if the Applicant does not continue to operate. As described in Section 4.5 of this Plan, all Litigation Recovery will be paid into the Monitored Trust Account.

(d) A typical Life Settlement transaction between the Applicant and a Purchaser commenced with the execution of a purchase agreement. The terms of the Applicant's purchase agreements evolved slightly over time as programs changed. The terms of many purchase agreements are ambiguous in some respects, and there is some doubt as to whether some Purchasers have (i) a claim only as a creditor of the Applicant, and no direct claim to the Policies purchased by the Applicant on their behalf, or (ii) a direct claim in the Policies purchased by the Applicant on their behalf. Except with respect to the life insurance policies held in the M-Series Trust or the USII Trust, since such policies are held in trust for the Purchasers of such policies, for the purposes of the Plan, all Purchasers will be treated as Creditors. The Applicant is strongly of the view that the approval and implementation of the Plan will return to Purchasers, in aggregate, more than the Purchasers would realize if they were to assert a direct ownership or beneficial interest in the Policies previously allocated to the Purchasers.

2.4 Cash on Hand to be paid into Monitored Trust Account

As of the close of business on June 25, 2009, the estimated Plan Implementation Date, the Applicant anticipates that the aggregate of approximately U.S. $8.7 million will be available for contribution into the Monitored Trust Account, such aggregate amount consisting of (i) cash in possession of the Applicant as of Plan Implementation Date, (ii) Premium Reserves, and (iii) Death Benefit Maturity Funds (collectively, "**Cash on Hand**").

2.5 Escrow Fund

The Shareholders have agreed that any and all portions of the Escrow Fund that are released to the Shareholders, or the Applicant, shall be paid into the Monitored Trust Account. Upon any release of all or any part of the Escrow Fund, it shall be deposited directly to the Monitored Trust Account, pursuant to a direction to be executed by the Applicant and the Shareholders. If all or any part of such amount is needed for the payment of the Applicant's legal fees and disbursements in the Actions, the Applicant shall be entitled to the release of all or part of such amount, upon presentation to the Monitor of a copy of an invoice or other similar documentary record of the amount to be paid, to the Applicant for such purpose. If not needed for payment of the Applicant's legal fees and disbursements in the Actions, 50% of the remaining balance of the Escrow Fund shall be paid directly to the Shareholders and the remaining 50% shall remain in the Monitored Trust Account to be distributed as otherwise provided for in this Plan. The

Monitor shall not be obliged to consider the reasonableness of the request for payment of any amount for the payment of legal fees equal to the amount of the Escrow Fund deposited to the Monitored Trust Account.

2.6 Unaffected Claims

This Plan does not affect the following claims, liabilities or other obligations of the Applicant, except as may expressly provided under the terms of any Order:

(a) *Post Filing Goods and Services* – the claims arising in respect of goods or services supplied after the Initial Order Date and prior to Plan Implementation;

(b) *Professional Advisors* - the claims of the Monitor and of the legal advisors to the Applicant and the Monitor for fees and disbursements (the "**Professional Costs**") incurred or to be incurred in connection with and incidental to (i) the CCAA Proceedings, (ii) the preparation, approval and administration of this Plan, and (iii) the recovery of Insurance Proceeds and the protection of the Policies, in each case other than fees and disbursements incurred with respect to the Actions.

(c) *Directors and Officers* – the Claims of individuals who are current officers or Directors of the Applicant for indemnity pursuant to indemnities provided by the Applicant.

(d) *Secured Creditors* – the Secured Claim of any Person.

(e) *Insured Claims* – the Claims arising in the ordinary course of business against the Applicant which are covered by insurance held by the Applicant ("Insured Claims"), including the Claims or portions of Claims which are below the deductible amounts in such insurance policies, provided, however, that the Applicant shall not be obliged to pay any obligations in respect of deductibles arising on or before the Initial Order Date. For greater certainty, Insured Claims shall have recourse solely against the applicable insurers, and neither the Person having an Insured Claim, nor the insurer itself (whether by subrogation or otherwise) shall have any recourse with respect to the Insured Claim as against the Applicant, or any Proven Claim for the purpose of the Plan.

(f) *Claims of the Crown* – Claims of the Crown referred to in paragraph 18.2(1) of the CCAA.

2.7 Affected Persons

On Plan Implementation, the Plan will become effective and be binding on the Applicant and the Creditors and all other Persons affected by the provisions of this Plan.

Other than the Corporate Policies, this Plan does not affect any policies held in the M-Series Trust or the USII Trust, since such policies are held in trust for the Purchasers of such policies. For greater certainty, however, this Plan does affect, compromise and release any Claim that any Purchaser of such policies may have against the Applicant or other Persons.

2.8 Persons not affected by this Plan

Except to the extent that they may be generally affected by the declarations of trust herein, (i) Persons holding Unaffected Claims shall not be affected by the compromise and arrangements set out in this Plan, and (ii) Persons with claims in the Actions shall not be affected by the compromise and arrangements set out in this Plan.

ARTICLE 3
CLASSIFICATION OF CREDITORS

3.1 Classification of Creditors

The classification of Creditors for the purpose of considering and voting on this Plan and receiving Distributions hereunder are:

(a) Purchasers; and

(b) Ordinary Creditors.

ARTICLE 4
TREATMENT OF CREDITORS

4.1 Compromise of Claims of Creditors

For the purposes of this Plan, the Creditors shall receive the treatment as provided in Article 4 of the Plan and on the Plan Implementation Date, Claims will be settled in accordance with the terms hereof.

Creditor Approval of this Plan shall be deemed to occur if each Class of Creditors (being Purchasers and Ordinary Creditors) approves this Plan in accordance with the CCAA at duly constituted Meetings of such Creditors, in which case this Plan and its terms shall bind all Creditors.

4.2 The Monitored Trust Account

The Monitored Trust Account shall be a segregated bank account or bank accounts in a Canadian chartered bank, established by the Applicant and, subject to the terms of this Plan, shall be held in trust for the Purchasers and the Ordinary Creditors, pursuant to a Declaration of Trust to be executed by the Applicant. As trustee for the Monitored Trust Account, the Applicant will enter into an agreement (the "Monitored Account Agreement") with the Monitor which will provide for the mechanics of operation of the Monitored Trust Account and the terms of oversight of the Monitored Trust Account to be provided by the Monitor.

The Monitored Trust Account may be held in Canadian or U.S. dollars, or in such other currencies as the Monitor may deem appropriate.

All Policies, Insurance Proceeds, Litigation Recovery, Cash on Hand, Tax Refunds, and remaining TPI Proceeds in possession of or received by the Applicant or Mills on or after Plan Implementation shall be held in trust by the Applicant, or Mills, as the case may be, pursuant to Declarations of Trust to be executed by the Applicant and Mills in favour of the Purchasers and the Ordinary Creditors. All Insurance Proceeds, Litigation Recovery, Cash on Hand, and remaining TPI Proceeds shall be paid forthwith after Plan Implementation by the Applicant, or Mills, as the case may be, for deposit into the Monitored Trust Account.

The funds may be disbursed out of the Monitored Trust Account in accordance with the Monitored Account Agreement and this Plan, to pay the following (collectively, the "**Costs**"):

1. Premiums;

2. Professional Costs;

3. Administrative Fees and Mills' fees;

4. Borrowing Costs ;

5. the Litigation Contribution; and

6. Unaffected Claims;

In addition, any bank charges related to the Monitored Trust Account may be deducted by the bank from the account.

Payment of such amounts are subject to:

- confirming that the Costs are due and are a permitted disbursement pursuant to the Plan;
- there being sufficient funds in the Monitored Trust Account to make such payments;
- the Monitor's review of the Costs for reasonableness;
- the Court's approval of fees and disbursements, where applicable; and
- the Monitor's ability to apply for direction from the Court, if necessary, prior to paying any Cost.

Payments out of the Monitored Trust Account on account of any Canadian taxes or withholdings as required by law shall also be permitted.

There shall be no obligation to pay Costs pro rata, in the event that sufficient funds are not available from time to time to pay all Cost, and the timing of the payment of all Costs shall be at the discretion of the Monitor, or as the Court may direct. The Monitor shall not incur any liability for the payment or non-payment of any Costs, or the timing or manner of such payments.

Subject to the Reserve for Costs described at Section 4.3 below, and the payment of Costs, funds may be made available to the Purchaser Pool, the ROI Pool and the Ordinary Creditor Pool in accordance with this Plan, to allow for the payment of Distributions from those Pools to Creditors. No payments shall be made directly to Creditors out of the Monitored Trust Account and Creditors shall not be entitled to assert any direct claim to the funds in the Monitored Trust Account, without Order of the Court.

4.3 Reserve for Costs

A reserve (the "**Reserve for Costs**") shall be established in the Monitored Trust Account in order to fund the Costs. As of Plan Implementation Date, the opening balance of the Reserve for Costs shall be the amount of the Cash on Hand. Thereafter, the Reserve For Costs shall be maintained in an amount sufficient, in the Monitor's sole discretion, to pay the anticipated Costs for the following two years. In determining the Reserve for Costs, the Monitor shall be entitled to rely on the information provided by the Applicant, Mills and the insurance companies, relating to projected Premium liabilities, Borrowing Costs, Professional Costs, Litigation Costs, the amount of any Unaffected Claims, and any other amounts or issues affecting the amount of Reserve for Costs.

Upon the maturity of all Policies and receipt of all Insurance Proceeds, or upon the completion of the Sale Process and the closing of all transactions for the sale of all remaining Policies, the remaining balance of the Reserve For Costs shall be available to pay any remaining Costs and to make transfers to the Pools for the payment of Distributions to Creditors.

4.4 Power to Borrow

The Applicant, with the Monitor's prior written consent, shall be entitled to borrow money against the Policies, and to grant security interests in the Policies to secure such loans, where such borrowings are necessary in the Monitor's opinion to provide funds for the payment of Premiums, the Professional Costs, the Administrative Fee and/or Mills' fees. Any such funds borrowed shall be deposited directly into the Monitored Trust Account to be used to pay the Premiums, Professional Costs, the Administration Fee, and Mills' fees. Other than borrowings for these purposes, the Applicant shall not borrow money against the Policies nor grant security interests in the Policies to secure any indebtedness or other obligations.

4.5 Litigation Contribution and Litigation Recovery

The Applicant shall have the power to continue the Actions, and the Litigation Contribution (including any portion of the Escrow Fund deposited into the Monitored Trust Account in accordance with Section 2.5 of this Plan) shall be made available to the Applicant and its counsel for the payment of the Applicant's legal fees and disbursements with respect to the Actions. As noted in the definition of "Litigation Contribution", U.S. $500,000 of the Litigation Contribution shall be made available from the Monitored Trust Account. In this Section 4.5, this is referred to as the "Litigation Contribution sourced from cash". In addition, any portion of the Escrow Fund paid into the Monitored Trust Account shall also be available as part of the Litigation

Contribution. In this Section 4.5, this is referred to as the "Litigation Contribution sourced from the Escrow Fund".

No amount in excess of the Litigation Contribution shall be paid out of the Monitored Trust Account toward payment of the Applicant's legal fees and disbursements with respect to the Actions.

To the extent that the Litigation Contribution sourced from the Escrow Fund is not needed to pay the Applicant's legal fees and disbursements with respect to the Actions, the Escrow Fund shall be distributed from the Monitored Trust Account in accordance with Section 2.5 of this Plan.

The amount of the Litigation Contribution actually used to pay the Applicant's legal fees and disbursements related to the Actions shall be considered a deduction from the monies otherwise transferable from the Monitored Trust Account to the Ordinary Creditor Pool. The Litigation Contribution may be paid out of the Monitored Trust Account at any time, and from time to time, provided that sufficient funds are available in the Monitored Trust Account, and regardless of whether the funds at that time available for transfer to the Ordinary Creditor Pool are greater than or less than the amount of the Litigation Contribution sought by the Applicant at that time. However, no transfer from the Monitored Trust Account to the Ordinary Creditor Pool shall take place until the funds available for transfer to the Ordinary Creditor Pool in accordance with Section 4.8 of this Plan exceed the Litigation Contribution previously paid out of the Monitored Trust Account and then outstanding.

All Litigation Recovery will be deposited into the Monitored Trust Account, and shall be applied as follows (in each case without interest or deduction):

(a) first, to reimburse the Monitored Trust Account for the full amount of any Litigation Contribution sourced from cash and previously paid out to fund the Applicant's legal fees and disbursements with respect to the Actions;

(b) next, to pay to Borden Ladner Gervais LLP the amount of its Claim secured by a solicitor's lien, to the maximum amount of $840,000, in accordance with a settlement agreement approved by the Court on June 12, 2009;

(c) next, on a *pari passu* basis, to (i) reimburse the Monitored Trust Account for fifty percent (50%) of any Litigation Contribution sourced from the Escrow Fund and previously paid out to fund the Applicant's legal fees and disbursements with respect to the Actions, and (ii) pay to the Shareholders an equal amount;

(d) if payment of any portion of the Litigation Contribution previously resulted in a lower amount being transferred from the Monitored Trust Account to the Ordinary Creditor Pool, then the reimbursements in paragraphs (a) and (c)(i) of this Section 4.5, together with such additional funds as are available in the Monitored Trust Account from the Litigation Recovery, shall be paid into the Ordinary Creditor Pool to restore it to the position that it would have been in, had the Litigation Contribution not been paid out;

(e) next, an additional amount of the Litigation Recovery, equal to the total amount of the Litigation Contribution paid out to fund the Applicant's legal fees and disbursements, shall be transferred from the Monitored Trust Account into the Ordinary Creditor Pool, without regard to the formulae set out in Sections 4.6 and 4.8 of this Plan; and

(f) any remaining Litigation Recovery shall remain in the Monitored Trust Account for disbursement in accordance with this Plan.

The Applicant has agreed to establish a committee of three Creditors to consult with the Applicant with respect to the conduct of the Actions and the fees and disbursements incurred in prosecuting the Actions.

4.6 Purchaser Pool

The Applicant shall establish a segregated bank account into which funds from the Monitored Trust Account, for payment of Distributions to Purchasers, will be deposited and held in trust by the Applicant, pursuant to a Declaration of Trust to be executed by the Applicant. The payment of all amounts to be paid out of the Purchaser Pool will be subject to the provisions of the Monitored Account Agreement.

Upon declaring a Distribution, the Purchaser Pool shall be funded out of the proceeds held in the Monitored Trust Account based upon the following formula (all amounts in the following formula are in U.S. dollars):

> (Purchaser Policies' face values and Premium Reserves at Plan Implementation Date) / (Purchaser Policies' and Corporate Policies' face values[1] and Premium Reserves at Plan Implementation Date) = Purchaser Pool allocation
>
> = ($185,040,918 + $2,709,072) / ($185,040,918 + $7,473,456 + $2,744,944)
>
> = 96.15%

The Purchaser Pool shall be funded based upon the above formula until such time as (i) the Purchaser Pool is in an amount sufficient to pay Distributions to Purchasers equal to one hundred percent (100%) of their Original Investments, or (ii) there are no funds available in the Monitored Trust Account for such purpose.

4.7 ROI Pool

The Applicant shall establish a segregated bank account for purposes of establishing the ROI Pool, which shall be held in trust by the Applicant pursuant to a Declaration of Trust to be executed by the Applicant for purposes of paying Distributions to Purchasers. The payment of

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[1] Excluding the Applicant's interest in policies in the USII Trust, which the Applicant believes have negligible value.

all amounts to be paid out of the ROI Pool will be subject to the provisions of the Monitored Account Agreement.

Upon the payment into the Purchaser Pool of sufficient funds to pay to Purchasers amounts equal to one hundred percent (100%) of their Original Investments, funds shall be transferred to the ROI Pool from the Monitored Trust Account based upon the same formula used by the Monitor for transfers to the Purchaser Pool, as described in Section 4.6 above (that is, 96.15%).

4.8 Ordinary Creditor Pool

The Applicant shall establish a segregated bank account into which funds from the Monitored Trust Account, for payment of Distributions to Ordinary Creditors, will be deposited and held in trust by the Applicant, pursuant to a Declaration of Trust to be executed by the Applicant. The payment of all amounts to be paid out of the Ordinary Creditor Pool will be subject to the provisions of the Monitored Account Agreement.

Upon declaring a Distribution, the Monitor shall fund the Ordinary Creditor Pool out of the proceeds held in the Monitored Trust Account based upon the following formula (all amounts in the following formula are in U.S. dollars):

> (Corporate Policies' face values[2] + Premium Reserves at Plan Implementation Date) / (Purchaser Policies' and Corporate Policies' face values[3] + all Premium Reserves at Plan Implementation Date) = Ordinary Creditor Pool allocation
>
> = ($7,473,456 + $35,872) / ($185,040,918 + $7,473,456 + $2,744,944)
>
> = 3.85%

The Ordinary Creditor Pool shall be funded based upon the above formula until such time as (i) the Ordinary Creditor Pool is in an amount sufficient to pay Distributions to Ordinary Creditors equal to one hundred percent (100%) of their Proven Claims, or (ii) there are no funds available in the Monitored Trust Account for such purpose.

4.9 Sale Process

The Applicant may request that the Monitor commence a Sale Process with respect to some or all Policies that have not matured under the following circumstances:

(a) After sufficient funds are available in the Purchaser Pool to pay to Purchasers Distributions equal to one hundred percent (100%) of their Original Investments; or

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[2] See footnote 1, above.

[3] See footnote 1, above.

(b) Prior to there being sufficient funds in the Purchaser Pool to pay to Purchasers Distributions equal to one hundred percent (100%) of their Original Investments if the proceeds from the Sale Process would be sufficient to pay to Purchasers Distributions equal to one hundred percent (100%) of their Original Investments.

Such a Sale Process shall be commenced only if market conditions are such that the financial recovery from the sale of the Policies is determined by the Applicant, in consultation with the Monitor, to be more advantageous to Purchasers and Ordinary Creditors than the continued payment of the Costs and the continued collection of death benefits in respect of the Policies under the terms of this Plan. Such Sale Process shall not be held without further Order.

The net proceeds from the sale of any Policies shall be deposited into the Monitored Trust Account and distributed in accordance with this Plan.

4.10 Disbursements from Pools

Funds shall be transferred to the Purchaser Pool (or the ROI Pool, as the case may be) and to the Ordinary Creditor Pool from the Monitored Trust Account as frequently as the Monitor deems prudent, or as directed by the Court, taking into account the amount contained in the Monitored Trust Account from time to time, the required amount of Reserve for Costs, timing, any disputed issues outstanding, and any other issues that may then exist, subject to the Reserve for Costs remaining in the Monitored Trust Account at all times and subject to all applicable tax payment or withholding obligations, and provided that a decision by the Monitor or the Court as to the frequency of Distributions is final and binding for all purposes. Distributions shall be paid from the Pools, in accordance with this Plan. The payment of the first Distribution, subject to the above conditions, will be made as soon as practicable after June 1, 2010.

Distributions will be paid from the Pools as follows:

(a) *Purchaser Pool*: Distributions from the Purchaser Pool shall be paid to Purchasers *pro rata* calculated on the basis of the amount of Purchasers' Original Investment, and without regard to (i) the date of that Original Investment, or (ii) any Claim based on interest or other return on the Original Investments of Purchasers. If at any time there are more monies in the Purchaser Pool than are necessary to pay to Purchasers one hundred percent (100%) of the Original Investments made by Purchasers, then the excess monies shall be transferred from the Purchaser Pool to the ROI Pool. Other than Distributions to Purchasers and the transfer of excess monies from the Purchaser Pool to the ROI Pool, no payments shall be made out of the Purchaser Pool.

(b) *ROI Pool*: Distributions from the ROI Pool shall be paid to Purchasers based on the methodology set out in Schedule B to this Plan, which includes the payment of the Success Fee to the Applicant. Payment of the Success Fee is aligned with the interests of the Purchasers since it shall only be paid to the Applicant after Distributions totalling 110% of Purchasers' Original Investments have been distributed to Purchasers. The Success Fee is calculated as follows:

U.S. $1 million Success Fee paid when 110% of Original Investments is paid to Purchasers; and

After payment of U.S. $1 million Success Fee, proceeds shared 75% / 25% (Purchasers / Applicant) for that portion of the ROI Pool in excess of 110% of Original Investments paid to Purchasers.

(c) *Ordinary Creditor Pool*: Distributions from the Ordinary Creditor Pool shall first be used to pay to Ordinary Creditors on a *pro rata* basis 100% of the lesser of $250,000 or the total of each Proven Claim, and thereafter *pro rata* based on the remaining unpaid balance of each Proven Claim, at the same times as from the Purchaser Pool (or the ROI Pool, as the case may be). If the funds available in the Ordinary Creditor Pool exceed the aggregate amount of all Claims of Ordinary Creditors as of the Valuation Date, the Applicant shall transfer any remaining funds in the Ordinary Creditor Pool to the ROI Pool.

Notwithstanding the foregoing restrictions on disbursements from the Pools, disbursements may also be made on account of any clearance certificates or other legal or regulatory pre-conditions to payment of Distributions.

In making Distributions, the Applicant and the Monitor shall take into account the most cost-effective means of doing this, from both the Applicant's / Monitor's perspective, and also from the recipient's perspective.

4.11 Right to Vote and Receive Distributions

Only Creditors with a Proven Claim shall be entitled to vote or receive any Distribution under the Plan or in respect of a Claim, unless otherwise ordered by the Court. Notwithstanding the foregoing, if any Claims have not been finally determined pursuant to the Claims Procedure Order by the date of the Meeting, then a vote with respect to these unresolved Claims shall be recorded by the Monitor in accordance with Section 28 of the Claims Procedure Order. Purchasers shall not be entitled to recovery of any Claims out of any funds other than the Purchaser Pool and ROI Pool, and Ordinary Creditors shall not be entitled to recovery of any Claims out of any funds other than the Ordinary Creditor Pool.

4.12 Crown Priority Claims

Within six months after the date of the Sanction Order, the Applicant will pay in full all Claims pursuant to Section 18.2(1) of the CCAA.

4.13 Effect of Plan Generally

Save and except as otherwise provided herein, on the Plan Implementation Date the treatment of Claims under this Plan shall be final and binding on the Applicant and all Creditors (and their respective heirs, executors, administrators, legal or personal representatives, successors and assigns), and the Plan shall constitute (i) full, final and absolute settlement of all rights of the holders of all Claims; and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Applicant, any Director, and any Agent in respect of any Claim.

From and after the Plan Implementation Date, no Creditor shall have any right to assert any claim against the Applicant, the Directors, the Monitor, or any Agent based, without limitation, on an assertion of a beneficial interest, ownership interest, trust interest, or any other proprietary interest against the Applicant or in any of its assets (including the Policies, the Premium Reserves and any Death Benefit Maturity Funds).

Further, on the Plan Implementation Date, all Creditors release and shall be deemed to release the Applicant, the Directors, the Monitor, and all Agents, of and from all obligations, liabilities, claims and causes of action, as set out more fully in Section 7.4 of this Plan.

4.14 Events of Default

If in the Monitor's opinion, acting reasonably, the Applicant has defaulted in the performance of this Plan, the Monitor shall promptly provide written notice to the Applicant of such default. If within thirty (30) days of written notice of default the Applicant has not remedied the default identified by the Monitor, and if the Monitor has not withdrawn its written notice of default, then the Monitor shall apply to the Court for such directions or Orders as it deems appropriate in the circumstances. As provided in Section 7.8 of this Plan, the Applicant and the Monitor may also, at any time, seek directions from the Court. If the urgency of the default is such that the Monitor, acting reasonably, cannot give the notice required herein, then the Monitor may apply to the Court for directions, on such notice as the Court may direct.

ARTICLE 5
MONITOR'S ROLE AND OTHER MATTERS

5.1 Monitor's Role

In addition to any role that it may have under any Order, the Monitor shall supervise this Plan and monitor the Applicant's compliance with this Plan. The Monitor shall have access to the Applicant's books and records for the purposes of such supervision and monitoring, but shall not assume management or control of the Applicant or its business. The Applicant shall at the Monitor's request compile and make commercially reasonable efforts to obtain information relating to verifications of coverage of Policies, annual reports from insurance companies, tracking reports of maturities, Premium illustrations, correspondence with insurance companies, Unaffected Claims, due diligence of Policy portfolio for purposes of the Sale Process, and previously transferred Policies, and shall provide all such information to the Monitor at the Monitor's request. The Monitor may report to the Court and/or Creditors and seek directions from the Court from time to time as to the status of the Plan, the Monitored Trust Account, the Reserve for Costs, Borrowings, or any other matter.

5.2 Protections relating to the Monitor

Ernst & Young Inc. is acting as Monitor in the CCAA Proceedings with respect to the Applicant and not in its personal or corporate capacity and will not be responsible or liable for any obligations of the Applicant. The Monitor shall be entitled to rely on information provided by the Applicant, subject only to the Monitor's review of such information for reasonableness. Ernst & Young Inc. in its capacity as Monitor will have the powers and protections granted to it by this Plan, the CCAA, the Initial Order, the Meeting Order, the Sanction Order and any other Order. When in the Monitor's view (i) all or substantially all of the obligations under the Plan have been performed, or (ii) a material adverse change with respect to the Plan has occurred, it may apply to the Court for directions with respect to the performance of any remaining obligations under the Plan or any other matter, and may seek its discharge as Monitor.

5.3 Role of Mills

As the United States of America service agent for the Policies on behalf of the Applicant, Mills will continue to service 138 of the 155 open Policies for the Applicant. Mills will execute a declaration of trust pursuant to the terms of the Plan. Pursuant to direction from the Applicant, Mills will perform limited policy administration services, including the payment of Premiums and Premium Reserves and the collection of death benefits. Further, Mills will correspond with insurance companies as required and directed by the Applicant, and assist the Applicant in managing any issues which arise with respect to Policies. For its services, Mills will charge a transaction based fee. Mills fee will not be paid from the Administrative Fee set out in Schedule A to this Plan.

5.4 Risks related to the Plan

The implementation and funding of the Plan is subject to a number of risks, which include without limitation:

(a) it may take significantly longer than anticipated for Policies to mature, resulting in additional costs incurred by the Monitored Trust Account to pay the Premiums and Costs necessary to maintain the Policies;

(b) if funds are not available (in the Reserve for Costs, or by way of Borrowings) to pay Premiums at any time, Policies may lapse;

(c) if there is a dispute with the insurance company issuing any of the Policies, payment of Insurance Proceeds with respect to such Policies may be delayed or may not be received;

(d) if the insured Person under any Policy cannot be located by the Applicant, or if a death certificate for that Person cannot be obtained on maturity of the Policy, the death benefit payable under the Policy may be delayed or may not be received;

(e) certain Policies do not record the Applicant as the owner of such Policies, and such Policies could in some circumstances be revoked by the Person recorded as the owner of such Policies;

(f) certain Policies are term life insurance policies, and may not be convertible to whole life policies, or may be subject to renewal at higher premiums;

(g) the insolvency of any life insurance company would jeopardize the Policies insured by that insurer;

(h) the Applicant's ability to retain its operations and perform the services outlined in Schedule A may in the future be adversely affected by changes in its business environment, by staff departures, or by other factors affecting its business, including without limitation any claims against it in the Actions.

5.5 Unpaid or Unclaimed Distributions

It is the Creditor's responsibility to ensure that the Creditor's current address is provided to the Applicant and the Monitor, and to advise the Applicant and the Monitor in writing if that address changes.

If the Monitor does not have the correct address for any Creditor entitled to a Distribution pursuant to this Plan, then such Distribution to that Creditor shall not be paid, and the amount of such Distribution shall remain in the applicable Pool. If such Creditor later provides a current address, the Distribution shall then be paid to the Creditor, without interest. Nothing contained in this Plan shall require the Applicant or the Monitor to locate such Creditor.

If prior to the time of the final payment of Distributions to Creditors from any Pool (i) any prior Distribution has not been paid to a Creditor, (ii) any cheque with respect to a prior Distribution has not been cashed, or (iii) the Monitor does not have any Creditor's then-current address for payment of any Distribution, then the Monitor shall deal with such Distributions (**"Undistributed Distributions"**) in the manner then required by the CCAA, or as the Court may direct.

5.6 Effect of Sanction Order

The Applicant will seek a Sanction Order that will, in addition to sanctioning the Plan, and without limitation to any other terms that it may contain:

(a) declare that the compromises effected hereby are approved, binding and effective as herein set out upon all Creditors;

(b) approve all steps and transactions contemplated by the Plan, including, without limitation, those taken in connection with the completion of the restructuring;

(c) stay any and all steps or proceedings commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any or all Directors or Agents in respect of any Claim compromised or released hereby; and

(d) be in form and substance satisfactory to the Applicant and to the Monitor, acting reasonably.

ARTICLE 6
CONDITIONS PRECEDENT

6.1 Application for Sanction Order

The Applicant will apply to the Court for the Sanction Order within 10 days following the date upon which Creditor Approval is obtained. On the Plan Implementation Date, subject to the satisfaction or waiver of the conditions contained in section 6.2, the Plan shall be implemented by the Applicant and shall be binding upon all Creditors and all other Persons affected by the provisions of this Plan.

6.2 Conditions Precedent to the Implementation of the Plan

The implementation of this Plan will be conditional on the satisfaction of the following conditions:

(a) *Creditor Approval* - The Plan has been approved pursuant to the CCAA by each Class of Creditors;

(b) *Approval* - The Applicant shall have taken all corporate actions and proceedings which, in their reasonable opinion, are necessary to approve this Plan, and to enable them to execute, deliver and perform their obligations under this Plan;

(c) *Sanction Order* - The Sanction Order has been issued by the Court on or before June 22, 2009, or such later date as the Applicant and the Monitor deems reasonable, and any other order deemed necessary or desirable by the Applicant or the Monitor has been obtained;

(d) *Payment of Unaffected Claims* - all of the Unaffected Claims accrued to the Plan Implementation Date shall have been paid, or provision for payment of the Unaffected Claims shall have been made (in the opinion of both the Applicant and the Monitor, each acting reasonably);

(e) *Declaration of Trust* – the Applicant shall have delivered to the Monitor a declaration of trust, wherein the Applicant declares that effective on the Plan Implementation Date the Applicant holds all Policies and all funds deposited into the Monitored Trust Account in trust for the beneficiaries of this Plan, and that the Policies and Insurance Proceeds and all other funds held in the Monitored Trust Account shall be dealt with only in the manner provided for in this Plan;

(f) *Deliveries of Instruments* – The Applicant shall have executed and delivered all such other agreements, indentures, documents and other instruments which, in its opinion, and the Monitor's opinion, acting reasonably, are necessary to be executed and delivered by the Applicant in order to implement the Plan and perform its obligations hereunder;

(g) *Directions and declarations of trust, generally* – all directions and declarations of trust to be delivered pursuant to this Plan shall have been delivered in a form satisfactory to the Applicant and the Monitor, each acting reasonably; and

(h) *Deliveries of Documents* - all relevant Persons have executed, delivered and filed all documents and other instruments that, in the opinion of the Applicant and the Monitor, acting reasonably, are necessary to implement the provisions of the Plan or the Sanction Order.

ARTICLE 7
GENERAL

7.1 Binding Effect

At the Effective Time on the Plan Implementation Date, the Plan will become effective and be binding on and enure to the benefit of the Applicant, the Creditors and all other Persons named or referred to in, or subject to, this Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

7.2 Amendments

(a) The Applicant reserves the right, at any time and from time to time, to amend modify and/or supplement this Plan, provided that any such amendment, modification or supplement must be contained in a written document which is filed with the Court and (i) if made prior to any meeting of Creditors called for the purpose of considering and voting in respect of the Plan pursuant to the CCAA, communicated to the Creditors in the manner deemed appropriate by the Monitor; and (ii) if made following such meeting, approved by the Court following notice to the Creditors affected thereby.

(b) Any amendment, modification or supplement may be made by the Applicant following the Sanction Order, with the consent of the Monitor, provided that it concerns a matter which, in the opinion of the Applicant, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and to the Sanction Order and is not adverse to the financial or economic interests of the Creditors.

(c) Any supplementary plan or plans of compromise or arrangement filed with the Court and, if required by this Section, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporate into this Plan.

7.3 Termination

At any time prior to the Plan Implementation Date, the Applicant may determine not to proceed with this Plan, notwithstanding any prior approvals given at any Meeting or the obtaining of the Sanction Order.

7.4 Releases

Other than in respect of Unaffected Claims and obligations under the Plan, as at the Effective Time, each Creditor will be deemed to forever release, waive and discharge all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities (including any claim of a beneficial interest, ownership interest, trust interest, or any other proprietary interest against the Applicant or in any of its assets, including the Policies and the Premium Reserves), in each case whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Valuation Date in any way relating to the Applicant, the CCAA Proceedings or this Plan against: (i) the Applicant; (ii) the Directors and those Persons who were employees of the Applicant as of the Valuation Date or thereafter; (iii) Persons who may claim contribution or indemnification against or from the Applicant; (iv) Agents, (v) the Monitor, and (vi) the legal counsel and other professional advisors to the Applicant or the Monitor, provided that nothing herein will release or discharge (A) directors or officers of the Applicant in respect of any claim referred to in paragraph 5.1(2) of the CCAA, or (B) any claims made in the Actions against the Applicant.

7.5 Consents, Waivers and Agreements

At the Effective Time, each Creditor shall be deemed to have consented and agreed to all of the provisions of this Plan, as an entirety. Without limitation to the foregoing, each Creditor will be deemed:

(a) to have executed and delivered to the Applicant all consents, assignments, releases and waivers, statutory or otherwise, required to implement and carry out this Plan as an entirety;

(b) to have waived any default by or rescinded any demand for payment against the Applicant that has occurred on or prior to the Plan Implementation Date pursuant to, based on or as a result of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and such Applicant with respect to a Claim; and

(c) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Applicant with respect to a Claim as at the Plan Implementation Date and the provisions of this Plan, then the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly.

7.6 Severability of Plan Provisions

If, prior to the Effective Time, any provision of this Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Monitor may alter such provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of such provision, and such provision will then be applicable as altered and the remainder of the provisions of this Plan will remain in full force and effect and will in no way be invalidated by such alteration.

7.7 Governing Law

This Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

The Applicant agrees to execute and deliver, on or after the Effective Time, all such agreements, instruments and documents and to take all further actions as may be reasonably necessary from time to time to carry out the intent and purposes of this Plan.

7.8 Directions

The Applicant or the Monitor may at any time, and with such notice as the Court may require, seek directions from the Court with respect to this Plan and the provisions hereof, including the Schedules.

7.9 Notices

Any notice or other communication to be delivered or filed hereunder must be in writing and reference this Plan and may, subject as hereinafter provided, be made or given by personal delivery, courier, registered mail, electronic mail or by facsimile addressed to the respective parties as follows:

(a) if to the Monitor:

Ernst & Young Inc.
Court-appointed Monitor of Universal Settlements International Inc.
222 Bay Street, Suite 1600
Toronto, Ontario M5K 1J7
Canada

Attention: Brian Denega
Fax No.: (416) 943-3300
Email: universal.settlements@ca.ey.com

(b) if to a Creditor:

to the last known address (including facsimile number) for such Creditor, or to such address specified in an Acknowledgement of Claim or Request for Amendment (each as defined in the Claims Procedure Order) or a Proof of Claim relating to such Creditor, or as such Creditor has otherwise specified in writing to the Monitor.

(c) if to the Applicant:

Universal Settlements International Inc.
5500 North Service Road
Burlington, Ontario
Canada L7L 6W6

Attention: Jeff Panos, President
Fax No.: (905) 331-6011
Email: jpanos@universalsettlements.com

with a copy to:

Rueter Scargall Bennett LLP
Brookfield Place
161 Bay Street, Ste 4220
Box 226
Toronto, Ontario M5J 2S1 Canada

Attention: Randy Bennett
Fax No.: (416) 869-3411
Email: randy.bennett@rslawyers.com

with a copy to:

Ogilvy Renault LLP / S.E.N.C.R.L., s.r.l.
Suite 3800, P.O. Box 84
Royal Bank Plaza, South Tower
200 Bay Street
Toronto, Ontario M5J 2Z4 Canada

Attention: William McNamara
Fax No.: (416) 216-3930
Email: wmcnamara@ogilvyrenault.com

or to such other address as any party may from time to time notify the others in accordance with this Section. All such communications that are delivered will be deemed to have been received on the day of delivery. All such communications that are sent by facsimile or electronic mail will be deemed to be received on the day sent if sent before 5:00 p.m. on a Business Day and otherwise will be deemed to be received on the Business Day next following the day upon which such facsimile or electronic mail was sent. Any notice or other communication sent by registered mail will be deemed to have been received on the third day after the date of mailing.

SCHEDULE A
(administrative services to be provided)

In consideration of the payment of the Administrative Fee of CDN $100,000 per month, the Applicant (with the assistance of Mills) shall provide the following services relating to the administration of the Policies and to the discharge by the Applicant of its duties under the Plan:

The Applicant will continue to do the following:

1. **Premium management and funding**

   - Premium payments.
   - monthly Premium reports.
   - Premium payment optimization. Modifying the Premiums needed on a regular basis so as to minimize the Premiums needed to maintain Policies in good standing as new data is received.

2. **Performing cash-value analyses and borrowing against or from Policies, where permitted by the Plan and for the purposes specified therein**

3. **Active management of cash surrender values on Policies**

4. **Insured tracking**

   - Monitoring the status of each insured person within the portfolio.
   - Maintain direct personal contact with each insured person quarterly.

5. **Group policy and Premium waiver management**

6. **Processing death claims as policy maturities occur, utilizing where possible the Applicant's relationships with insurers to facilitate the processing and collection of death benefits**

7. **Investor communications and information updates**

   - Collection of verifications of coverage annually and other information and documents from insurance companies as required.
   - Collection of updated medical information and life expectancy reports as requested by the Monitor.
   - Maintain, update and enhance Policy databases and related spreadsheets.
   - Database updates and administrative processing of investor requests such as collateral assignments, beneficiary changes etc.
   - Continuing to liaise with all Purchasers to ensure that everybody understands processes.
   -

8. **Maintaining web access for investors to view documents online.**

   - Maintain Purchaser communication tools like website and corporate updates.

9. **Provide written reports to Purchasers as requested.**

10. Customer support for Purchasers' telephone, fax or email inquiries, on Business Days during normal business hours.

11. Daily cash-flow reconciliations and reports.

12. Regular reporting to Monitor and Purchasers as mandated by the Court.

13. Ensuring regulatory compliance with respect to the Policies.

In the event that the Applicant defaults in the performance of these services for any reason, the Monitor shall be entitled to take the steps outlined in Section 4.14 of the Plan or, if the urgency of the default is such that the Monitor, acting reasonably, cannot give the notice required by Section 4.14 of the Plan, then the Monitor may apply to the Court for directions, on such notice as the Court may direct.

SCHEDULE B
(Methodology for payment of Distributions from the ROI Pool)

The monies in the ROI Pool shall be paid by the Monitor in the following order and in accordance with the following terms:

FIRSTLY, if monies are available in the ROI Pool after the payment of one hundred percent (100%) of Purchasers' Original Investments, then the Monitor shall pay Distributions to each Purchaser based on each Purchaser's proportionate entitlement, calculated in accordance with the following formula:

2009 minus the year in which the Original Investment was made by the Purchaser;

add one (1);

multiply by the amount of the Original Investment made by the Purchaser;

the product will then represent each Purchaser's proportionate entitlement to Distributions from the monies available in the ROI Pool.

FOR EXAMPLE:

Purchaser A invested $100,000 in 2001, and Purchaser B invested $100,000 in 2005. Their respective proportionate entitlements would be:

Purchaser A – 2009 minus 2001 equals 8, plus 1 equals 9, multiplied by $100,000 equals 900,000 'units' for the purposes of calculating sharing of the monies available in the ROI Pool

Purchaser B – 2009 minus 2005 equals 4, plus 1 equals 5, multiplied by $100,000 equals 500,000 'units' for the purposes of calculating sharing of the monies available in the ROI Pool

Such Distributions shall continue until Purchasers in aggregate are paid one hundred and ten percent (110%) of their Original Investments.

SECONDLY, the Monitor shall pay the next U.S. $1,000,000 to the Applicant as a success fee.

THIRDLY, any monies remaining in the ROI Pool shall be distributed (i) seventy-five percent (75%) to the Purchasers, in accordance with the above formula, and (ii) twenty-five percent (25%) to the Applicant.

APPENDIX “C”

Execution Copy

MONITORED ACCOUNT AGREEMENT

AGREEMENT dated as of July 17, 2009 between **UNIVERSAL SETTLEMENTS INTERNATIONAL INC.** (the **"Company"**) and **ERNST & YOUNG INC.** (solely in its capacity as monitor of the Company pursuant to the Initial Order and the other orders in the CCAA Proceedings and without personal liability) (the **"Monitor"**) witnesses that:

WHEREAS:

A. The Company is in the business of, among other things, purchasing and selling Life Settlements and fractional interests in Life Settlements;

B. On December 2, 2008, the Company initiated the CCAA Proceedings;

C. The Company has filed an amended plan of compromise and arrangement dated June 16, 2009 (as amended, varied or supplemented from time to time, the **"Plan"**) with the Court;

D. The relevant creditors of the Company have approved the Plan by the required majorities under the CCAA, and the Court has sanctioned the Plan;

E. The Company and Mills have executed and delivered Declarations of Trust pursuant to which the Company and Mills have declared that they hold certain insurance policies and the proceeds thereof, and certain other amounts, in trust for the beneficiaries of the Plan;

F. As contemplated by the Plan, the Company and the Monitor wish to enter into an agreement with respect to the management by the Company of certain cash and other assets of the Company held pursuant to the Declarations of Trust;

NOW THEREFORE in consideration of the respective covenants of the parties hereto herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions.

Except as otherwise defined in this Section 1.1, all capitalized terms used in this Agreement shall have the meanings given to them in the Plan. In this Agreement, the following terms shall have the following meanings:

"Bank" means TD Canada Trust at its 381 King Street, Kitchener, Ontario branch;

"Borrowing Costs" means any borrowing costs incurred with respect to Borrowings, including the repayment of such Borrowings, whether such Borrowings were incurred prior to Plan Implementation Date, or subsequent to Plan Implementation Date;

"**Borrowing Proceeds**" means the proceeds of any Borrowings by the Company;

"**Cash on Hand**" means the amount of USD$9,468,572.32 and CAD$65,089.87 deposited into the Monitored Trust Account on the Plan Implementation Date in accordance with Section 2.4 of the Plan;

"**Declarations of Trust**" means the declarations of trust dated as of the Plan Implementation Date executed and delivered by the Company and Mills pursuant to Sections 4.2 and 5.3 of the Plan;

"**Monitored Trust Account**" is the Monitored Trust Account referred to in the Plan, and means, as applicable, (i) in respect of receipts by the Company in U.S. dollars, the segregated U.S. dollar trust account established and maintained by the Company with the Bank, having the account number 27522-7312639, and (ii) in respect of receipts by the Company in Canadian dollars, the segregated Canadian dollar trust account established and maintained by the Company with the Bank, having the account number 27522-5246267, into which, as applicable, shall be deposited all Cash on Hand, Insurance Proceeds, Litigation Recovery, Released Escrow Funds, TPI Proceeds, Borrowing Proceeds, Sale Proceeds and Tax Refunds and from which disbursements shall be made for Costs and transfers to the Pools pursuant to the Plan and this Agreement;

"**Ordinary Creditor Pool Trust Account**" means the segregated Canadian dollar trust account to be established and maintained by the Company with the Bank pursuant to the Plan and this Agreement, into which all amounts on account of the Ordinary Creditor Pool shall be transferred from the Monitored Trust Account, to be disbursed pursuant to the Plan and this Agreement;

"**Purchaser Pool Trust Account**" means the segregated U.S. dollar trust account to be established and maintained by the Company with the Bank pursuant to the Plan and this Agreement, into which all amounts on account of the Purchaser Pool shall be transferred from the Monitored Trust Account to be disbursed pursuant to the Plan and this Agreement;

"**Released Escrow Funds**" means any portion of the Escrow Fund received by or on behalf of the Company or any Shareholder;

"**ROI Pool Trust Account**" means the segregated U.S. dollar trust account to be established and maintained by the Company with the Bank pursuant to the Plan and this Agreement, into which all amounts on account of the ROI Pool shall be transferred from the Monitored Trust Account to be disbursed pursuant to the Plan and this Agreement; and

"**Trust Accounts**" means the Monitored Trust Account, the Ordinary Creditor Pool Trust Account, the Purchaser Pool Trust Account and the ROI Pool Trust Account.

Section 1.2 **Construction.** In this Agreement, unless otherwise stated or the context otherwise requires:

(a) the division of the Agreement into articles and sections and the use of headings are for convenience of reference only and do not affect the construction or interpretation of the Agreement;

(b) the words "hereunder", "hereof" and similar expressions refer to this Agreement and not to any particular article, section or schedule and references to "Articles", "Sections", and "Schedules" are to articles and sections of and schedules to this Agreement;

(c) words importing the singular include the plural and vice versa and words importing any gender include all genders;

(d) the word "including" means "including without limiting the generality of the foregoing";

(e) a reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder;

(f) a reference to any agreement, indenture or other document is to that document as amended, supplemented, restated or replaced from time to time;

(g) references to dollar amounts are to Canadian dollars, unless otherwise indicated;

(h) references to times are to local time in Toronto, Ontario, Canada; and

(i) the recitals to this Agreement shall form an integral part of this Agreement and shall be read and construed as part of this Agreement.

Section 1.3 **Deeming Provisions.** In the Agreement, the deeming provisions are not rebuttable and are conclusive and irrevocable.

Section 1.4 **Date for any Action.** If any date on which any action required to be taken hereunder by a Person is not a Business Day, such action must be taken on the next succeeding day which is a Business Day.

Section 1.5 **Schedules.** The following are the Schedules to this Agreement:

Schedule A Form of Officer's Certificate

Schedule B Monitoring Checklist

ARTICLE 2
TRUST ACCOUNTS

Section 2.1 **Establishment of Trust Accounts.** The Company represents, warrants and covenants to the Monitor that (a) on or before the date hereof, the Company has established the Monitored Trust Account, the funds deposited and to be deposited therein to be held in trust pursuant to the terms of the Declaration of Trust, the Plan and this Agreement; (b) the amount of USD$9,468,572.32 and CAD$65,089.87 has been deposited into the Monitored Trust Account, being all of the Cash on Hand on the Plan Implementation Date; and (c) at the request of the Monitor, the Company shall establish the Ordinary Creditor Pool Trust Account, the Purchaser Pool Trust Account and ROI Pool Trust Account, the funds to be deposited therein to be held in trust pursuant to the terms of the Declaration of Trust, the Plan and this Agreement.

Section 2.2 **Pool Trust Accounts.** Forthwith upon the establishment of any of the Ordinary Creditor Pool Trust Account, the Purchaser Pool Trust Account, and the ROI Pool Trust Account, the Company shall advise the Monitor of the account details for such account.

Section 2.3 **Transfers to Pool Trust Accounts.** The Company agrees that all monies that are transferred to or from any of the Pools pursuant to the Plan shall be transferred to or from, and only to or from, the corresponding Trust Account. That is, all monies to be transferred pursuant to the Plan to or from (a) the Ordinary Creditor Pool, shall be transferred to or from the Ordinary Creditor Pool Trust Account, (b) the Purchaser Pool, shall be transferred to or from the Purchaser Pool Trust Account, and (c) the ROI Pool, shall be transferred to or from the ROI Pool Trust Account.

Section 2.4 **Contributions to Trust Accounts.** The Company covenants and agrees that:

(a) All Insurance Proceeds, Litigation Recovery, Sale Proceeds, Borrowing Proceeds, TPI Proceeds, Tax Refunds and Released Escrow Funds received by or on behalf of the Company shall be deposited forthwith upon receipt into the Monitored Trust Account. Any such amounts received by Mills or any Shareholder shall forthwith upon receipt be paid over by Mills or such Shareholder to the Company to be deposited by the Company into the Monitored Trust Account as provided above.

(b) Any such amounts received in Canadian or U.S. dollars shall be deposited into the applicable Monitored Trust Account. Any such amounts received in any other currency shall be converted into U.S. dollars or Canadian dollars, with the consent of the Monitor, and deposited into the applicable Monitored Trust Account.

(c) The Company shall use its best efforts to maximize GST refunds in respect of input tax credits for GST relating to Costs. All such refunds received after the Initial Order Date shall be deposited to the Monitored Trust Account for disbursement to Creditors under the Plan and this Agreement.

Section 2.5 __**Disbursements from Trust Accounts**__. Withdrawals, transfers and disbursements of funds out of the Trust Accounts may only be made by the Company in accordance with the Plan and this Agreement.

Section 2.6 __**Income**__. All income earned in respect of the Trust Accounts shall be available for payment of Costs, and to the extent applicable, distributions to Creditors, as provided herein and in the Plan.

Section 2.7 __**Maximizing Receipts.**__

(a) The Company agrees to use its best efforts to collect Insurance Proceeds after the Plan Implementation Date, which efforts shall, at a minimum, reflect the same efforts and tenacity as the Company used in collecting Insurance Proceeds before the Plan Implementation Date.

(b) Without limiting Section 2.7(a), the Company shall use its commercially reasonable efforts to reduce Premium load costs by optimizing Premiums paid to Insurers by first setting them off against built up cash value in the Policies and, based upon premium illustrations received from Insurers, by optimizing the amount of Premiums which should be paid, in each case using its commercially reasonable efforts to ensure that there are no overpayments of Premiums.

(c) The Company agrees to use its best efforts to maximize net recoveries of the Litigation Recovery, TPI Proceeds and Tax Refunds.

Section 2.8 __**Set Off**__. Except as provided herein, the Company shall not be entitled to set off Insurance Proceeds, Litigation Recovery or TPI Proceeds against any Insurance Premium or other obligations of the Company without the prior written approval of the Monitor.

Section 2.9 __**Controls.**__

(a) The Company shall implement and maintain prudent internal controls with respect to its cash management, including operation of the Trust Accounts and record-keeping and designation of authorized signing officers in connection therewith, as may be satisfactory to the Monitor, acting reasonably.

(b) The Company shall instruct the Bank that any disbursements, withdrawals and transfers from the Trust Accounts (whether by cheque, wire transfer or any other form) shall require authorization from the authorized signing officers of the Company contemplated in Section 2.9(a) and shall provide the Monitor with evidence satisfactory to the Monitor of such instructions on the Plan Implementation Date. Such instructions shall not be revoked or changed without the prior written approval of the Monitor.

(c) The Company shall provide the Bank with a copy of the Court Order approving this Agreement in order to provide notice to the Bank of the oversight of the Trust Accounts provided for herein.

Section 2.10 __Taxes__. In accordance with Section 4.2 of the Plan, payments out of the Trust Accounts on account of any Canadian taxes or withholdings as required by law shall be permitted. The Company shall provide to the Monitor, prior to any distribution, such documentary evidence supporting any non-withholding of taxes, including legal or other professional opinions regarding tax or withholding obligations, as the Monitor may request, acting reasonably.

Section 2.11 __Bank Charges__. Any bank charges imposed by the Bank in respect of the Trust Accounts may be deducted by the Bank from the applicable account.

Section 2.12 __Monitor Review and Approval__. With the exception of the bank charges referred to in Section 2.11 of this Agreement, all disbursements, withdrawals and transfers from any Trust Account (whether by cheque, wire transfer or any other form) shall be subject to the prior review and approval of the Monitor. The Company shall make any request for such approval of the Monitor in writing, at least five Business Days before the relevant payment due date, which request shall be accompanied by all relevant invoices and such additional supporting documentation required hereunder and as the Monitor may require.

Section 2.13 __View Access to Accounts__. The Company shall ensure that the Monitor shall have internet-based view-only access to each Trust Account.

ARTICLE 3
COSTS

Section 3.1 __Reserve for Costs__. Pursuant to Section 4.3 of the Plan, the Reserve for Costs shall be established in the Monitored Trust Account for purposes of ensuring that the Company has sufficient funds on hand to pay for Costs for a two-year period following any transfer of funds from the Monitored Trust Account to the Pools. The amount of the Reserve for Costs may be reset at such time intervals as may be required by the Monitor, based on projections for the two-year period following that time.

Section 3.2 __Conditions on Payment of Costs__. Payment of Costs from the Monitored Trust Account is subject to the conditions set out in Section 4.2 of the Plan. When requesting the Monitor's authorization for the payment of any Costs, the Company shall provide an officer's certificate from the Company in the form attached as Schedule A, confirming that the Costs are due and payable, that such Costs are a permitted disbursement for Costs pursuant to the Plan and that there are sufficient funds in the Monitored Trust Account to make such payments, along with invoices and such other supporting documentation as the Monitor may require.

Section 3.3 __Professional Retainers__. The retainers held by the Monitor, counsel to the Monitor, and counsel to the Company that were established pursuant to the Initial Order shall continue to be held by them subsequent to Plan Implementation until such time as their services are no longer required in connection with the Plan or the CCAA Proceedings, at which time the balance of any such retainers returned to the Company shall be deposited by the Company into the Monitored Trust Account for payment of Costs and distributions pursuant to the Plan and this Agreement.

Section 3.4 **Payment of Legal Fees and Disbursements**. As provided in the Plan, and subject to the limitations therein, the Company may request that the Litigation Contribution be used to pay the Company's legal fees and disbursements in the Actions. The Monitor shall not be obliged to consider the reasonableness of the request for payment of such legal fees and disbursements.

Section 3.5 **Professional Costs**. In Section 2.6(b) of the Plan, the reference to "the legal advisors to the Applicant" means Ogilvy Renault LLP, Rueter Scargall Bennett LLP, and Dr. Isabelle Dessulemoustier-Bovekercke (European counsel to the Company). In addition, the Company agrees that the intention of Section 2.6(b) of the Plan was and is that fees and disbursements, if any, incurred by the Monitor and its counsel with respect to the Actions shall constitute Professional Costs.

ARTICLE 4
DISTRIBUTIONS TO CREDITORS

Section 4.1 **Conditions to Distributions**. Payment of Distributions to Creditors in accordance with the Plan shall be subject to receipt of any clearance certificates, withholding of amounts on account of withholding or other taxes payable or any other legal or regulatory pre-condition to payment as may be determined by the Monitor, acting reasonably.

Section 4.2 **Third Party Services**. With the prior written consent of the Monitor, the Company may retain a third party service provider at arm's length to the Company in order to assist the Company in making payments from the Purchaser Pool Trust Account and ROI Pool Trust Account to Purchasers pursuant to the Plan and this Agreement. In such case, any payments due to Purchasers may be transferred from the applicable Trust Account to such third party to be distributed by such third party to Purchasers in accordance with the Plan, subject to the Monitor being satisfied as to the controls established by the Company and/or the third party service provider in respect of the transfer and distribution of such funds.

Section 4.3 **Locating Creditors**. The Company agrees that it will make reasonable efforts to locate any Creditor for which the Company does not have a current address, provided however that nothing in this Agreement shall require the Company or the Monitor to locate any such Creditor.

ARTICLE 5
REPORTING

Section 5.1 **Reporting as at the Plan Implementation Date.** The Company shall on the Plan Implementation Date deliver to the Monitor confirmation from the Bank that the Cash on Hand has been deposited into the Monitored Trust Account.

Section 5.2 **Reports and Compliance Requirements.** The Company shall provide to the Monitor each of the deliverables described in the Monitoring Checklist attached as Schedule B hereto, on or before the date prescribed for the deliverable set out therein.

Section 5.3 **Other Information.** Without limiting Section 5.1 of the Plan, the Company shall provide the Monitor with full and complete access to the books and records of the Company and Mills for the purposes of supervision and monitoring of the Trust Accounts and compliance with this Agreement and the Plan.

ARTICLE 6
TERM AND TERMINATION

Section 6.1 **Term.** This Agreement shall come into effect at the Effective Time and shall terminate on the earlier of: (a) the date so specified by Court Order, (b) except as otherwise directed by the Court, the date of the discharge of the Monitor from its appointment pursuant to the CCAA in respect of the Company, (c) such time as the Monitor may determine in its discretion that (i) Creditors have received their maximum entitlement pursuant to the Plan, or (ii) further Distributions to Creditors under the Plan and this Agreement are unlikely, as set out in written notice to the Company to that effect, and (d) except as otherwise directed by the Court, termination of the Plan pursuant to an Order of the Court.

Section 6.2 **Events of Default.** The Company agrees that any default under this Agreement shall constitute a default under the Plan. The provisions of Section 4.14 of the Plan shall also apply to a default by the Company under this Agreement.

ARTICLE 7
GENERAL

Section 7.1 **Assignment.** This Agreement is binding upon each of parties hereto and their respective successors and assigns, and shall enure to the benefit of each of the parties and their respective successors and permitted assigns. This Agreement shall not be assignable by the Company or Mills without the prior written consent of the Monitor.

Section 7.2 **Amendments.** This Agreement may not be amended unless the amendment is in writing and signed by all parties hereto.

Section 7.3 **Waiver.** A waiver by the Monitor of any default by the Company under this Agreement is not effective unless in writing and signed by the Monitor. No waiver shall be inferred from or implied by any failure to act or delay in acting by the Monitor in respect of any default by the Company, or by anything done or omitted to be done by either of them. The waiver by the Monitor of any default by the Company under this Agreement shall not operate as a waiver of the Monitor's rights under this Agreement, the Plan or the CCAA in respect of any continuing or subsequent default by the Company or Mills (either of the same or any other nature).

Section 7.4 **Further Assurances**. The Company shall forthwith, and from time to time, execute and do all deeds, documents and things which may be necessary or advisable, in the opinion of the Monitor, to give full effect to the provisions set out in this Agreement.

Section 7.5 **Severability**. If any provision hereof is held to be illegal, invalid, or unenforceable in any jurisdiction, such provision shall be deemed to be severed from the remainder of this Agreement with respect only to such jurisdiction and the remaining provisions of this Agreement shall not be affected thereby and shall continue in full force and effect.

Section 7.6 **Notices**. Any notice or other communication to be delivered or filed hereunder must be in writing and reference this Agreement and shall be given in accordance with Section 7.9 of the Plan. In addition, any notice or other communication to be delivered hereunder or under the Plan, if addressed to the Monitor, shall be copied to its counsel as follows:

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 2800
Commerce Court West
Toronto, Ontario M5L 1A9

Attention: Katherine McEachern
Fax No.: (416) 863 2653
Email: katherine.mceachern@blakes.com

Section 7.7 **Entire Agreement**. This Agreement, together with the Plan, constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes any prior agreement or understanding among them with respect to such subject matter.

Section 7.8 **Plan Terms to Govern**. The terms of this Agreement may supplement or clarify certain terms of the Plan, but are not intended to supersede the provisions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan shall govern to the extent of any such inconsistency.

Section 7.9 **Time of the Essence**. Time shall be of the essence of this Agreement.

Section 7.10 **Governing Laws**. The validity, interpretation and enforcement of this Agreement and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 7.11 **<u>Submission to Jurisdiction</u>.** The parties hereto irrevocably consent and submit to the non-exclusive jurisdiction of the Court and waive any objection based on venue or *forum non conveniens* with respect to any action instituted therein arising under this Agreement or in any way connected with or related or incidental to the dealings of the parties herein in respect of this Agreement or the transactions related hereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the Court.

Section 7.12 **<u>Counterparts</u>.** This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof.

Section 7.13 **<u>Role of Monitor</u>.** Ernst & Young Inc. has entered into this Agreement solely in its capacity as Monitor and not in its personal capacity, and not in any capacity as trustee, and notwithstanding any other provision of this Agreement and without limitation to the foregoing:

(a) in connection with this Agreement and otherwise, the Monitor has the full benefit of the rights and protections afforded to it pursuant to the Plan, the CCAA, pursuant to all orders made in the CCAA Proceedings and as an officer of the court (including without limitation, Sections 5.1 and 5.2 of the Plan) and to the extent that any provision of this Agreement is inconsistent with those rights and protections or purports to require the Monitor to do any act or thing that is inconsistent with the Plan, the CCAA or any order made in the CCAA Proceedings, or with any the duty or obligation of the Monitor thereunder, such provision will be of no force or effect;

(b) the Monitor is not responsible or liable for any obligations of the Company, and without limitation to the foregoing, the Monitor is not guaranteeing or otherwise ensuring that the Company complies with this Agreement or any of its obligations to the Creditors and holders of Unaffected Claims;

(c) the Monitor is not responsible or liable for the management or control of the business of the Company;

(d) the Monitor will have no obligation to do any act or thing under or in connection with this Agreement if, at the relevant time, any amount owing to it or its counsel remains unpaid or if in the Monitor's opinion there are or will be insufficient funds to pay in full any unbilled amounts then accrued or any amounts that would be incurred in doing such act or thing;

(e) the Monitor may, if acting in good faith, rely and act upon any notice or other communication given to it by the Company or Mills and the truth and accuracy of any statements, reports and other information provided to it in connection with this Agreement and without limitation to the foregoing, when conducting any review contemplated by this Agreement, the Monitor will not be performing an audit of such information;

(f) nothing in this Agreement is intended to impose any duty or obligation on the Monitor, whose duties and obligations in respect of the Company and Creditors of the Company shall be governed by the Plan, the CCAA and all Orders made by the Court in the CCAA Proceedings;

(g) the Monitor, in its discretion, may at any time report to the Court or seek direction from the Court with respect to any issue arising in connection with this Agreement, the Plan, or otherwise; and

(h) except as expressly provided herein or in the Plan, any approval, consent or other exercise of right or discretion by the Monitor contemplated hereunder or under the Plan may be exercised, withheld or conditioned, as the Monitor may determine in its sole and absolute discretion.

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hands of their duly authorized officers.

UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

By: ______________________

Title: President

ERNST & YOUNG INC. (solely in its capacity as Monitor of Universal Settlements International Inc., and not in its personal capacity)

By: ______________________

Title: Senior Vice President

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned are hereby executing this Agreement for the purposes of acknowledging their obligations under Section 2.4 of this Agreement, and shall be bound by that Section 2.4, as well as Article 7 in its entirety, as if they were a party hereto.

THE BROKERWISE GROUP INC.

By: ______________________

Title: President

1508211 ONTARIO INC.

By: ______________________

Title: Vice President

MILLS, POTOCZAK & COMPANY

By: William M Potoczak

Title: President

SCHEDULE A

(Form of Officer's Certificate)

OFFICER'S CERTIFICATE

TO: **ERNST & YOUNG INC.** (solely in its capacity as Monitor of Universal Settlements International Inc.) (the "**Monitor**")

RE: **Request for Payment of Costs**

The undersigned, **[insert name]**, the **[insert Officer position]** of Universal Settlements International Inc. (the "**Company**"), hereby certifies on behalf of the Company, and not in a personal capacity, as follows:

1. This Certificate is delivered pursuant to Section 3.2 of the Monitored Account Agreement (the "**Monitored Account Agreement**") dated as of July 15, 2009 between the Company and the Monitor. Initially capitalized terms used but not defined in this Certificate shall have the respective meanings given to them in the Monitored Account Agreement.

2. The Costs identified in Schedule "A" to this Certificate are due and payable, and are a permitted disbursement for Costs pursuant to the Plan.

3. Attached to this Certificate are true and complete copies of all invoices in respect of such Costs.

4. There are sufficient funds in the Monitored Trust Account to make such payments.

DATED: **[insert date of Certificate]** July 21/2009

Name: Jeffry Paros
Title: President

12308248.5

DOCSTOR: 1722375\7

SCHEDULE B

Universal Settlements International Inc.
Post - Plan Implementation Monitoring Checklist

Description of USI Responsibilities	Deliverable	Frequency
<u>Monitored Trust Accounts' Receipts:</u>		
1. **General**		
a. Booking receipts in general ledger on cash basis.	– Detailed general ledger including descriptions of receipts	– Monthly
2. **Insurance Proceeds (incl. USII Trust a.k.a. Pillo Trust)**		
a. Social security number and obituary database tracking for all open policies (including USII Trust policies)	– Tracking printout from website for each policy showing result of search	– Monthly
	– Tracking sheet summarizing search results	
b. Apply for verifications of coverage ("VOC") from Insurance companies, including Page and group policies through legal owners	– Copy of VOC from each insurance company with open claim	– Annually
	– VOC tracking sheet	– Monthly
	– Copy of annual statement from insurers	– Annually
c. Processing maturity claims	– Copy of death certificate, claim application and any other documents sent to insurance companies when filing a claim.	– Upon filing of claim
	– Copy of response received from the insurance company with regards to the claim, including copy of cheque.	– Upon receipt by USI
d. Collection of medical information and life expectancy reports	– Medical Information and life expectancy reports obtained by USI	– Upon receipt by USI
	– Tracking schedule of medical information and life	– Monthly

	expectancy reports needed and by when	
3. **Annuities**		
a. Confirmation of annuities received	– Schedule of annuities tracking receipts – Copy of cheque received or wire confirmation	– Monthly – Upon receipt by USI
4. **Litigation recovery**		
a. Administer the Actions (as defined in the Amended Plan)	– Report from USI and its legal counsel with regards to each Action including prospects of recovery – Report from Litigation committee	– At a minimum Quarterly, and as significant developments occur, in writing – Semi-annually
5. **Escrow funds**		
a. Administer the legal process for the release of the escrow funds	– Reconciliation of escrow funds, including balance in escrow, accrued interest and prospects of recovery of $290,000 loaned to Tony Duscio	– Quarterly report in writing and as significant developments occur
6. **Investment income**		
a. Deposit investment income into Monitored Trust Accounts	– Provide Monitor with copy of account agreement and assign account with appropriate name (i.e. Monitored Trust Account)	– At commencement of use of the account
b. Invest excess funds in a Canadian investment guaranteed by the Canadian Federal government, purchased through a Canadian chartered bank	– Provide investment options to the Monitor after consulting with chartered bank	– Assessed quarterly and investments made following approval by the Monitor in writing

<u>Monitored Trust Accounts' Disbursements</u>		
1. **General**		
a. Booking disbursements in general ledger on a cash basis	– Detailed general ledger, including description of disbursements	– Monthly
b. Prepare certificate of costs in form attached to Monitored Account Agreement	– Copy of completed and signed certificate	– Upon request for payment of any disbursement from the Monitored Trust Account
2. **Premiums**		
a. Track when premiums must be funded	– Prepare premium tracking sheet	– Monthly at least 30 days prior to premium due date
b. Establish premium payment optimization strategy for each policy	– Obtain premium illustrations from all insurers and develop optimization strategy	– To be completed by September 30/09 and re-assessed annually on September 30
c. Track remaining cash value in each policy that is available for set off against premiums	– Schedule tracking remaining cash value available for set off	– Monthly
d. Obtain premium waivers or re-Instate premium payments previously waived	– Provide Monitor with schedule indicating when premium waivers must be renewed and proof of USI's efforts to obtain information from the insured for its renewal, if possible	– Monthly
3. **Professional Costs** (as defined in the Amended Plan)		
a. Restrict professional services to those included under the definition of Professional Costs in the Amended Plan. Any new service providers must meet this definition and be pre-approved by the Monitor. Currently, the professionals defined under Professional Costs who may be paid from the Monitored Trust	– Copies of invoices	– Monthly

Account are: - Ernst & Young Inc. as Monitor - Blakes Cassels Graydon LLP as Monitor's legal counsel - Reuter Scargall Bennett LLP as USI counsel for CCAA matters - Ogilvy Renault LLP as USI counsel for CCAA matters - USI counsel in Europe for work in liquidating USI Europe		
4. Litigation Contribution a. Review and track invoices received from USI legal counsels with regards to Actions (as defined in the Amended Plan) against the US $500,000 and the Escrow Funds paid to the Monitored Trust Account in S. 1.1 of the Amended Plan	- Schedule which compiles legal fees paid against Litigation Contribution ($Cdn payments are translated to $US at the noon spot rate on the day the payment is issued)	- Monthly
5. Administrative Fees a. Prepare internal invoice in advance of each month for Administration Fee	- Copies of internal monthly invoices for Monitor pre-approval	- Monthly in advance
6. Mills fees a. Review and approve Mills' fees	- Copies of Mills invoices for Monitor approval	- Monthly in arrears
7. Borrowing costs a. Verification of loan amounts	- Verify available loan amounts in VOCs	- Annually
b. Repayment of borrowings	- Copies of loan statements from insurers indicating amounts outstanding and proof of repayments (i.e. copy of cheque)	- Upon receipts of statements and repayments made
8. Unaffected Claims a. Post filing goods and services for	- Copies of invoices or other	- Monthly

period up to Plan Implementation	supporting documentation	
b. Professional Advisors (see # 3 above)	– Copies of invoices or other supporting documentation	– Monthly
c. Secured Creditors (if any)	– Copies of invoices or other supporting documentation	– Monthly
d. Insured Claims (if any)	– Copies of invoices or other supporting documentation	– Monthly
e. Claims of the Crown (source deductions)	– Copies of invoices or other supporting documentation	– Monthly
<u>**Other**</u>		
1. **Taxes / Regulators** a. File all USI tax returns and information slips (i.e. source deductions, GST, federal/provincial income tax) b. Comply with all securities regulations which govern USI and make all necessary filings with the regulators, as required	– Provide the Monitor copies of all filed tax returns and assessments/ statements of account received from the tax authorities – Copies of all correspondence received from regulators or filings/applications made with regulators	– As filed with government authority or statement indicating there are none – Monthly or statement indicating there are none
2. **Prepare statement of receipts and disbursement**	– Statement of receipts and disbursements beginning on Plan Implementation for each Monitored Trust Account	– Monthly
3. **Prepare bank account reconciliations**	– Bank account reconciliations for each Monitored Trust Account	– Monthly (5 business days from month end)
4. **Gather correspondence** from: - Purchasers: re: claims, issues, concerns - Ordinary Creditors: re: claims, issues, concerns - Insurance Companies: all - Insureds: all	– Copies of all correspondence	– As received by USI

5. **Obtain opinion as to whether taxes must be withheld from distributions, or obtain other assurances satisfactory to the Monitor, acting reasonably, prior to the release of any distributions**	– Opinion letter from qualified and recognized tax specialist	– Prior to preparation for issuance of first distribution
6. **Prepare two year cash flow projection**	– Cash flow projection for following 2 years – Variance analysis comparing 2 year projection to projection filed with Court ("Monte Carlo Model") for same period	– Quarterly beginning September 30, 2009 – Quarterly
7. **Following distributions, work with Agents to locate Purchasers who have not deposited their cheques**	– List of outstanding cheques attached to bank reconciliations which include description of efforts to locate Purchasers	– Monthly with bank reconciliations
8. **Maintain internal controls with regards to the Monitored Trust Accounts**	– Provide in writing description of internal controls in place	– By end of July '09 and annually thereafter

APPENDIX "D"

Direction to Release Funds

To: **Gowling Lafleur Henderson LLP** (the "**Escrow Agent**")

Re: **Escrow Agreement dated January 25, 2007** (the "**Escrow Agreement**")

Re: **Section 2.5 of the Universal Settlements International Inc. Amended Plan of Compromise and Arrangement pursuant to the** ***Companies Creditors Arrangement Act*** **(Canada), dated June 16, 2009** (the "**Plan**")

WHEREAS certain monies were paid into escrow pursuant to an interim award of the arbitrator dated January 16, 2007, in Re In the Matter of an Arbitration between The Brokerwise Group Inc. and 1508211 Ontario Inc., claimants, vs. Antonio Duscio and Martina Capital Corporation, respondents;

AND WHEREAS the sum of approximately $699,833.07 USD (the "**Escrow Funds**"), with interest thereon, remain on deposit with the Escrow Agent as of July 17, 2009;

AND WHEREAS pursuant to section 2.5 of the Plan, the shareholders of Universal Settlements International Inc. (being The Brokerwise Group Inc. and 1508211 Ontario Inc.; collectively, the "**Shareholders**") have agreed that any and all portions of the Escrow Funds that are released to those Shareholders or to Universal Settlements International Inc. ("**USI**") shall be paid into the Monitored Trust Account (as such term is defined in the Plan), the bank location and account number for which is identified in a certain Monitored Account Agreement dated July 17, 2009 between the Universal Settlements International Inc. and Ernst & Young Inc., in its capacity as Monitor;

AND WHEREAS the undersigned wish to direct the Escrow Agent to pay the Escrow Funds and all interest accrued thereon to the Monitored Trust Account, if and when the Escrow Funds or any portion thereof are available for release to the Shareholders, or either of them, and/or USI;

NOW THEREFORE, THE UNDERSIGNED each hereby authorize and direct the Escrow Agent to deposit the Escrow Funds together with all accrued interest forthwith into the Monitored Trust Account (if and when the Escrow Funds or any portion thereof are available for release to the Shareholders, or either of them, and/or USI), less any fees, costs, or charges incurred by the Escrow Agent; and each of the undersigned acknowledges and agrees that upon deposit of the Escrow Funds together with all accrued interest to the Monitored Trust Account as set out in this Direction, the Shareholders and Universal Settlement International Inc. each hereby forever release and discharge the Escrow Agent from any and all obligations and liabilities relating to or arising from the Escrow Agreement or the Escrow Funds and interest thereon.

This Direction may be executed by the parties by facsimile and in separate counterparts, each of which when so executed and delivered shall be an original, such that all such counterparts shall together constitute one and the same instrument. To the extent that this Direction is executed by facsimile signature, the parties so executing shall forthwith deliver to the Escrow Agent manually executed copies thereof.

This Direction shall be binding upon and shall enure to the benefit of the parties and their heirs, administrators, personal representatives, successors and permitted assigns.

The parties hereto will upon reasonable request from time to time of the other parties or any one of them, execute and deliver such further documentation and do such further acts as may be reasonably requested to carry out and give full effect to the terms and conditions of this Direction and/or the Escrow Agreement.

DATED this 17 day of July, 2009.

THE BROKERWISE GROUP INC.

Per: ______________________

Name: Jeffrey Panos
Title: President

1508211 ONTARIO INC.

Per: ______________________

Name: Chris Halas
Title: Vice President

UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

Per: ______________________

Name: Jeffrey Panos
Title: President

APPENDIX "E"

Protocol for Creditors' Committee

Pursuant to the Amended Plan of Compromise and Arrangement dated June 16, 2009 (the "**Plan**"), Universal Settlements International Inc. (the "**Company**") agreed to establish a committee of creditors (the "**Committee**").

Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to those terms in the Plan.

Section 4.5 of the Plan provides in part that the Company will establish the Committee, consisting of three Creditors, to consult with the Applicant with respect to the conduct of the Actions and the fees and disbursements incurred in prosecuting the Actions.

In view of the financial interest that Ordinary Creditors and the Purchasers have in the Litigation Recovery, the Company proposes that:

1. the Committee be comprised three Creditors, being a nominee of the largest Ordinary Creditor, and a nominee of each of two Purchasers;

2. the initial Committee members be Ted Buczek, Fred Nightingale, and Edmond Lamek;

3. if any member of the Committee resigns or is unable to continue to serve on the Committee, the other two members of the Committee may replace the member that has resigned or who is unable to continue to serve on the Committee;

4. the Committee shall meet by telephone or in person once per quarter year, at such time and place to be designated by the Company or its counsel;

5. the Committee will take minutes at each of its meetings and will provide a copy of the minutes to the Monitor. The version of the minutes provided to the Monitor may be redacted as necessary to preserve privilege;

6. prior to each Committee meeting, the Company or its counsel shall provide a written summary of the status of the Actions, together with a report on the fees and disbursements incurred to date in the Actions, and shall provide such additional information as any Committee member may reasonably request, provided however that the Company shall be under no obligation to disclose information if the disclosure of this information would result in the loss of solicitor-client privilege or if, in the Company's view, such disclosure of information would jeopardize the prosecution of the Actions, or either of them, or settlement discussions related to the Actions, or either of them;

7. the Company will consult with the Committee prior to proposing or accepting any settlement of either Action, and if the members of the committee are unanimous in their views with respect to any such settlement, the Company shall then either (i) accept the unanimous direction of the members of the Committee, or (ii) seek direction from the Court with respect to such settlement;

8. no compensation shall be paid or payable to the members of the Committee, provided however that any professional fees incurred by the Committee or any member thereof

may be reimbursed by the Company, to the aggregate maximum of $20,000 for the Committee and all of its members. The $20,000 will be taken from the Litigation Contribution; and

9. the Company may at any time seek direction from the Court with respect to any matter relating to the Committee.

APPENDIX "F"

REFERENCE NUMBER 190

NOTICE OF REVISION OR DISALLOWANCE

TO: **VCH Expert US-Life GmbH & Co. KG and VCH Expert US-Life Trust as trustee for VCH Expert US-Life GmbH & Co. KG (collectively, "VCH")**

c/o Moritz Roever, WBS Management GmbH | Madison Westbridge LLC, Altstadtpalais, Karl-Scharnagl-Ring 6, D - 80539 München

c/o William M. Potoczak, Trustee, 27600 Chagrin Boulevard, Suite 200, Cleveland, Ohio, 44122, USA

c/o Edmond Lamek, Fasken Martineau, TD Bank Tower, Suite 4200, P.O. Box 20, Toronto, Ontario, M5K-1N6, Canada

Ernst & Young Inc., in its capacity as Monitor of Universal Settlements International Inc. ("USI"), hereby gives you notice that it has reviewed your Request for Amendment or your Proof of Claim, as the case may be, and has revised or rejected your Claim or any part thereof or any information relating thereto, as follows:

Request for Amendment as Submitted (if applicable)	The Amended Proof of Claim as Submitted	The Claim / information as Accepted
	$ 12,000,000 CAD	$ 10,397,782 CAD

D. Reasons for Revision or Disallowance:

VCH submitted its original claim on February 23, 2009 which totalled CAD $36.2 million ("Original Claim"). On June 16, 2009, VCH reduced the Original Claim amount to CAD $12.0 million ("Amended Claim"). As the Amended Claim did not include a revised calculation of the Original Claim amount, the Monitor reviewed the Original Claim calculation in order to determine whether the Amended Claim should be allowed in whole or in part. As part of its review, the Monitor:

- interviewed the claimants Canadian legal counsel;
- reviewed numerous documents appended to the Original Claim;
- reviewed documents provided by USI;
- consulted with USI and its legal counsel; and
- consulted with the Monitor's legal counsel.

Attached as Appendix "A" is a summary of the descriptions, calculations and amounts of each category of the Original Claim and the amounts accepted by the Monitor under each category. The Monitor has disallowed any claim for interest on the face value of policies, as the Monitor understands that VCH never intended to retain the funds and re-invest them on maturity. The Monitor has allowed the claim for continued liability for premiums and certain administrative fees for a period beyond the bonding date to 2014, on the grounds that these are additional expenses that have been or will be incurred as a result of the failure of USI to provide bonding (and it appears that reliable replacement bonding cannot be obtained in the marketplace). The Monitor is of the view that without the benefit of updated LE's, there is no accurate method of calculating the length of time until the policies at issue mature. In such absence, the Monitor is prepared to accept the estimate of 2014. The Monitor's calculation of the allowable portion of VCH's claim is further reduced by the offset of approximately US $3.8 million consisting of premiums paid by USI on behalf of VCH for policies purchased by VCH from USI ("VCH Premiums"). The Monitor understands that, to date, VCH has not reimbursed USI for the VCH Premiums. The list of VCH Premiums is attached hereto as Appendix "B".

A portion of the Original Claim consists of a reimbursement of the purchase price paid by VCH for eight policies which VCH purchased from USI but USI was unable to transfer to VCH (the "Un-transferred Policies"). One of the Un-transferred Policies was a policy for G.H. with a face value of $2 million. Prior to the commencement of the CCAA, USI and VCH had come to a settlement on the Un-transferred Policies. The settlement included the transfer of two USI owned policies as replacements for seven of the Un-transferred Policies and the transfer of the G.H. policy once USI was able to take ownership of it. The Monitor has therefore disallowed the claim related to these Un-transferred Policies, other than to agree to the transfer by USI of the G.H. policy to VCH in accordance with the terms of that settlement, for which court approval will be sought. In July 2009 USI took ownership of the G.H. policy, but upon doing so was required to reimburse the transferor for G.H. premiums paid by the transferor totalling US $111,946.67. As USI did not have sufficient funds of its own to make this payment, USI funded this payment from funds borrowed from USI's creditor pool, on a temporary basis, subject to a right to be reimbursed by VCH upon the transfer of the policy to VCH.

Based upon the foregoing, the Monitor has valued the VCH claim at CAD $10,397,782 and, in addition, has agreed to the transfer of the G.H. policy to VCH pursuant to the settlement between VCH and USI, subject to:

- the Court approving the transfer of the G.H. policy from USI to VCH;
- VCH reimbursing premiums paid by USI in relation to the G.H. policy totalling US $111,946.67; and
- VCH making a payment of US $10,000 to the creditors of USI as a fee for the advance of funds by USI to fund the G.H. policy premiums on a temporary basis.

If you do not agree with this Notice of Revision or Disallowance, please take notice of the following:

1. **If you dispute this Notice of Revision or Disallowance, you must, no later than 4:00 p.m. (Eastern Standard Time) on November 19, 2009, being fourteen (14) days after the Notice of Revision or Disallowance is sent by the Monitor (see paragraph 15 of the Order), notify the Monitor by delivery of a Dispute Notice in accordance with the accompanying Instruction Letter.** The form of Dispute Notice is enclosed.

2. If you do not deliver a Dispute Notice, your Claim shall be deemed to be as set out in this Notice of Revision or Disallowance.

IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED at Toronto, this 5th day of November, 2009.

ERNST & YOUNG INC., COURT-APPOINTED MONITOR OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

Per: Rahn Dodick CA, CIRP

APPENDIX "A"

Universal Settlements International Inc.
Claim of VCH Espert US-Life GmbH & Co. KG and its trustee VCH-Expert US-Life Trust
(collectively "VCH" or the "Claimant")

Description of Claim	Claim Calculation	Claim Amount	Monitor's Amount
Loss of interest on the policy face value	FVx6% from LE+1 until Dec. 31/14	U$13.8 million	-
Premiums	U$2.1 million / year from bonding date to Dec. 31/14	U$8.6 million	8,599,868
Annual fund administration based upon contributed capital	0.8% x U$40,962,000 = U$327,696 x 3	U$983,088	983,088
Annual investor relations fee based upon contributed capital	0.1% x U$40,962,000 = U$409,620 x 3	U$1,228,860	1,228,860
Annual trustee fee	U$40,962 x3	U$122,886	-
Annual audit	3 years	C$66,385	-
Fee for Prof. Brigler-Konig		U$41,000	-
Interest on two outstanding policy loans	1) ($1,080,813 x 6.25%) x 6 2) ($430,457 x 6.50%) x 6 6 years (Jan 1/09 to Dec. 31/14)	U$573,186	-
USI failed to transfer 8 policies to VCH	Based upon allocated purchase price. Includes the Horne Policy.	U$3.4 million	
Pre-existing policy loan charged back to USI	loan=U$75,157 interest=U$16,917	U$92,074	92,074
Four policies which already matured prior to the transfer to VCH resulting in VCH not receiving death benefit at maturity	Based upon allocated purchase price (net of any premiums actually paid by USI)	U$1,074,407	1,074,407
Group policies which USI agreed to buy-back	Based upon allocated purchase price	U$341,523	249,057
TOTAL		**U$30.3 MILLION**	12,227,354

Revised total claim before offsets	U	**12,227,354**
Less: Premiums paid by USI on behalf of VCH	U	(3,856,223)
Total net claim of VCH ($US)	• U	8,371,131
Total net claim of VCH ($Cdn)	C	**10,397,782**

Appendix "B"

NAME OF INSURED		INSURANCE COMPANY	POLICY #	FACE OF POLICY	VCH Price	Chgs sent to Mills	Chgs Complete Owner	Chgs Complete Bene.	TOTAL PREMIUMS	Total Prems. paid by USI	Amount paid by USI	Date paid by USI	Total Prems. paid by EHTC	Amount paid by EHTC	Date paid by EHTC	Age	LE mths	LE Date	LE Company
[redacted]	A	John Hancock	67221168	$ 10,000.00	$ 8,172.00	MATURED	n/a	n/a		n/a	n/a	n/a	n/a				Matured		
[redacted]	A	Provident Life & Accident	24598137001	$ 22,633.00	$ 18,825.00	MATURED	n/a	n/a		n/a	n/a	n/a	n/a				Matured		
[redacted]	A	Security Life Ins. Co of Am	9127168	$ 10,000.00	$ 7,950.00	MATURED	n/a	n/a		n/a	n/a	n/a	n/a				Matured		
[redacted]	A	Reliastar	SC0884150R	$ 216,719.00	$ 175,107.00	MATURED	n/a	n/a		n/a	n/a	n/a	n/a				Matured		
[redacted]	A	Liberty Life Assurance	NH3-39698799	$ 50,000.00	$ 41,346.00	MATURED	n/a	n/a		n/a	n/a	n/a	n/a				Matured		
[redacted]	A	FEGLI	CSA 8103030	$ 35,000.00	$ 28,999.00	MATURED	n/a	n/a		n/a	n/a	n/a	n/a				Matured		
[redacted]	A	Americo Financial Life	29-0409487	$ 25,000.00	$ 20,080.00	MATURED	n/a	n/a		n/a	n/a	n/a	n/a				Matured		
[redacted]	A	US Life Ins. Company	5007607010	$ 21,761.00	$ 18,027.00	MATURED	n/a	n/a	$ 72.51				72.51	72.51	01-Apr-05		Matured		
[redacted]	A	Northwestern Mutual	14276495	$ 159,144.00	$ 124,429.00	MATURED	n/a	n/a		n/a	n/a	n/a	n/a				Matured		
[redacted]	A	Transamerica Occidental	92509278	$ 1,000,000.00	$ 437,420.00	MATURED	n/a	n/a	$ 22,280.02				22,280.02	9,258.54	25-Mar-05		Matured		
														9,258.54	24-Jun-05				
														3,762.94	28-Jun-05				
[redacted]																			
[redacted]	A	Hartford Life	004-U01525992	$ 610,000.00	$ 492,377.00	MATURED	n/a	n/a		n/a	n/a	n/a	n/a				Matured		
[redacted]	A	United Investors Life	U78-6156	$ 100,000.00	$ 57,903.00	19-Apr-06	n/a	n/a	$ 1,318.78	883.00	883.00	02-Jan-06	435.78	435.78	18-Jul-05		Matured		
[redacted]	A	Jefferson Pilot	JC5258112	$ 2,900,000.00	$ 1,379,764.00	19-Apr-06	5-Jun-06	5-Jun-06	$ 327,626.87	68,000.00	68,000.00	09-Mar-06	259,626.87	32,338.87	26-Apr-05	86	[redacted]		
														16,916.74	05-16-05				
														16,916.74	03-Jun-05				
														16,916.74	02-Jul-05				
														39,386.64	04-Aug-05				
														39,386.64	25-Aug-05				
														78,575.00	02-Sep-05				
														19,189.50	03-Oct-05				
[redacted]	A	Valley Forge CAN	77011557	$ 500,000.00	$ 236,575.00	19-Apr-06	29-May-06	15-Jun-06	$ 39,025.32	28,528.58	19,253.58	13-Oct-05	10,496.74	5,248.37	01-Apr-05	79	[redacted]		
											9,275.00	01-Jul-06		5,248.37	02-Jul-05				
[redacted]		Travellers	7385699	$ 3,000,000.00	$ 1,807,750.00	24-Aug-06	3-Oct-06	3-Oct-06	$ 172,000.00	86,000.00	86,000.00	29-Sep-06	86,000.00	86,000.00	10-Oct-05	83	[redacted]		
[redacted]	A	Aurora National Life	C11189450L	$ 3,000,000.00	$ 1,320,873.00	19-Apr-06	1-Nov-06	1-Nov-06	$ 245,997.43	140,569.96	35,142.49	17-Oct-05	105,427.47	35,142.49	08-Apr-05	81	[redacted]		
											35,142.49	16-Jan-06		35,142.49	07-Jul-05				
											35,142.49	01-Apr-06		35,142.49	13-Oct-06				
											35,142.49	01-Jul-06							
[redacted]		Mass Mutual	9813180	$ 600,000.00	$ 265,669.00				$ 72,474.90				72,474.90	6,352.37	08-Apr-05	85	[redacted]		
														6,352.37	07-Jul-05				
														6,352.37	07-Oct-05				
														6,352.37	06-Jan-06				
														6,352.37	10-Apr-06				
														10,598.74	19-Jul-06				
														6,352.37	13-Oct-06				
														6,352.37	23-Jan-07				
														6,352.37	25-Apr-07				
														11,057.20	16-Jul-07				
[redacted]	A	Mass Mutual	M9852609	$ 2,000,000.00	$ 883,760.00		27-Jan-08	27-Jan-08	$ 84,577.44				84,577.44	21,144.36	20-Nov-06	85			
														21,144.36	26-Feb-07				
														21,144.36	25-Apr-07				
														21,144.36	20-Jul-07				
[redacted]	A	Continental Assurance	3356136	$ 250,000.00	$ 109,363.00	10-Oct-06	14-Oct-06	14-Oct-06	$ 13,204.59	1,886.37	1,886.37	29-Sep-06	11,318.22	1,886.37	01-Apr-05	79	[redacted]		
														1,886.37	02-Jul-05				
														1,886.37	03-Oct-05				
														1,886.37	06-Jan-06				
														1,886.37	01-Apr-06				
														1,886.37	07-Jul-06				
[redacted]	A	Continental Assurance	3356139	$ 250,000.00	$ 109,303.00	17-Aug-06	9-Mar-07	9-Mar-07	$ 15,090.97	3,772.75	1,886.37	29-Sep-06	11,318.22	1,886.37	01-Apr-05	79	[redacted]		
											1,886.38	01-Jan-07		1,886.37	02-Jul-05				
														1,886.37	03-Oct-05				
														1,886.37	06-Jan-06				
														1,886.37	01-Apr-06				
														1,886.37	07-Jul-06				
[redacted]	A	Aetna	G1605031	$ 2,000,000.00															
		$ 5,160,257.00	21	$ 16,760,257.00					$ 993,668.83	$ 329,640.66	$ 329,640.66		$ 664,028.17	$ 664,028.17					

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Appendix "B"

NAME OF INSURED		INSURANCE COMPANY	POLICY #	FACE OF POLICY	VCH Price	Chgs sent to Mills	Chgs Complete Owner	Chgs Complete Bene.	TOTAL PREMIUMS	Total Prems. paid by USI	Amount paid by USI	Date paid by USI	Total Prems. paid by EHTC	Amount paid by EHTC	Date paid by EHTC	Age	LE mths	LE Data	LE Company
[redacted]	B	Transamerica Occidental Life	92517174	$ 500,000.00		MATURED Date of Death Apr 26, 2006	n/a	n/a	$ 13,316.31	0.00	n/a	n/a	13,316.31	4,200.00	01-Apr-05		Matured		
														4,200.00	03-Oct-05				
														702.33	21-Dec-05				
														702.33	28-Dec-05				
														702.33	30-Jan-06				
														702.33	03-Mar-06				
														702.33	01-Apr-06				
														702.33	09-May-06				
														702.33	06-Jun-06				
[redacted]	B	U.S. Financial Life	10006295	$ 250,000.00		DOD Aug3,07			$ 1,192.50				1,192.50	1,192.50	26-Jul-06	49	Matured DOD Aug 3, 2007		
[redacted]	B	American National	U0115274	$ 174,552.00		DOD	8-Jun-06	8-Jun-06	$ 28,140.54	17,574.54	4,406.35	24-Nov-05	10,566.00	3,005.44	16-May-05	77	Matured		
											4,355.49	22-Dec-05		516.56	07-Jun-05				
											4,406.35	01-Mar-06		3,522.00	10-Jun-05				
											4,406.35	01-Jun-06		3,522.00	25-Aug-05				
[redacted]	B	Federal Kemper Life	FK5071455	$ 651,966.00		19-Apr-06	16-Jun-06	16-Jun-06	$ 18,996.00	18,996.00	5,880.00	24-Nov-05	0.00			80	[redacted]		
											6,558.00	06-Mar-06							
											6,558.00	01-Jun-06							
[redacted]	B	Conseco	1090070041	$ 5,000,000.00		17-Oct-06	16-Nov-06	16-Nov-06	$ 243,718.26	85,424.30	30,428.34	14-Sep-06	158,293.96	28,138.41	28-Jul-05	92	[redacted]		
											2,105.05	17-Oct-06		32,550.61	24-Oct-05				
											20,285.86	01-Nov-06		32,538.14	20-Jan-06				
											2,105.05	06-Nov-06		32,538.31	27-Apr-06				
											30,500.00	14-Nov-06		32,528.49	26-Jul-06				
[redacted]	B	American General Life & Acc.	187151602	$ 102,357.00		03-Oct-06	2-Mar-07	2-Mar-07	$ 2,004.00	1,002.00	1,002.00	01-Nov-06	1,002.00	1,002.00	03-Nov-05	60	60	Jun 18/07	Midwest
[redacted]		General American Life	3332669	$ 1,000,000.00		27-Nov-06	8-Dec-06	8-Dec-06	$ 62,330.18	0.00	0.00		62,330.18	62,330.18	13-Jan-06	86	[redacted]		
		United of Omaha	BU1078467	$ 3,000,000.00		03-Oct-06	30-Dec-06	30-Dec-06	$ 490,998.26	113,382.00	56,691.00	01-Sep-06	377,616.26	56,691.80	28-Jan-05	82			
											56,691.00	28-Nov-06		18,270.43	02-Jul-05				
														18,270.43	03-Aug-05				
														19,000.00	24-Aug-05				
														19,000.00	07-Oct-05				
														10,000.00	28-Oct-05				
														19,000.00	30-Nov-05				
														19,000.00	28-Dec-05				
														19,000.00	30-Jan-06				
														19,000.00	03-Mar-06				
														19,000.00	01-Apr-06				
														19,000.00	08-May-06				
														56,691.80	26-May-06				
														56,691.80	07-Jul-06				
[redacted]		Transamerica Occidental Life	60027314	$ 3,826,576.56		Resent Jun23/06	14-Jul-06	14-Jul-06	$ 297,864.00	148,932.00	49,644.00	23-Dec-05	148,932.00	49,644.00	25-Mar-05	77	[redacted]		
											49,644.00	01-Mar-06		49,644.00	24-Jun-05				
											49,644.00	01-Jun-06		49,644.00	27-Sep-05				
[redacted]		Guarantee Trust Life	GTT0005239	$ 1,000,000.00		28-Jun-06	20-Jul-06	20-Jul-06	$ 85,973.40	19,105.20	4,776.30	01-May-06	66,868.20	4,776.30	25-Feb-05	64	[redacted]		
											4,776.30	01-Jun-06		4,776.30	25-Mar-05				
											4,776.30	01-Jul-06		4,776.30	27-Apr-05				
											4,776.30	01-Aug-06		4,776.30	20-May-05				
														4,776.30	24-Jun-05				
														4,776.30	03-Aug-05				
														4,776.30	20-Sep-05				
														4,776.30	03-Oct-05				
														4,776.30	28-Oct-05				
														4,776.30	21-Nov-05				
														4,776.30	28-Dec-05				
														4,776.30	30-Jan-06				
														4,776.30	01-Mar-06				
														4,776.30	24-Mar-06				
		Jackson National Life	002753684U	$ 200,000.00		19-Apr-06	22-May-06	29-Sep-06	$ 5,808.00	5,808.00	5,808.00	01-Apr-06	0.00			73			
		Jackson National Life	002746401U	$ 200,000.00		19-Apr-06	3-Oct-06	3-Oct-06	$ -	0.00	0.00		0.00			74			
[redacted]		Metropolitan Life	038750320UL	$ 100,000.00		24-Apr-07			$ 600.00	600.00	300.00	01-Mar-06	0.00			63	[redacted]		
											300.00	01-Mar-07							
[redacted]		Allianz Life	2760951	$ 97,273.00		19-Apr-06	3-Jun-06	3-Jun-06	$ -	0.00	0.00		0.00			59	[redacted]		
		Phoenix Home Life	5747290	$ 1,600,000.00		19-Apr-06	17-May-06	17-May-06	$ 73,862.80	47,484.00	15,828.00	22-Sep-05	26,378.80	5,275.76	12-May-05	80			
											15,828.00	15-Dec-05		5,275.76	03-Jun-05				
											15,828.00	01-Mar-06		5,275.76	02-Jul-05				
														5,275.76	03-Aug-05				
														5,275.76	25-Aug-05				
		Transamerica Occidental Life	41282287	$ 500,000.00			22-Sep-08	22-Sep-08	$ 12,540.00	3,135.00	3,135.00	19-May-08	9,405.00	3,135.00	12-May-05	66			

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Appendix "B"

NAME OF INSURED		INSURANCE COMPANY	POLICY #	FACE OF POLICY	VCH Price	Chgs sent to Mills	Chgs Complete Owner	Chgs Complete Bene.	TOTAL PREMIUMS	Total Prems. paid by USI	Amount paid by USI	Date paid by USI	Total Prems. paid by EHTC	Amount paid by EHTC	Date paid by EHTC	Age	LE mths	LE Date	LE Company
[redacted]														3,135.00	09-May-06		[redacted]		
														3,135.00	10-May-07				
		Guarantee Trust Life	GTT0004872	$ 100,000.00		28-Jun-06	20-Jul-06	20-Jul-06	$ 6,150.00	3,075.00	3,075.00	01-Aug-06	3,075.00	3,075.00	24-Aug-05	51			
		Midland National	1558901814	$ 1,000,000.00		19-Apr-06	19-Jun-06	19-Jun-06	$ 32,893.40	19,859.40	19,859.40	04-Apr-06	13,034.00	1,862.00	11-Aug-05	74			
														1,862.00	08-Sep-05				
														1,862.00	07-Oct-05				
														1,862.00	03-Nov-05				
														1,862.00	08-Dec-05				
														1,862.00	06-Jan-06				
														1,862.00	03-Feb-06				
		Jackson National Life	23363250	$ 500,000.00		19-Apr-06	27-Jul-06	22-May-06	$ 2,110.00	0.00	0.00		2,110.00	2,110.00	02-Jul-05	58			
		Mass Mutual	6093385	$ 220,000.00			17-Jan-08	17-Jan-08					0.00			58			
		Manhattan Life	ML9400344T	$ 500,000.00		03-Oct-06	26-Oct-06	26-Oct-06	$ 11,820.00	11,820.00	11,820.00	01-Sep-06	0.00			73			
		New York Life	38309645	$ 210,000.00		19-Apr-06	17-Apr-06	17-Apr-06	$ 24,072.50	9,869.00	4,934.50	01-Mar-06	14,803.50	4,934.50	04-Mar-05	76			
											4,934.50	01-Jun-06		4,934.50	25-Aug-05				
														4,934.50	30-Nov-05				
		$ 1,020,909.00	22	$ 20,732,724.56					$ 1,414,990.15	$ 506,066.44	$ 506,066.44		$ 908,923.71	$ 908,923.71					
[redacted]		Reliastar	SC1101619W	$ 500,000.00		15-Aug-06	5-Oct-06	5-Oct-06	$ 3,143.40	1,157.00	1,157.00	01-Jun-06	1,986.40	993.20	16-Jun-05	52	[redacted]		
														993.20	17-Dec-05				
		Equitable Life	63-229-150	$ 100,000.00		23-Jun-06	28-Jun-06	28-Jun-06	$ 1,002.40	733.40	92.00	10-Nov-05	269.00	85.00	18-Feb-05	48			
											254.40	16-Jan-06		92.00	20-May-05				
											387.00	01-May-06		92.00	22-Aug-05				
[redacted]	C	Hartford Life	724618	$ 125,000.00		7-Mar-07				0.00	0.00		0.00			49	[redacted]		
[redacted]	C	UNUM	LAL130297	$ 100,000.00					$ -				0.00						
[redacted]	C	Aetna	G1606737	$ 250,000.00					$ -				0.00						
[redacted]		Transamerica Occidental Life	92361746	$ 100,000.00		03-Oct-06	27-Nov-06	27-Nov-06	$ 7,847.84	0.00	0.00		7,847.84	3,923.92	18-Mar-05	85	[redacted]		
														3,923.92	17-Mar-06				
		Transamerica	60012994	$ 500,000.00		28-Jun-06	9-Oct-06	9-Oct-06	$ 24,000.00	12,000.00	6,000.00	01-Feb-06	12,000.00	6,000.00	18-Mar-05	74			
											6,000.00	25-Jul-06		6,000.00	22-Aug-05				
		Prudential	71548725	$ 100,000.00		07-Sep-06	12-Feb-07	12-Feb-07	$ 3,276.00	1,092.00	546.00	01-Sep-06	2,184.00	546.00	02-Jul-05	61			
											546.00	01-Dec-06		546.00	03-Oct-05				
														546.00	28-Dec-05				
														546.00	07-Jul-06				
		GE Life and Annuity	2654223	$ 250,000.00		3-Aug-06	5-Jan-07	5-Jan-07	$ 3,055.00	0.00			3,055.00	1,527.50	16-Jun-05	61			
														1,527.50	21-Jun-06				
		GE Life and Annuity	N02663785	$ 250,000.00		10-Oct-06	17-Oct-06	17-Oct-06	$ 4,739.28	2,369.64	2,369.64	01-Jun-06	2,369.64	2,369.64	03-Jun-05	61			
		U.S. Financial Life	79722	$ 200,000.00		15-Aug-06	25-Sep-06	25-Sep-06	$ 8,061.67	2,706.00	2,706.00	09-Aug-06	5,355.67	3,583.14	03-Mar-05	61			
														1,772.53	10-Feb-06				
[redacted]	C	U.S. Financial Life	79723	$ 100,000.00					$ 3,898.01				3,898.01	801.30	10-Feb-05	61	172	Oct 26/06	21stD
														807.06	08-Aug-06				
														911.65	16-Feb-07				
														1,378.00	23-Aug-07				
[redacted]		Pacific Life	1A2349734-0	$ 250,000.00		23-Jun-06	27-Jun-06	27-Jun-06	$ 5,096.42	5,096.42	1,096.42	30-Jan-06	0.00			73	[redacted]		
											4,000.00	01-Apr-06							
		Monumental	00C014224	$ 250,000.00		06-Sep-06	22-Oct-06	22-Oct-06	$ -	0.00	0.00		0.00			63			
		Reassure America	T40007	$ 400,000.00		03-Aug-06	5-Oct-06	18-Oct-06	$ 56,827.82	45,657.60	11,170.22	10-Nov-05	11,170.22	11,170.22	07-Sep-05	85			
											11,170.22	01-Feb-06							
											11,170.22	01-May-06							
											11,170.22	25-Jul-06							
											976.72	05-Sep-06							
		New England Financial	6842393	$ 150,000.00		15-Aug-06	2-Oct-06	2-Oct-06	$ 8,000.00	4,000.00	4,000.00	01-Mar-06	4,000.00	4,000.00	04-Mar-05	65			
		New England Financial	6846923	$ 100,000.00		15-Aug-06	2-Oct-06	2-Oct-06	$ 4,731.00	2,337.00	2,337.00	01-Mar-06	2,394.00	2,394.00	04-Mar-05	65			
		New England Financial	6846922	$ 100,000.00		15-Aug-06	2-Oct-06	2-Oct-06	$ 5,350.00	2,675.00	2,675.00	01-Mar-06	2,675.00	2,675.00	04-Mar-05	65			
		Transamerica	93040215	$ 200,000.00		03-Oct-06	27-Nov-06	27-Nov-06	$ 15,861.81	10,574.54	5,287.27	31-Oct-05	5,287.27	5,287.27	12-Oct-05	71			
											5,287.27	29-Sep-06							
[redacted]	C	Southwestern Life	G004240916	$ 400,000.00					$ 8,000.00				8,000.00	8,000.00	20-Jul-07				
[redacted]	C	Mass Mutual	6245825	$ 3,000,000.00					$ 57,343.14				57,343.14	7,719.63	18-Mar-05				
														9,976.20	01-Mar-06				
														9,976.20	22-May-06				
														9,976.20	05-Sep-06				
														9,718.71	17-May-07				
														9,976.20	11-Sep-07				
[redacted]		Metropolitan Life	874946401UL	$ 100,000.00		18-Aug-06	27-Oct-06	27-Oct-06	$ 1,055.96	851.00	851.00	25-Aug-06	204.96	204.96	24-Oct-05	51	[redacted]		
		Transamerica Occidental Life	92526624	$ 500,000.00		10-Oct-06	27-Nov-06	27-Nov-06	$ 20,682.00	0.00	0.00		20,682.00	10,441.00	16-Mar-05	64			

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Appendix "B"

NAME OF INSURED		INSURANCE COMPANY	POLICY #	FACE OF POLICY	VCH Price	Chgs sent to Mills	Chgs Complete Owner	Chgs Complete Bene.	TOTAL PREMIUMS	Total Prems. paid by USI	Amount paid by USI	Date paid by USI	Total Prems. paid by EHTC	Amount paid by EHTC	Date paid by EHTC	Age	LE mths	LE Date	LE Company
[redacted]														10,441.00	10-Mar-05		[redacted]		
		First Colony Life	1699699	$ 1,000,000.00		3-Aug-06	8-Nov-06	8-Nov-06	$ 37,721.08	19,165.99	4,660.00	20-Dec-05	18,555.09	5,550.00	04-Feb-05	64			
											14,305.99	01-Jun-06		6,273.35	27-May-05				
														6,731.74	24-Aug-05				
		Metropolitan Life	911250625A	$ 1,400,000.00		3-Aug-06	29-Sep-06	29-Sep-06	$ 29,874.51	9,958.17	9,958.17	01-Jun-06	19,916.34	9,958.17	02-Jul-05	81			
														9,958.17	28-Dec-05				
		National Guardian Life	471145	$ 200,000.00		3-Aug-06	29-Sep-06	29-Sep-06	$ 2,240.00	2,240.00	2,240.00	24-Nov-05	0.00			40			
		Hartford Life	U03003469	$ 250,000.00		3-Aug-06			$ 10,039.36	3,400.00	3,400.00	01-Jun-06	6,639.36	6,639.36	20-May-05	72	[redacted]		
		Aetna	657167	$ 635,000.00		24-Aug-06			$ 23,938.88	11,114.48	854.96	01-May-06	12,824.40	854.96	11-Feb-05	64	[redacted]		
											854.96	01-Jun-06		854.96	16-Mar-05				
											854.96	01-Jul-06		854.96	21-Apr-05				
											854.96	01-Aug-06		854.96	16-May-05				
											854.96	01-Sep-06		854.96	10-Jun-05				
											854.96	01-Oct-06		854.96	02-Jul-05				
											854.96	01-Nov-06		854.96	04-Aug-05				
											854.96	01-Dec-06		854.96	25-Aug-05				
											854.96	01-Jan-07		854.96	03-Oct-05				
											854.96	16-Feb-07		854.96	03-Nov-05				
											854.96	01-Mar-07		854.96	30-Nov-05				
											854.96	23-Mar-07		854.96	06-Jan-06				
											854.96	27-Apr-07		854.96	03-Feb-06				
														854.96	03-Mar-06				
														854.90	01-Apr-06				
		Transamerica	9306723	$ 150,000.00		3-Oct-06	27-Nov-06	2-Jan-07	$ 20,614.82	10,969.06	10,969.06	28-Nov-06	9,645.76	9,645.76	08-Dec-05	78			
[redacted]	C	American General Life	P1043681	$ 250,000.00		3-Aug-06	MATURED	MATURED	$ 1,771.56	506.16	253.08	01-Jun-06	1,265.40	253.08	04-Mar-05		Matured		
											253.08	25-Aug-06		253.08	03-Jun-05				
														253.08	25-Aug-05				
														253.08	30-Nov-05				
														253.08	03-Mar-06				
[redacted]	C	Life Ins. Co. of Virginia	N02102346	$ 500,000.00		6-Oct-06	17-Oct-06	17-Oct-06	$ 66,080.78	19,411.52	9,705.76	01-Jun-06	47,268.76	9,285.70	21-Jan-05	79	25	Jan 27/06	21stD
											9,705.76	25-Aug-06		9,285.77	16-Jun-05				
														9,285.77	27-Sep-05				
														9,705.76	28-Dec-05				
														9,705.76	17-Mar-06				
[redacted]	C	First Colony Life	5141784	$ 200,000.00		3-Aug-06	5-Oct-06	5-Oct-06	$ 3,409.56	1,704.78	1,704.78	24-Nov-05	1,704.78	1,704.78	16-Jun-05	41	60	Jan 13/08	AVS
		$ 850,000.00	32	$ 12,610,000.00					$ 438,461.80	$ 169,719.76	$ 169,719.76		$ 268,742.04	$ 268,742.04					

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Appendix "B"

NAME OF INSURED		INSURANCE COMPANY	POLICY #	FACE OF POLICY	VCH Price	Chgs sent to Mills	Chgs Complete Owner	Chgs Complete Bene.	TOTAL PREMIUMS	Total Prems. paid by USI	Amount paid by USI	Date paid by USI	Total Prems. paid by EHTC	Amount paid by EHTC	Date paid by EHTC	Age	LE mths	LE Date	LE Company
[redacted]		American General	U10000870L	$ 3,500,000.00		3-Oct-06	16-Nov-06	16-Nov-06	$ 307,095.05	160,000.00	30,000.00	10-Feb-06	147,095.05	18,445.14	27-Jan-05	84	[redacted]		
											10,000.00	21-Feb-06		23,204.24	15-Apr-05				
											40,000.00	01-May-06		10,000.00	02-Jun-05				
											40,000.00	01-Aug-06		23,445.67	03-Jun-05				
											40,000.00	01-Nov-06		12,000.00	18-Jul-05				
														12,000.00	22-Aug-05				
														12,000.00	19-Sep-05				
														12,000.00	12-Oct-05				
														12,000.00	17-Nov-05				
														12,000.00	17-Dec-06				
		United of Omaha	BU1060910	$ 3,000,000.00		10-Oct-06	9-Nov-06	9-Nov-06	$ 626,033.97	131,179.06	49,179.07	10-Aug-06	494,854.91	27,333.35	26-Apr-05	88			
											81,999.99	05-Sep-06		27,333.35	16-May-05				
														27,333.33	16-Jun-05				
														27,333.33	18-Jul-05				
														27,333.33	22-Aug-05				
														58,188.22	19-Sep-05				
														30,000.00	24-Oct-05				
														30,000.00	17-Nov-05				
														30,000.00	17-Dec-05				
														30,000.00	20-Jan-06				
														30,000.00	22-Feb-06				
														30,000.00	17-Mar-06				
														30,000.00	27-Apr-06				
														30,000.00	22-May-06				
														30,000.00	21-Jun-06				
														30,000.00	26-Jul-06				
[redacted]	D	Lincoln Financial	JF5055173	$ 1,000,000.00		3-Oct-06	26-Oct-06	26-Oct-06	$ 75,972.80	35,000.00	35,000.00	10-Aug-06	40,972.80	9,791.50	18-Apr-05	92	[redacted]		
														6,236.26	01-Apr-06				
														6,236.26	09-May-06				
														6,236.26	06-Jun-06				
														6,236.26	07-Jul-06				
														6,236.26	08-Aug-06				
[redacted]	D	John Hancock	1400204	$ 1,000,000.00															
[redacted]	D	Lafayette Life	A0790723	$ 581,482.00															
[redacted]	D	Indy	IL00216800	$ 2,000,000.00															
		$ 7,137,166.00	6	$ 11,081,482.00					$ 1,009,101.82	$ 326,179.06	$ 326,179.06		$ 682,922.76	$ 682,922.76					
[redacted]KS A,B,C & D			61	$ 61,184,463.56					$ 3,056,222.6[illegible]	1,331,605.92	$ 1,331,605.92		$ 2,524,616.68	$ 2,524,616.68					
[redacted]				$ 5,510,447.00															
[redacted]				$ 3,000,000.00															
				$ 69,694,910.56															
[redacted]																			

Prepared by USI

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APPENDIX “G”

MONITORED TRUST ACCOUNT
STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE PERIOD JULY 21, 2009 to NOVEMBER 20 2009

($'s, Canadian)

	Notes		
Opening cash balance	1		10,008,519
RECEIPTS			
Maturities	2	136,387	
Annuities	3	1,114,718	
Foreign exchange unrealized gain	4	26,686	
Total receipts			1,277,791
DISBURSEMENTS			
Pre-Plan Implementation			
Unaffected claims	5	(915,185)	
			(915,185)
Post-Plan Implementation			
Plan Expenses			
Administrative fees	6	(428,552)	
Litigation contribution	7	(175,182)	
Bank charges		(40)	
			(603,774)
Portfolio Related Expenses			
Premium payments	8	(2,267,462)	
Mills, Potozcak & Company fees	9	(21,493)	
			(2,288,955)
Restructuring costs			
Monitor's fees	10	(93,061)	
Legal counsels fees	10	(54,634)	
			(147,695)
Total disbursements			(3,955,608)
Net cash flow			(2,677,817)
Ending cash balance			7,330,702

Notes
Balances coverted at $1.05 CAD/USD

1. Cash on hand at date of Plan Implementation, which includes amounts from the Corporate, Premium Reserve and Maturities accounts.
2. A total of three policies (consisting of two insureds) have matured since Plan Implementation.
3. Represents two annuity payments received by USI.
4. Represents realized gains resulting from transfers the Company made from its U.S. dollar account to its Canadian dollar account.
5. Unaffected Claims consist of payments for pre-filing goods and services, including professional fees. The breakdown is as follows:

Professional fees and disbursements	594,436
Plan mailing	110,228
BLG claim settlement payment per Court Order	161,457
Miscallaneous	49,064
Total	**915,185**

6. The Administrative Fee paid to USI in accordance with the Plan. The Adminstrative Fee includes a stub period payment for July 21, 2009 to July 31, 2009.
7. The Applicant has so far used approximately $175,000 of the $500,000 US Litigation Contribution Fund.
8. Premium payments are for non-matured policies.
9. Fees paid to Mills as service agent for the policies.
10. Represents professional fees and disbursements for the post-Plan Implementation period.

Court File No.: 08-CL-7878

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OF ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

ELEVENTH REPORT OF THE MONITOR
December 9, 2009

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