


2005 FOR PROFIT CORPORATION ANNUAL REPORT

FILED
Apr 18, 2005 8:00 am
Secretary of State

04-18-2005 90566 032 ***150.00

DOCUMENT # P96000025152	
1. Entity Name VIATICAL SERVICES, INC.	

Principal Place of Business 2755 E. OAKLAND PARK BLVD. SUITE 230 FORT LAUDERDALE, FL 33306 US	Mailing Address 2755 E. OAKLAND PARK BLVD. SUITE 230 FORT LAUDERDALE, FL 33306 US
--	--

2. Principal Place of Business Suite, Apt. #, etc.	3. Mailing Address Suite, Apt. #, etc.
City & State	City & State
Zip Country	Zip Country



02092005 Chg-P CR2E034 (10/03)

6. Name and Address of Current Registered Agent MCNERNEY, MICHAEL J 200 E. LAS OLAS BLVD. SUITE 1800 FORT LAUDERDALE, FL 33301	7. Name and Address of New Registered Agent Name Street Address (P.O. Box Number is Not Acceptable) City FL Zip Code
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8. The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida. I am familiar with, and accept the obligations of registered agent.

SIGNATURE _____ (NOTE: Registered Agent signature required when reinstating) DATE _____

FILE NOW!!! FEE IS \$150.00 After May 1, 2005 Fee will be \$550.00	9. Election Campaign Financing Trust Fund Contribution. <input type="checkbox"/> \$5.00 May Be Added to Fees
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10. OFFICERS AND DIRECTORS		11. ADDITIONS/CHANGES TO OFFICERS AND DIRECTORS IN 11	
TITLE NAME STREET ADDRESS CITY-ST-ZIP	P KHAN, AMEER 2755 E. OAKLAND PARK BLVD., SUITE 230 FORT LAUDERDALE, FL 33306 <input checked="" type="checkbox"/> Delete	TITLE NAME STREET ADDRESS CITY-ST-ZIP	Court-Appointed Receiver Roberto Martinez 255 Aragon Ave., 2nd Floor Coral Gables, FL 33134 <input type="checkbox"/> Change <input checked="" type="checkbox"/> Addition
TITLE NAME STREET ADDRESS CITY-ST-ZIP	<input type="checkbox"/> Delete	TITLE NAME STREET ADDRESS CITY-ST-ZIP	<input type="checkbox"/> Change <input type="checkbox"/> Addition
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12. I hereby certify that the information supplied with this filing does not qualify for the exemption stated in Section 119.07(3)(i), Florida Statutes. I further certify that the information indicated on this report or supplemental report is true and accurate and that my signature shall have the same legal effect as if made under oath; that I am an officer or director of the corporation or the receiver or trustee empowered to execute this report as required by Chapter 607, Florida Statutes; and that my name appears in Block 10 or Block 11 if changed, or on an attachment with an address, with all other life empowered.

SIGNATURE: Roberto Martinez, RECEIVER 4/13/05
SIGNATURE AND TYPED OR PRINTED NAME OF SIGNING OFFICER OR DIRECTOR Date Daytime Phone #

ATTACHMENT

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WHEREAS, the Commission has made a sufficient and proper showing in support of the relief requested by evidence demonstrating a prima facie case of violations of the federal securities laws by MBC, VBLLC and VSI; and

WHEREAS, the Commission has submitted the credentials of a candidate to be appointed as Receiver of all of the assets, properties, books and records, and other items of MBC, VBLLC and VSI including any properties, assets and other items held in the names of MBC's, VBLLC's and VSI's principals, and the Commission has advised the Court that this candidate is prepared to assume this responsibility if so ordered by the Court;

NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED that Roberto Martinez of Cohen & Rich P.A. is hereby appointed the Receiver for MBC, VBLLC and VSI, their subsidiaries, successors and assigns, and is hereby authorized, empowered, and directed to:

1. Take immediate possession of all MBC, VBLLC and VSI property, assets and estate, and all other property of MBC, VBLLC and VSI of every kind whatsoever and wheresoever located belonging to or in the possession of MBC, VBLLC and VSI, including but not limited to all offices maintained by MBC, VBLLC and VSI, rights of action, books, papers, data processing records, evidences of debt, bank accounts, savings accounts, certificates of deposit, stocks, bonds, debentures and other securities, mortgages, furniture, fixtures, office supplies and equipment, and all real property of MBC, VBLLC and VSI wherever situated, and to administer such assets as is required in order to comply with the directions contained in this Order, and to hold all other assets pending further order of this Court;
2. To use funds currently held in escrow to preserve assets, including for the payment of viatical premiums, subject to reimbursement of legitimately escrowed funds.

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Roberto Martínez,
Receiver for Mutual Benefits Corp.
and related entities in U S. District Court
Case No. 04-60573-Civ-Moreno

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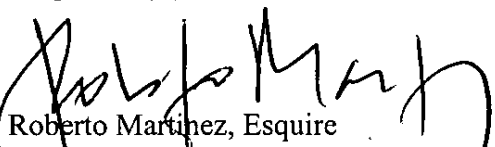
March 28, 2005

Division of Corporations
P.O. Box 1500
Tallahassee, FL 32302-1500

Dear Sir or Madam:

We have enclosed our 2005 corporation annual report and the related fee of \$150. Please note for your records that Viatical Services, Inc. is presently in receivership pursuant to an order of the United States District Court for the Southern District of Florida. Also, please note for your records that I am the Court-Appointed Receiver. My address is 255 Aragon Avenue, Coral Gables, FL 33134 and my telephone number is (305) 476-7400. Correspondingly, we have enclosed the District Court's "Order Appointing Receiver", "Temporary Restraining Order" and "Order Granting Motion for Preliminary Injunction."

Respectfully yours,



Roberto Martínez, Esquire
Court-Appointed Receiver for Mutual Benefits Corp.,
Viatical Services, Inc., & Viatical Benefactors LLC

Attachments

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04-60573

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CIV. MORENO

CASE NO.

SECURITIES AND EXCHANGE COMMISSION,

MAGISTRATE JUDGE
GARBER

Plaintiff,

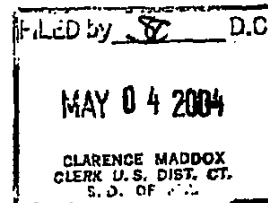
v.

MUTUAL BENEFITS CORP.,
JOEL STEINGER a/k/a JOEL STEINER,
LESLIE STEINGER a/k/a LESLIE STEINER,
and PETER LOMBARDI,

Defendants,

VIATICAL BENEFACTORS, LLC,
VIATICAL SERVICES, INC.,
KENSINGTON MANAGEMENT, INC.,
RAINY CONSULTING CORP.,
TWIN GROVES INVESTMENTS, INC.,
P.J.L. CONSULTING, INC.,
SKS CONSULTING, INC., and
CAMDEN CONSULTING, INC.

Relief Defendants.



ORDER APPOINTING RECEIVER

WHEREAS, Plaintiff Securities and Exchange Commission ("SEC" or "Commission") has filed an emergency motion for the appointment of a Receiver for Defendant Mutual Benefits Corp. ("MBC") and Relief Defendants Viatical Benefactors, LLC ("VBLLC") and Viatical Services, Inc. ("VSI"), with full and exclusive power, duty, and authority to: administer and manage the business affairs, funds, assets, choses in action and any other property of MBC, VBLLC and VSI; marshal and safeguard all of the assets of MBC, VBLLC and VSI; and take whatever actions are necessary for the protection of the investors; and

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3. Investigate the manner in which the affairs of MBC, VBLLC and VSI were conducted and institute such actions and legal proceedings, for the benefit and on behalf of MBC, VBLLC and VSI and their investors and other creditors, as the Receiver deems necessary against those individuals, corporations, partnerships, associations and/or unincorporated organizations, which the Receiver may claim have wrongfully, illegally or otherwise improperly misappropriated or transferred monies or other proceeds directly or indirectly traceable from investors in MBC, VBLLC and VSI, including against MBC, VBLLC and VSI, their officers, directors, employees, affiliates, subsidiaries or any persons acting in concert or participation with them, or against any transfers of monies or other proceeds directly or indirectly traceable from investors in MBC, VBLLC and VSI; provided such actions may include, but not be limited to, seeking imposition of constructive trusts, disgorgement of profits, recovery and/or avoidance of fraudulent transfers under Florida Statute § 726.101, et. seq. or otherwise, rescission and restitution, the collection of debts, and such orders from this Court as may be necessary to enforce this Order;

4. Present to this Court a report reflecting the existence and value of the assets of MBC, VBLLC and VSI and of the extent of liabilities, both those claimed to exist by others and those which the Receiver believes to be legal obligations of MBC, VBLLC and VSI;

5. Appoint one or more special agents, employ legal counsel, actuaries, accountants, claims administrators, clerks, consultants and assistants as the Receiver deems necessary and to fix and pay their reasonable compensation and reasonable expenses, as well as all reasonable expenses of taking possession of MBC's, VBLLC's and VSI's assets and business, and exercising the power granted by this Order, and approval by this Court at the time the Receiver accounts to the Court for such expenditures and compensation;

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6. Engage persons in the Receiver's discretion to assist the Receiver in carrying out the Receiver's duties and responsibilities, including, but not limited to, the United States Marshals Service or a private security firm;

7. Defend, compromise, enter pleas, or settle legal actions, including the instant proceeding, in which MBC, VBLLC and VSI or the Receiver is a party, commenced either prior to or subsequent to this Order, with authorization of this Court; except, however, in actions where MBC, VBLLC and VSI is a nominal party, as in certain foreclosure actions where the action does not effect a claim against or adversely affect the assets of MBC, VBLLC and VSI, the Receiver may file appropriate pleadings in the Receiver's discretion. The Receiver may waive any attorney-client or other privilege held by MBC, VBLLC and VSI;

8. Assume control of, and be named as authorized signatory for, all accounts at any bank, brokerage firm, escrow agent, or financial institution which has possession, custody or control of any assets or funds, wherever situated, of MBC, VBLLC and VSI and, upon, order of this Court, of any of their subsidiaries or affiliates; provided that the Receiver deems it necessary;

9. Make or authorize such payments and disbursements from the funds and assets taken into control, or thereafter received by the Receiver, and incur, or authorize the incurrence of, such expenses and make, or authorize the making of, such agreements as may be reasonable, necessary and advisable in discharging the Receiver's duties;

10. Have access to and review all mail of MBC, VBLLC and VSI and the mail of Defendants Joel Steinger, Leslie Steinger and Peter Lombardi (except for mail that appears on its face to be purely personal or attorney-client privileged) received at any office of MBC, VBLLC and VSI. All mail addressed to Joel Sternger, Leslie Steinger or Peter Lombardi that is opened by the

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Receiver that, upon inspection, is determined by the Receiver to be personal or attorney-client privileged, shall be promptly delivered to the addressee and the Receiver shall not retain any copy.

IT IS FURTHER ORDERED that, in connection with the appointment of the Receiver provided for above:

11. MBC, VBLLC and VSI, and all of their directors, officers, agents, employees, attorneys, attorneys-in-fact, shareholders, and other persons who are in custody, possession, or control of any assets, books, records, or other property of MBC, VBLLC and VSI shall deliver forthwith upon demand such property, monies, books and records to the Receiver, and shall forthwith grant to the Receiver authorization to be a signatory as to all accounts at banks, brokerage firms or financial institutions which have possession, custody or control of any assets or funds in the name of or for the benefit of MBC, VBLLC and VSI;

12. All banks, brokerage firms, financial institutions, and other business entities which have possession, custody or control of any assets, funds or accounts in the name of, or for the benefit of, MBC, VBLLC and VSI shall cooperate expeditiously in the granting of control and authorization as a necessary signatory as to said assets and accounts to the Receiver;

13. Unless authorized by the Receiver, MBC, VBLLC and VSI and their principals shall take no action, nor purport to take any action, in the name of or on behalf of MBC, VBLLC and VSI;

14. MBC, VBLLC and VSI and their principals, and their respective officers, agents, employees, attorneys, and attorneys-in-fact, shall cooperate with and assist the Receiver, including, if deemed necessary by the Receiver, appear for deposition testimony and produce documents upon two (2) business days' notice (by facsimile). MBC, VBLLC and VSI and their principals, and their respective officers, agents, employees, attorneys, and attorneys-in-fact shall take no action, directly

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or indirectly, to hinder, obstruct, or otherwise interfere with the Receiver in the conduct of the Receiver's duties or to interfere in any manner, directly or indirectly, with the custody, possession, management, or control by the Receiver of the funds, assets, premises, and choses in action described above;

Retention of Professionals

15. The Receiver, or any attorney, accountant, consultant, agent or other professional being engaged by the Receiver pursuant to the provisions of the Receivership Order (a "Professional") shall file with the Court a notice indicating the Receiver's intent to retain a Professional (a "Notice of Intention to Retain Professional"). The Notice of Intention to Retain Professional shall identify the name of the professional firm, the individual(s) who will render professional services, the scope of terms of the retention of such Professional, the effective date of the retention, and the proposed hourly rates to be charged by such Professional. Any material additional engagement terms shall be disclosed or attached to the Notice of Intention to Retain Professional along with an affidavit of the Professional stating that the Professional does not hold or represent any interest adverse to the Receivership Estate and is a "disinterested" person.

16. The Receiver may retain a Professional that has represented the Receivership Entities prior to the Receiver's appointment if such Professional does not represent or hold any interest adverse to the Receiver or the Receivership Estate with respect to the matter on which such Professional is to be employed.

17. If no objection to a Notice of Intention to Retain Professional is timely filed within ten (10) days, then the engagement proposed in the Notice of Intention to Retain Professional shall be deemed approved by the Court in all respects without further order.

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Compensation of Professionals

18. The Receiver, and any Professional whom the Receiver may select, are entitled to reasonable compensation from the assets now held by or in the possession or control of or which may be received by MBC, VBLLC and VSI; said amount or amounts of compensation shall be commensurate with their duties and obligations under the circumstances, subject to approval by the Court. In connection with any third party litigation or other collateral actions, the Receiver shall seek the approval of the staff of the Commission for the hourly rates and/or fee structure for said litigation, to the extent such hourly rates or structure differ(s) from those charged in connection with the initial investigation and receivership administration, which fees shall also be subject to approval of the Court;

Applications for Compensation of Professionals

19. Any Professional or the Receiver, on its own behalf or on behalf of any Professional, may file a Request for Interim Compensation or a Notice of Intention to Pay Interim Compensation (both a "Notice of Compensation") no more frequently than every sixty (60) days. All Notices of Compensation shall set forth the amount of fees and costs requested; a summary of prior Notices of Compensation reflecting the amount of fees previously requested, awarded and paid; and a brief summary of the services rendered during the relevant period. All Notices of Compensation shall have attached as an exhibit a schedule broken down into categories pre-determined by the Receiver showing the amount of fees and costs requested in each category, including a list of the billing persons, the hourly rates and amount of time spent in each category. All objections must be filed and served within ten (10) days of the Application. No compensation will be paid by the Receiver before twenty (20) days of service of a Notice of Compensation to ensure that even if no party in interest objects within ten (10) days of service,

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the Court will have an additional ten (10) days to consider the Notice of Compensation and, if the Court deems necessary, schedule a hearing on the Notice of Compensation. Within ten (10) days of the expiration of the time to file an objection, the Court shall either: (i) issue an order allowing in full, allowing in part, or disallowing the requested compensation; or (ii) set the Notice of Compensation for hearing on a date the Court deems appropriate. If the Court does not enter an order on an unopposed Notice of Compensation or set an unopposed Notice for hearing, within the period prescribed herein then the compensation requested in the unopposed Notice of Compensation shall be deemed allowed as requested, without further order of the Court.

20. During the period of this receivership, all persons, including creditors, banks, investors, or others, with actual notice of this Order, are enjoined from filing a petition for relief under the United States Bankruptcy Code without prior permission from this Court, or from in any way disturbing the assets or proceeds of the receivership or from prosecuting any actions or proceedings which involve the Receiver or which affect the property of MBC, VBLLC and VSI;

21. The Receiver is fully authorized to proceed with any filing the Receiver may deem appropriate under the Bankruptcy Code as to MBC, VBLLC and VSI;

Injunction Against Other Proceedings

22. The Court hereby enjoins any party (excluding the Receiver, the SEC, the National Association of Securities Dealers (the "NASD"), and/or any other regulatory body or law enforcement agency of the United States or its constituent states) with notice of this Order from initiating, maintaining, or in any way prosecuting in any other court any proceeding, suit, or action against any of the above-named Defendants and/or Relief Defendants. Additionally, the Court hereby enjoins any party (excluding the Receiver, the SEC, the NASD, any other regulatory body or law enforcement agency of the United States or its constituent states or any

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party with the express written consent of the Receiver or this Court) with notice of this Order from initiating, maintaining, or in any way prosecuting in any court any proceeding, suit or action that may diminish or usurp property of the Receiver or the Receivership Entities' estates, including, but not limited to, causes of action that the Receiver may have standing to bring or that may belong to the Receiver, or that may belong to any investors or any class or group of investors against the Receivership Entities' former principals, professionals or against other third parties. Unless otherwise expressly authorized by the Receiver or the Court, such proceedings, suits, and actions must be brought in the form of a proceeding ancillary to this Proceeding pursuant to this Order. The Receiver may provide effective notice of this injunction contained in this Order by publication as provided for in the Federal Rules of Civil Procedure, or by filing notice of this Order in any such proceedings, suits and actions brought prior to the entry of this Order.

23. Title to all property, real or personal, all contracts, rights of action and all books and records of MBC, VBLLC and VSI and their principals, wherever located within or without this state, is vested by operation of law in the Receiver;

24. Upon request by the Receiver, any company providing telephone services to MBC, VBLLC and VSI shall provide a reference of calls from the number presently assigned to MBC, VBLLC and VSI to any such number designated by the Receiver or perform any other changes necessary to the conduct of the receivership;

25. Any entity furnishing water, electric, telephone, sewage, garbage or trash removal services to MBC, VBLLC and VSI shall maintain such service and transfer any such accounts to the Receiver unless instructed to the contrary by the Receiver;

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26. The United States Postal Service is directed to provide any information requested by the Receiver regarding MBC, VBLLC and VSI, and to handle future deliveries of the mail of MBC, VBLLC and VSI as directed by the Receiver;

27. No bank, savings and loan association, other financial institution, or any other person or entity shall exercise any form of set-off, alleged set-off, lien, or any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without the permission of this Court;

28. No bond shall be required in connection with the appointment of the Receiver; however, the Receiver is permitted, at her discretion, to use Receivership Assets to obtain a bond should she so chose. Except for an act of gross negligence, the Receiver shall not be liable for any loss or damage incurred by MBC, VBLLC and VSI or by the Receiver's officers, agents or employees, or any other person, by reason of any act performed or omitted to be performed by the Receiver in connection with the discharge of the Receiver's duties and responsibilities;

29. Service of this Order shall be sufficient if made upon MBC, VBLLC and VSI and their principals by facsimile or overnight courier;

30. In the event that the Receiver discovers that funds of persons who have invested in MBC, VBLLC and VSI have been transferred to other persons or entities, the Receiver shall apply to this Court for an Order giving the Receiver possession of such funds and, if the Receiver deems it advisable, extending this receivership over any person or entity holding such investor funds;

31. Immediately upon entry of this Order, the Receiver may take depositions upon oral examination of, and obtain the production documents from, parties and non-parties subject to two (2) business days notice. In addition, immediately upon entry of this Order, the Receiver shall be entitled to serve interrogatories, requests for the production of documents and requests for

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admissions. The parties shall respond to such discovery requests within five (5) calendar days of service. Service of discovery requests shall be sufficient if made upon the parties by facsimile or overnight courier. Depositions may be taken by telephone or other remote electronic means.

32. This Court shall retain jurisdiction of this matter for all purposes.

DONE AND ORDERED this 4th day of May, 2004, at Miami, Florida.


UNITED STATES DISTRICT JUDGE

Copies to:

Teresa J. Verges
Alise M. Johnson
Linda S. Schmidt
Ryan Dwight O'Quinn

801 Brickell Avenue, Suite 1800
Miami, Florida 33131
Counsel for Securities and Exchange Commission
Phone: (305) 982-6300

1) Fax: (305) 536-4146

2) Receives, Roberto Martinez

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2003/63/69 # P96000025152
04-60573
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.

CIV-MORENO

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

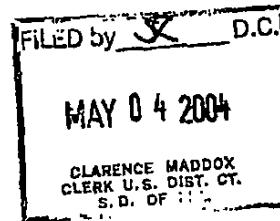
v.

MAGISTRATE JUDGE
GARBER

MUTUAL BENEFITS CORP.,
JOEL STEINGER a/k/a JOEL STEINER,
LESLIE STEINGER a/k/a LESLIE STEINER,
and PETER LOMBARDI,

Defendants,

VIATICAL BENEFACTORS, LLC,
VIATICAL SERVICES, INC.,
KENSINGTON MANAGEMENT, INC.,
RAINY CONSULTING CORP.,
TWIN GROVES INVESTMENTS, INC.,
P.J.L. CONSULTING, INC.,
SKS CONSULTING, INC., and
CAMDEN CONSULTING, INC.



Relief Defendants.

**TEMPORARY RESTRAINING ORDER
AND OTHER EMERGENCY RELIEF**

filed on May 3, 2004
This cause comes before the Court upon motion by the Plaintiff Securities and Exchange Commission ("Commission") for the following orders with respect to Defendants Mutual Benefits Corp. ("MBC"), Joel Steinger a/k/a Joel Steiner ("J. Steinger"), Leslie Steinger a/k/a Leslie Steiner ("L. Steinger") and Peter Lombardi ("Lombardi") (collectively "Defendants"):

- 1) an Order to Show Cause Why a Preliminary Injunction Should Not be Granted;
- 2) a Temporary Restraining Order;

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- 3) an Order Freezing Defendants' Assets;
- 4) an Order Requiring Accountings;
- 5) an Order Prohibiting Destruction of Documents; and
- 6) an Order Expediting Discovery;

And upon motion by the Commission for the following orders with respect to Relief Defendants Viatical Benefactors, LLC ("VBLLC"), Viatical Services, Inc. ("VSI"), Kensington Management, Inc. ("Kensington"), Rainy Consulting Corp. ("Rainy"), Twin Groves Investments, Inc. ("Twin Groves"), P.J.L. Consulting, Inc. ("PJL"), SKS Consulting, Inc. ("SKS") and Camden Consulting, Inc. ("Camden")(collectively "Relief Defendants"):

- 1) an Order Freezing Relief Defendants' Assets;
- 2) an Order Requiring Accountings;
- 3) an Order Prohibiting Destruction of Documents; and
- 4) an Order Expediting Discovery.

The Court has considered the Commission's Complaint, Memorandum of Law, and the declarations and exhibits filed in support of its motion.

Being fully advised in the premises, the Court finds that the Commission has made a sufficient and proper showing in support of the relief granted herein by presenting a prima facie case of securities laws violations by Defendants and showing a reasonable likelihood that Defendants will harm the investing public by continuing to violate the federal securities laws.

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SHOW CAUSE HEARING

IT IS HEREBY ORDERED that the Defendants show cause, if any, before the Honorable FEDERICO MORENO of this Court, at 2:00 o'clock p.m., on the 17th day of MAY, 2004, in Courtroom 4 of the United States Courthouse, 99 NE 4th ST, MIAMI, Florida, or as soon thereafter as the matter can be heard, why a Preliminary Injunction pursuant to Rule 65 of the Federal Rules of Civil Procedure should not be granted against Defendants, as requested by the Commission.

II.

TEMPORARY RESTRAINING ORDER

IT IS HEREBY FURTHER ORDERED that, pending determination of the Commission's request for a Preliminary Injunction, Defendants MBC, J. Steinger, L. Steinger and Lombardi, their directors, officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them, and each of them, are hereby restrained and enjoined from:

Section 5 of the Securities Act of 1933

A. Directly or indirectly, (a) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell securities in the form of units, common stock, warrants or any other securities (including, but not limited to, the investment contracts, "purchase agreements," "viatical purchase agreements," viatical settlements or life settlements issued by MBC), through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect with the Commission as to such securities; (b) carrying

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securities, in the form of units, common stock, warrants or any other securities (including, but not limited to, the investment contracts, "purchase agreements," "viatical purchase agreements," viatical settlements or life settlements issued by MBC), or causing them to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale, unless and until a registration statement is in effect with the Commission as to such securities; or (c) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy, through the use or medium of any prospectus or otherwise, any securities, in the form of units, common stock, warrants or any other securities (including, but not limited to, the investment contracts, "purchase agreements," "viatical purchase agreements," viatical settlements or life settlements issued by MBC), unless a registration statement is filed with the Commission as to such securities, or while a registration statement filed with the Commission as to such security is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act of 1933 ("Securities Act"), 15 § U.S.C. 77h, in violation of Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c);

Section 17(a)(1) of the Securities Act of 1933

B. Directly or indirectly, by use of any means or instruments of transportation or communication in interstate commerce, or by the use of the mails, in the offer or sale of securities (including, but not limited to, the investment contracts, "purchase agreements," "viatical purchase agreements," viatical settlements or life settlements issued by MBC), knowingly or recklessly employing devices, schemes or artifices to defraud, in violation of Section 17(a) of the Securities Act, 15 U.S.C. 77q(a);

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Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5

C. Directly or indirectly, by use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any securities (including, but not limited to, the investment contracts, "purchase agreements," "viatical purchase agreements," viatical settlements or life settlements issued by MBC), knowingly or recklessly: (i) employing devices, schemes or artifices to defraud; (ii) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (iii) engaging in acts, practices and courses of business which have operated, are now operating or will operate as a fraud upon the purchasers of such securities in violation of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, thereunder; and

Section 17(a)(2) & (3) of the Securities Act of 1933

D. Directly or indirectly, by use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, in the offer or sale of securities (including, but not limited to, the investment contracts, "purchase agreements," "viatical purchase agreements," viatical settlements or life settlements issued by MBC), (i) obtaining money or property by means of untrue statements of material facts or omissions to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading; or (ii) engaging in acts, practices and courses of business which have operated and will operate as a fraud or deceit upon purchasers and prospective purchasers of such

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securities, in violation of Sections 17(a)(2) & (3) of the Securities Act, 15 U.S.C. §§ 77(q)(a)(2) & (3).

III.

TEMPORARY RESTRAINING ORDER AS TO DEFENDANTS J. STEINGER AND L. STEINGER AS CONTROL PERSONS

IT IS HEREBY FURTHER ORDERED that, pending determination of the Commission's request for a Preliminary Injunction, Defendants J. Steinger and L. Steinger, their directors, officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them, and each of them, are hereby restrained and enjoined from directly or indirectly, controlling any person who violates Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), Rule 10b-5, 17 C.F.R. § 240.10b-5, thereunder, unless J. Steinger and L. Steinger act in good faith and do not directly or indirectly induce the act or acts constituting the violation.

IV.

ASSET FREEZE

IT IS HEREBY FURTHER ORDERED that, pending determination of the Commission's request for a Preliminary Injunction, the Defendants MBC, J. Steinger, L. Steinger and Lombardi and Relief Defendants VBLLC, VSI, Kensington, Rainy, Twin Groves, PJI, SKS and Camden, their directors, officers, agents, servants, employees, attorneys, depositories, banks, and those persons in active concert or participation with any one or more of them, and each of them, who receive notice of this order by personal service, mail, facsimile transmission or otherwise, except any Receiver that may be appointed by this Court, be and hereby are, restrained from, directly or indirectly, transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating or otherwise disposing of, or withdrawing any assets or property owned by, controlled

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by, held for the benefit of, or in the possession of MBC, J. Steinger, L. Steinger, Lombardi, VBLLC, VSI, Kensington, Rainy, Twin Groves, PJJ, SKS and Camden, including, but not limited to, cash, free credit balances, fully paid for securities, and/or property pledged or hypothecated as collateral for loans, and including, but not limited to, the following presently known bank accounts:

- (a) American Express Tax & Business Services
RBC Centura Banks, Inc. (previously known as Admiralty Bank)
Account Nos. 700101535 and 700134255
- (b) Brinkley McNerney, et al. Escrow Agent
RBC Centura Banks, Inc. (previously known as Admiralty Bank)
Account No. 700132341
- (c) Mutual Benefits Corp.
Bank of America, N.A.
Account Nos. 003449021919, 005487540557, 005487540405, 003449021786
- (d) American Express Tax & Business Services
Bank of America, N.A.
Account Nos. 005487540421, 005487540337
- (e) Bank of America, N.A.
Account No. 91000048168971
- (f) Anthony M. Livoti, Jr. P.A.
CitiBank, F.S.B.
Account Nos. 3290234214, 3290205175, 3290015543
- (g) Citibank-Livoti Premium Escrow Account
CitiBank, F.S.B.
Account No. 3290025232
- (h) Mutual Benefits Corp.
CitiBank, F.S.B.
Account Nos. 3290025643, 3290025672, 3290025203, 3290006280
- (i) CitiBank, F.S.B.
Account Nos. 3490233318, 3490233431
- (j) Anthony Livoti, Jr. P.A.
First Southern Bank

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Account No. 4053058106

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- (k) Mutual Benefits Corp.
Wachovia Bank (previously known as First Union Bank)
Account Nos. 2090000750944, 2000013991793
- (l) Wachovia Bank (previously known as First Union Bank)
Account Nos. 2000013991803, 13131631199568
- (m) Brinkley McNerney, et al. Escrow Agent
Bank of America, N.A. (previously known as NationsBank, N.A.)
Account Nos. 003871454995, 003871385895
- (n) Brinkley McNerney, et al. Escrow Agent
Northern Trust
Account No. 1410019424
- (o) Brinkley McNerney, et al.
RBC Centura Banks, Inc.
Account No. 7060005702
- (p) American Express Tax & Business Services
RBC Centura Banks, Inc.
Account No. 7060006465
- (q) Anthony M. Livoti, Jr. P.A.
RBC Centura Banks, Inc.
Account Nos. 7060003811, 700101705, 7060003731
- (r) RBC Centura Banks, Inc.
Account Nos. 70670000162, 7067001675, 7067001683
- (s) Southtrust Bank
Account No. 70662817
- (t) Mutual Benefits Corp.
Union Planters Bank, N.A.
Account Nos. 9660361073, 5089003559
- (u) Anthony M. Livoti, Jr. P.A.
Union Planters Bank, N.A.
Account Nos. 9660244352, , 5089003586
- (v) Union Planters Bank, N.A.

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Account Nos. 5089003568, M40978, 9660361081, M05447, 5089006841,
5089019597, 9660361289, 5089019427, 9660045775

V.

ACCOUNTINGS

A. **Accountings and Identification of Accounts by**
J. Steinger, L. Steinger and Lombardi

IT IS HEREBY FURTHER ORDERED that within five (5) business days of the issuance of this Order, J. Steinger, L. Steinger and Lombardi shall each:

(a) make a sworn accounting to this Court and the Commission of all funds, whether in the form of compensation, commissions, income (including payments for assets, shares or property of any kind), and other benefits (including the provision of services of a personal or mixed business and personal nature) received by him from MBC, VBLLC, VSI, Kensington, Rainy, Twin Groves, PJJ, SKS and Camden;

(b) make a sworn accounting to this Court and the Commission of all assets, funds, or other properties held by him, jointly or individually, or for his direct or indirect beneficial interest, or over which he maintains control, wherever situated, stating the location, value, and disposition of each such asset, fund, and other property; and

(c) provide to the Court and the Commission a sworn identification of all accounts (including, but not limited to, bank accounts, savings accounts, securities accounts and deposits of any kind) in which he (whether solely or jointly), directly or indirectly (including through a corporation, partnership, relative, friend or nominee), either has an interest or over which he has the power or right to exercise control.

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**B. Accountings by MBC, VBLLC, VSI, Kensington, Rainy,
Twin Groves, PJI, SKS and Camden**

IT IS HEREBY FURTHER ORDERED that MBC, VBLLC, VSI, Kensington, Rainy, Twin Groves, PJI, SKS and Camden shall each make a sworn accounting within five (5) business days of the issuance of this Order to this Court of:

(a) all funds received from any source, including, but not limited to, funds received from sales of the investment contracts, "purchase agreements" or "viatical purchase agreements" issued by MBC;

(b) all compensation, income (including payment for assets, shares or property of any kind), other benefits (including the provision of services of a personal or mixed business and personal nature) that they have paid to J. Steinger, L. Steinger and Lombardi; and

(c) all assets, funds, or other properties held in their names, or for their direct or indirect beneficial interest, or over which they maintain control, wherever situated, stating the location, value, and disposition of each such asset, fund, and other property;

Provided, however, that any entity over which a Receiver has been appointed shall be excused from providing such accountings.

VI.

RECORDS PRESERVATION

IT IS HEREBY FURTHER ORDERED that, pending determination of the Commission's request for a Preliminary Injunction, the Defendants and Relief Defendants, their directors, officers, agents, servants, employees, attorneys, depositories, banks, and those persons in active concert or participation with any one or more of them, and each of them, be and they hereby are restrained and enjoined from, directly or indirectly, destroying, mutilating, concealing, altering,

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disposing of, or otherwise rendering illegible in any manner, any of the books, records, documents, correspondence, brochures, manuals, papers, ledgers, accounts, statements, obligations, files and other property of or pertaining to the Defendants and Relief Defendants wherever located, until further Order of this Court.

VII.

EXPEDITED DISCOVERY

IT IS HEREBY FURTHER ORDERED that:

(a) Immediately upon entry of this Order, the parties may take depositions upon oral examination of, and obtain the production documents from, parties and non-parties subject to two (2) business days notice. Should any Defendant and Relief Defendant fail to appear for a properly noticed deposition, that party may be prohibited from introducing evidence at the hearing on the Commission's request for a preliminary injunction;

(b) Immediately upon entry of this Order, the parties shall be entitled to serve interrogatories, requests for the production of documents and requests for admissions. The parties shall respond to such discovery requests within five (5) calendar days of service;

(c) All responses to the Commission's discovery requests shall be delivered to Alise M. Johnson at 801 Brickell Avenue, Suite 1800, Miami, Florida 33131 by the most expeditious means available; and

(d) Service of discovery requests shall be sufficient if made upon the parties by facsimile or overnight courier, depositions may be taken by telephone or other remote electronic means.

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VIII.

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RETENTION OF JURISDICTION

IT IS HEREBY FURTHER ORDERED that this Court shall retain jurisdiction over this matter and the Defendants and Relief Defendants in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and will order other relief that this Court deems appropriate under the circumstances.

DONE AND ORDERED at 5:00 o'clock, p m. this 4th day of May, 2004, at Miami, Florida.


UNITED STATES DISTRICT JUDGE

Copies to:

Teresa J. Verges
Alise M. Johnson
Chedly C. Durnornay
Linda S. Schmidt
Ryan Dwight O'Quinn

801 Brickell Avenue, Suite 1800
Miami, Florida 33131
Counsel for Securities and Exchange Commission
Phone: (305) 982-6322
Fax: (305) 536-4146

Receiver Roberto Martinez

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 04-60573-CIV-MORENO

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

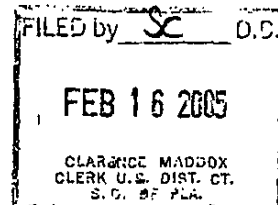
v.

MUTUAL BENEFITS CORP., JOEL STEINGER
a/k/a JOEL STEINER, LESLIE STEINGER a/k/a
LESLIE STEINGER, and PETER LOMBARDI,

Defendants

VIATICAL BENEFACTORS, LLC, VIATICAL
SERVICES, INC., KENSINGTON
MANAGEMENTS, INC., RAINY CONSULTING
CORP., TWIN GROVES INVESTMENTS, INC.,
P.J.L. CONSULTING, INC., SKS CONSULTING,
INC., and CAMDEN CONSULTING, INC.,

Relief Defendants.



ORDER GRANTING MOTION FOR PRELIMINARY INJUNCTION

For the reasons stated in the forty-seven page Report and Recommendation by Magistrate Judge Barry Garber, dated November 10, 2004, as well as the Magistrate's Supplemental Report and Recommendation of November 16, 2004, and upon independent review of the file, including the transcripts of the evidentiary hearing, the objections and responses to it, it is ORDERED that the Plaintiff's Motion for Preliminary Injunction be GRANTED.

In granting the Preliminary Injunction in favor of the Securities and Exchange Commission (SEC), the Court enjoins defendants Mutual Benefits Corporation (MBC), Joel Steinger, Leslie

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Steinger and Peter Lombardi, from committing further violations of the anti-fraud and registration provisions of the Federal Securities Laws in connection with the offering of securities by the Mutual Benefits Corporation. Relief defendants Viatical Benefactors, LLC, Viatical Services, Inc., Rainy Consulting Corp., Twin Groves Investments, Inc., P.J.L. Consulting, Inc., and Camden Consulting, Inc., are also enjoined consistent with the Supplemental Report and Recommendation that Magistrate Garber issued on November 16, 2004.¹

In granting the SEC's Motion for Preliminary Injunction the Court has specifically found sufficient evidence of fraud committed by the defendants, which resulted in a benefit to the relief defendants. Specifically the Court finds credible the evidence that the announced life expectancies were the product of fraud. The Magistrate's Report details the extensive fraud on the part of the defendants, precluding any need for the Court to reiterate the findings of fact which it has adopted in full after a *de novo* review. Having adopted the finding of widespread fraud on the part of the defendants, the Court maintains the asset freeze order and denies the motion to terminate the receiver²

The asset freeze is needed to preserve the innocent investor funds and to provide for possible disgorgement and civil penalties. The defendants' objections are overruled, as there was no evidence to contradict the plaintiff's witnesses except to challenge the credibility of Dr. Mitchell.

Before a court grants a motion for preliminary injunction made by a private litigant, that party

¹The Court on June 25, 2004 dismissed relief defendant S.K.S. Consulting, Inc. Thus the Court rejects the Magistrate's inadvertent inclusion of that relief defendant in the recommendation.

²The receiver appointed at the inception of this case has also consented to the entry of the preliminary injunction against Mutual Benefits Corporation (MBC).

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has to show a substantial threat of irreparable injury that outweighs any injury to a non-moving party and that serves the public interest. These factors have been met by the uncontradicted evidence presented before the Magistrate and detailed in his report. In any event, the SEC in order to prevail on its request for preliminary injunction is called to a lesser burden than a private litigant. It must establish that there have been previous violations of Federal Securities Laws and a reasonable likelihood that those violations will be repeated. Assuming that the Viatical settlements are indeed securities conferring jurisdiction upon the Court, the SEC has met its burden.

The Court's only reluctance in not having issued the preliminary injunction earlier, while its temporary restraining order has been in effect for an unusually lengthy period for counsel to have opportunity to present objections, was due to the unsettled nature of whether viatical settlements are securities.

In its prior opinion, *SEC v. Mutual Benefits Corporation*, 323 F.Supp2d 1337 (S.D. Fla. 2004), this court held that the viatical settlements in question were securities covered by the Federal Securities Laws. In holding that such investments constitute securities however the Court found that there was substantial ground for difference of opinion that would justify an immediate appeal. Thus, the Court certified that an appeal of its June 25, 2004 order would be appropriate. Oral argument has been heard by the Eleventh Circuit Court of Appeals with a decision soon to be rendered. Because the issue of what constitutes a security is a disputed issue, it is difficult for the Court to hold that there is a "substantial" likelihood of success on the merits. After all, the Eleventh Circuit could disagree with this court and adopt the analysis of *SEC v. Life Partners, Inc.*, 87 F.3d 536 (D.C. Cir. 1996) without adopting the distinguishing factors of this case.

Normally, such a close question of law would preclude the granting of a preliminary

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injunction. But the SEC is not an ordinary litigant. Instead it is charged with protecting the public by enforcing the Federal Securities Laws. Therefore the Court must grant the preliminary injunction unless and until there is a finding by a higher court that the viatical settlements in question were not securities. To deny the SEC's motion for preliminary injunction would result in the Court returning to those it has found to have participated in widespread fraud to continue in the fraud or at the very least to profit from past wrongdoing.

At oral argument counsel for the defendants indicated that the suspension of various licenses by the Florida Office of Insurance Registration prevent MBC from continuing with the transactions and that the company would probably have to proceed with some form of a bankruptcy petition. The defense argument is that an injunction is unnecessary. The Court however finds that the harm to the defendant is negligible. If bankruptcy is the proper route, the receiver, who is not burdened with the accusations of fraud is better equipped to protect investors and creditors.

WHEREFORE, the Order granting the temporary restraining order is converted into a preliminary injunction order with the same conditions binding all defendants until the conclusion of the trial or a ruling from the Eleventh Circuit Court of Appeals on the issue of subject matter jurisdiction.

DONE and ORDERED this 14th day of February, 2005 in Miami, Dade County, Florida.


FEDERICO A. MORENO
UNITED STATES DISTRICT JUDGE

Copies furnished to:
Service list of February 3, 2005