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.

EIGHTH REPORT OF THE MONITOR
June 10, 2009

INTRODUCTION

1. On December 2, 2008, Universal Settlements International Inc. ("**USI**", the "**Company**" or the "**Applicant**") 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 Applicant during these CCAA proceedings ("**CCAA Proceedings**").

2. To date, the Monitor has filed the following seven 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

3. The purpose of this eighth report (the "**Eighth Report**" or "**Report**") is to seek an order:

   i) approving the participation of translators at the Purchasers' Meeting of Creditors; and

   ii) providing directions to the Monitor regarding the appropriate means to tabulate the number and value of votes relating to interests of Purchasers in Life Settlements that are held jointly by two or more Purchasers.

TERMS OF REFERENCE

4. In preparing this Report, the Monitor has relied upon unaudited financial information, the Applicant's books and records, financial information prepared by the Applicant and Mills, the financial analysis prepared by the Applicant in support of the proposed Plan and discussions with the management, legal counsel and advisors of the Applicant. 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.

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

<u>Meetings of Creditors</u>

6. As described in the Seventh Report, all Creditors with Proven Claims will be entitled to vote on the Plan at two Meetings of Creditors which will take place on June 17, 2009 at the InterContinental Toronto Centre, 225 Front Street West, Toronto, Ontario, Canada. The first Meeting of Creditors for the Ordinary Creditor class will take place at 9:00am, and the second Meeting of Creditors for the Purchasers class will take place at 1:00pm ("**Second Meeting**"). At the Meetings

of Creditors the Creditors will have the opportunity to consider, and if deemed advisable, to approve the proposed Plan, with or without variation.

7. To assist German and Spanish speaking Purchasers attending the Second Meeting, the Monitor proposes to have German and Spanish translators present to translate orally what is said at the meeting from English to German and Spanish, and vice versa, if requested by any Purchaser present.

8. The translations proposed to be provided will be unofficial and for the convenience of the Purchasers only. In case of inconsistency between the meaning of the English version of what is said at the Second Meeting and the German or Spanish translated versions, the English version shall be deemed to prevail.

Vote at the Meetings of Creditors

9. At the Meetings of Creditors, the Monitor, acting as Chair, will direct a vote by written ballot on a resolution to approve the Plan and any amendments to the Plan as the Monitor and the Applicant may consider appropriate.

10. A vote by Creditors at the Meetings and by Proxy will be binding upon all Creditors, whether or not the Creditor was present or voted at the Meetings.

11. A passing vote on the proposed Plan at the Meetings of Creditors requires a two-thirds majority by value of Claims in each Class, and a fifty percent (50%) plus one (1) majority in number of each Creditor by class, who are present at the Meetings of Creditors in person or have submitted a proxy pursuant to the rules for submitting proxies. Each Creditor will be entitled to vote, without duplication, the amount of their Proven Claims. For the purpose of calculating a majority in number at each Meeting, each Creditor will only be counted once, even if that Creditor holds more than one claim in the Class then voting.

12. The Monitor has, in undertaking preparations for the conduct of the Meetings of Creditors scheduled for June 17, 2009, determined that approximately 825 of

Purchaser interests in Life Settlements provided by USI are held jointly by two or more Persons ("**Joint Claim**").

13. The Claims Procedure Order dated January 23, 2009 and the Meeting Order dated May 15, 2009 do not provide explicit direction as to how votes related to Joint Claims are to be tabulated.

14. The Monitor is of the view, based on its experience in similar cases before this Honourable Court, that the most reasonable, fair, and logical approach to tabulating votes relating to such interests is to provide that each jointly held investment shall be considered to be the claim of one Creditor, and shall entitle the joint holders of the Joint Claim to one vote, and the total value of such Joint Claim shall be undivided and attributed wholly to that vote.

15. In order to facilitate such a vote, the Monitor proposes that joint holders of Joint Claims will be limited to submitting only one voting ballot or one proxy which may be executed by one or more Persons sharing such Joint Claim, and such voting ballot or proxy submitted will be accepted on behalf of and be binding on all holders of such Joint Claim. Where more than one Person has executed the voting ballot or proxy, for purposes of calculating the majority in number and two-thirds majority by value, that vote shall be attributed to the Person named first in order on the voting ballot or proxy.

16. In the event that more than one voting ballot or proxy is received from more than one Person sharing a Joint Claim, if all such votes submitted are identical, they shall be counted as one vote as set out above. If more than one voting ballot or proxy is received from more than one Person sharing a Joint Claim, and the votes indicated thereon are contradictory, all votes relating to that Joint Claim shall be disallowed unless the contradictions or conflicts are resolved to the satisfaction of the Monitor.

17. All other terms and provisions of the Meeting Order shall govern all matters relating to a Joint Claim.

18. The Monitor has posted notice of this proposed form of Order on the Monitor's website and is of the view that it is sufficient notice to Creditors of the treatment of Joint Claims for purposes of voting at the Meetings of Creditors. The Applicant has indicated to the Monitor that it is in agreement with treatment of Joint Claims in the manner described above.

CONCLUSION AND RECOMMENDATION

19. It is the Monitor's view that providing the option for an oral translation of the Second Meeting to German and/or Spanish may benefit certain Purchasers, or their representatives, present at the Second Meeting for whom English is not their mother tongue. Therefore, the Monitor recommends that this Honourable Court make an order approving the use of translators in the manner described herein.

20. It is the Monitor's view that treatment of Joint Claims for voting purposes in the manner described in this Report is reasonable, fair and logical. Accordingly, the Monitor recommends that this Honourable Court make an order approving the treatment of Joint Claims in the manner described herein.

ALL OF WHICH is respectfully submitted this 10th day of June, 2009.

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

Name: Brian Denega
Title: Senior Vice-President