

**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.

TRUSTEE’S NOTICE OF SELECTION OF STALKING HORSE BIDS

Barry Mukamal, as Trustee (“Trustee”) of the Mutual Benefits Keep Policy Trust (“Trust”), gives notice of his selection of “stalking horse bids” for Tranche “A” and Tranche “A-1,” pursuant to his Motion to Approve Procedures for Sale of Policies in Connection with Trust Termination (DE#3065) and the Court’s Report and Recommendation on same (DE#3130). Material terms of the bids are described below:

Tranche A: The stalking horse bidder is Scheck Alpha LP. The amount of the bid is \$16,500,000, which represents approximately 10.6% of the face value of the policies in Tranche A. The “Break Fee” is \$250,000, plus \$15,000 on account of attorney’s fees in connection with preparation of the Purchase and Sale Agreement. The purchase price will be adjusted for policies which become “Excluded Assets” prior to closing by a reduction equal to the greater of the cash surrender value of the policy, or (i) 20% of the face value for the first 15 policies which become Excluded Assets (based on the date of maturity of the policy); and (ii) 10% of the face value for any policies which become Excluded Assets thereafter.

Tranche A-1: The stalking horse bidder is Scheck Alpha LP. The amount of the bid is \$10,500,000, which represents approximately 60% of the face value of the policies in Tranche A-1.

The “Break Fee” is \$150,000, plus \$10,000 on account of attorney’s fees in connection with preparation of the Purchase and Sale Agreement. The purchase price will be adjusted for policies which become “Excluded Assets” prior to closing by a reduction equal to the cash surrender value of the policy plus 60% of the face value of the policy.

With respect to Tranche B, the Trustee has not received a proposed “stalking horse” bid which he believes is appropriate in relation to the anticipated value of the Tranche B policies, and accordingly has elected not to accept a stalking horse bid for Tranche B. The Trustee intends to proceed with an open auction for Tranche B, with the option of the Trustee setting a minimum “floor” for bidding or reserve price, absent which the Trustee can pursue alternatives including the surrender of the policies.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served on May 26, 2022 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