

**NOTICE TO KEEP POLICY INVESTORS REGARDING SALE OF POLICIES
AND ALLOCATION & DISTRIBUTION PROCESS
DECEMBER 2022**

The Trustee provides this notice as an update and supplement to the prior notices provided to you in April 2021, October 2021, January 2022, July 2022 and August 2022.

The auction, which had originally been scheduled for September 15, 2022 was rescheduled to December 8, 2022. During the period leading up to the rescheduled auction, the Trustee was engaged in discussions with Acheron Capital, Ltd. and related entities (“Acheron”) regarding Acheron’s purchase of the portfolio. The Trustee and Acheron ultimately reached an agreement – subject to Court approval – for Acheron to purchase the portfolio for an amount well in excess of the stalking horse bid amount for Tranches A and A-1 as well as for the purchase of Tranche B.

On December 27, 2022, the Trustee filed the Trustee’s Motion to approve (1) Sale of Policies to Acheron Portfolio Trust; (2) Proposed Allocation and Distribution Procedures; and (3) Settlement with Acheron Capital, Ltd (the “Approval Motion”). A copy of the full motion is available for your review on the Wind Down page of the Mutual Benefits Keep Policy Trust website www.mbckeeptrust.com under Court Filings.

The Approval Motion seeks to approve the sale of the remaining Keep Policies to Acheron for a total purchase price of \$24 million, subject to the terms and conditions of the Asset Purchase Agreements, and the related Settlement Agreement between the Trustee and Acheron. It provides for a prompt closing of the sale upon the Court’s entry of a Sale Approval Order, the waiver of any objections to or appeal of the Sale Approval Order by Acheron, and agreement to certain procedures for allocation of the sale proceeds and deduction of liquidation costs. The Trustee, after extensive efforts to market the Keep Policies for sale, believes in his business judgment that the sale represents the highest and best offer he has or will receive for the Keep Policies, particularly in consideration of the further delay, expense and risk of further objections and appeals.

The Approval Motion also seeks to approve the process for allocating the sale proceeds to each Keep Policy Investor’s interest in a Keep Policy. The initial allocation of the Purchase Price among Tranche A, A-1 and B will be in accordance with the Asset Purchase Agreements for each Tranche. The Trustee will then engage an independent, nationally recognized actuary to perform an actuarial allocation of the Purchase Price among each of the Policies in each Tranche based on the data and information available with respect to the Policies. In the event of any disputes with Acheron over the allocation based on Acheron’s independent actuary’s evaluation, the Trustee and Acheron have agreed that an “Umpire” selected from among other nationally recognized actuaries will make a final, binding decision as to the allocation of the sale price. The Liquidation Costs associated with the Trust’s liquidation will be applied to each Policy on a *pro rata* basis based on the allocated value of the Policy, and each investor will receive a *pro rata* distribution of their Net Interest Value, after Liquidation Costs, based on their percentage interest in a Policy. Distribution of Net Interest Value will be made to Acheron in the same manner, and on the same terms, as to the Keep Policy Investors.

The Allocation and Distribution Process provides for a neutral, independent party to assess and determine the value of each policy, and for the Liquidation Costs to be fairly assessed to each Policy (and each Keep Policy Investor’s interest in such Policy) in proportion to the assessed value of the Policy. It is possible that some Keep Policy Investors’ interests in Policies may have minimal, or no, Net Interest Value based on the actuarial allocation and the application of Liquidation Costs. The amount to be distributed to any particular Keep Policy Investor will not be finally determined until the actuarial allocation process, and application of

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Liquidation Costs, is completed. Keep Policy Investors, particularly foreign investors, may be required to provide tax or other forms in order to receive distributions, and may be subject to required tax withholding.

If you have already received or receive an invoice reflecting a payment due, it still must be paid. Failure to pay will subject your policy interest to forfeiture. The Trustee anticipates deferring investor invoicing shortly in anticipation of the sale approval hearing and, if approved, the closing of the sale. To the extent that the sale closing does not or will not occur, investor invoicing will recommence.

Under the terms of the purchase agreements with APT, APT will be responsible for reimbursing the Trust for premiums paid to carriers from the Settlement Date to the Closing date. All premium funds previously paid by investors to the Trust which were not subsequently paid to insurance carriers will be reimbursed to investors when the Trust makes distributions of the Net Interest Value.

The Court has scheduled a hearing for **January 26, 2023 at 10:00 a.m.** regarding the Approval Motion.

If you have questions, comments or potential objections to the Approval Motion, or any other questions about this Notice or the anticipated wind down and sale process, or if you wish to receive copies of any Court filings relating to the details for the sale process and distribution process when they are filed, please contact:

Email: investorinquiry@mbckeeptrust.com

Mailing Address:

Mutual Benefits Keep Policy Trust
c/o Kozyak Tropin & Throckmorton LLP, Attn: Yamile Castro
2525 Ponce de Leon Blvd. 9th Floor
Coral Gables FL 33141

You may also call **305-728-2985**. Calls will be received and answered between 9am-5pm Eastern Standard Time Monday through Friday.

To the extent you have objections that have not been satisfactorily addressed by the Trustee, **any objections to the Approval Motion must be filed with the Court by January 17, 2023**. You are, however, encouraged to first seek to address and resolve any objections with the Trustee prior to submitting an objection to the Court. If you have been unable to resolve your objection after discussing it with the Trustee Contact, objections may then be filed with the Court at:

U.S. District Court Clerk of Court
299 E. Broward Boulevard, Suite 108
Fort Lauderdale, FL 33301

Any such objections should reference the **Case Number 04-60573** in their correspondence.