

fulfilling his duties as Receiver since his appointment and has conducted a preliminary investigation to get a general accounting of ABC Viaticals and its related entities.

2. The primary asset of ABC Viaticals is the life insurance policy portfolio it owns. There are 55 known policies with premium obligations of approximately \$9,500,000.00 per year. Without paying those premiums, the policies in the portfolio will lapse. The Receiver has ceased the operations of ABC Viaticals and will not collect any more funds from investors.

3. On December 1, 2006, the Receiver filed a Motion for Authority to Enter into an Agreement for Bank Financing [Dkt. No. 16]. On March 8, 2007, the Receiver filed a Motion to Approve Bank Financing [Dkt. No. 31], which the Court approved by Order dated March 15, 2007 [Dkt. No. 32]. The bank financing facility approved by the Court was for \$5,000,000.00 with interest paid quarterly. On June 25, 2007, the Receiver filed his Unopposed Motion to Increase Bank Financing Facility [Dkt. No. 65] to \$9,000,000.00. The Court entered an Order [Dkt. No. 66] that day approving the proposed credit increase. On February 6, 2008, the Receiver filed his Second Unopposed Motion to Increase Bank Financing Facility [Dkt. No. 116] to \$10,000,000.00. That increase was deemed an "interim precautionary measure" until the Receiver could arrange an increase to \$15,000,000.00. (*Id.* at 2.) The Court entered an Order [Dkt. No. 117] approving that interim credit increase on February 7, 2008. On February 27, 2008, the Receiver filed his Third Unopposed Motion to Increase Bank Financing Facility [Dkt. No. 120] to \$15,000,000.00. On February 29, 2008, the Court entered an Order [Dkt. No. 121] approving the increase.

4. The Receiver has since negotiated an increase in the facility to a total of \$20,000,000.00, conditioned on payment of interest on a monthly basis and a one-time \$50,000.00 financing fee to the lenders. To date, the Receiver has borrowed \$13,410,000.00,

