

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
Miami Division**

CASE NO. 04-60573-CIV-MORENO/STRAUSS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

MUTUAL BENEFITS CORP., *et al*,

Defendants.

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**TRUSTEE’S STATUS REPORT REGARDING WIND DOWN**

Barry Mukamal, as Trustee (“Trustee”) of the Mutual Benefits Keep Policy Trust (“Trust”), submits this Status Report in accordance with the Court’s *Report and Recommendation on Motion by Acheron Capital, Ltd. for Order Directing (A) the Wind Down and End of the Mutual Benefits Keep Policy Trust and (B) Disbursement of Certain Assets to the Non-Acheron Related Investors in Keep Policies (“Acheron’s Wind Down Motion”) (DE 2593) and on Trustee’s Amended Motion to Authorize the Initiation of Trust Wind Down and Termination (“Trustee’s Amended Wind Down Motion”) (DE 2640) [D.E. 2723]*, and the Court’s *Order Adopting Magistrate Judge’s Report and Recommendation and Denying Acheron’s Wind Down Motion and Granting the Trustee’s Amended Motion to Authorize Initiation of Trust Wind Down and Termination [D.E. 2825]* (collectively, the “Wind Down Order”). Attached hereto is an updated report of the information provided to the Court since the Trustee’s initial Status Report was filed on December 16, 2020 [D.E. 2839].

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served on January 19, 2021 on counsel for all the parties by using the CM/ECF system. I certify that all participants in the case are registered CM/ECF users and that service will be accomplished by the CM/ECF system.

s/ David L. Rosendorf  
David L. Rosendorf

**Mutual Benefits Keep Policy Trust**

**As of January 1, 2021 <sup>[1]</sup>**

3a The amount of Overpayment Balance account (as of December 1, 2020) <sup>[2]</sup> 3,508,601

3b Amount of funds currently available to pay expenses (as of December 1, 2020) <sup>[2]</sup>

Cash / Money Market Accounts	482,991
Fixed Income investments	3,025,610
Total Overpayment Funds	3,508,601

3c The most recent total amount of monthly operating expenses <sup>[3]</sup> 320,255  
*Average 2020 Monthly OpEx* <sup>[4]</sup> 266,127

3d Estimated average run-rate of monthly Trust operating expenses

	Jan 2021 - March 2021	Apr 2021 - Jun 2021	Jul 2021 - Dec 2021
Operating Expenses <sup>[5] [6]</sup>	67,400	65,000	65,000
Enhanced Oversight	29,000	-	-
Investor Subsidy <sup>[7]</sup>	51,400	51,400	51,400
Backup Servicing <sup>[8]</sup>	-	8,900	8,900
Subtotal	147,800	125,300	125,300
Litigation	97,500	97,500	-
Estimated Average Monthly Run-Rate	245,300	222,800	125,300

3e Total amount of money owed to Trustee and other professionals 141,434

3f Estimated minimum number of policy interests needed to rationalize costs for those interests 150 - 300

The current number of policies and policy interests the Trust is servicing (as of January 19, 2021)			
<b>Current # of policies the Trust is servicing</b>			1,306
Total Face Value	<b>MBC Victims</b>	<b>Acheron <sup>[9]</sup></b>	<b>Total</b>
HIV	53,507,470	79,412,325	132,919,795
Non-HIV	32,179,750	92,671,866	124,851,616
Total	85,687,220	172,084,191	257,771,411
%	33.24%	66.76%	
<b>Current number of policy interests the Trust is servicing</b>			
	<b>MBC Victims</b>	<b>Acheron <sup>[10]</sup></b>	<b>Total</b>
	2,183	1,260	3,443

**Mutual Benefits Keep Policy Trust**

**As of January 1, 2021 <sup>[1]</sup>**

Notes:

- 1) Provided pursuant to the Court's Report and Recommendation dated July 27, 2020 (ECF #2723) affirmed and adopted by the Court November 16, 2020 (ECF #2825). As of January 1, 2021 unless otherwise indicated.
- 2) The Overpayment Balance account was estimated for purposes of the prior report filed with this Court on December 16, 2020. That report was prepared prior to the receipt of the reconciled Contingency account balance from the Trust's servicer. (While the Contingency account is a Trust asset, and a component of the Trust's overall Overpayment Balance, the servicer maintains the books for this account on the Trust's behalf.) The December 1, 2020 balance reflected above represents the reconciled Overpayment Balance. The January 1, 2021 reconciled balance for the Contingency Account had not been received from the servicer at the time this report was prepared. Therefore, this report reflects the Trust's Overpayment account "as of the latest reconciliation" (e.g. - December 1, 2020) consistent with the Court's directive for reporting same. (DE #2659).
- 3) Includes Litai \$125K monthly extension fee.
- 4) Includes Litai extension fees of \$125K per month from May to December 2020.
- 5) January 2021 - March 2021 Operating Expenses excludes costs that were being incurred or anticipated to be incurred as reflected in the June 2020 submission to the Court (e.g. - Backup Servicing, Life Expectancy Project, and portfolio valuation). Backup Servicing is anticipated to commence in April 2021 after transition to Q Capital as primary servicer. It is currently unclear if the other previously anticipated costs may be incurred.
- 6) Excludes policy disposition commissions which reduce the Trust's net proceeds on policy interest sales.
- 7) Assumes that the Trust will continue providing the Investor Subsidy.
- 8) Backup servicer not selected. Negotiation for backup servicing has not commenced.
- 9) Includes policies 100%-owned by Acheron which have not yet been removed from the Trust pending resolution of Acheron's Motion for Court to Reconsider Order Granting Trustee's Motion to Remove all 100% Acheron Owned Policies from the Trust. (ECF #2761)
- 10) Some policy interests owned by former Acheron entities Avernus Portfolio Trust, Lorenzo Tonti 2006 Trust and Styx Portfolio Trust have not yet been retitled as and merged with Acheron Portfolio Trust by the Servicer. The Servicer has advised that the retitling/merger will occur as applicable invoices are prepared.