

ANNUAL TRUST REPORTING

Agreed-Upon Procedures:

The Trustee caused to occur certain agreed-upon procedures performed by a firm of independent certified public accountants. The purpose of the agreed-upon procedures is to ensure that the significant business processes relating to the Servicing of the Trust's insurance policies are functioning and being performed as documented by the Servicer for the period from September 25, 2009 (inception of the Trust) through and including September 30, 2010.

The general scope of the agreed-upon procedures included a random sample of policies selected by the independent certified public accountants with a focus on the following areas: 1) billing and collection of premiums, 2) policy disposition and bidding process, 3) premium payments, and 4) death benefits.

The significant finding by independent certified public accountants was that, despite the correctness of the billing report information, there was no physical evidence of review the billing reports by the Premium Manager.

The results of the agreed-upon procedures report were reviewed by the Trustee and adjustments to procedures employed by the Servicer were implemented as required. In the Trustee's view, the results of the agreed-upon procedures were satisfactory.

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(Continued)

Internal Control Examination:

The Trustee called for an examination of internal control procedures at the Servicer to be performed by a firm of independent certified public accountants. The examination procedures encompassed all significant procedures deemed necessary by the independent certified public accountants in order to address those control processes which in their opinion directly affects their role as the Trust's Servicer.

The results of the comprehensive examination, with two exceptions noted below, was that the Trust and the Servicer maintained in all material respects, effective internal control over financial reporting as they relate to the processing and servicing of the insurance policies under the responsibility of the Trust as of September 30, 2010.

Exceptions Noted by the Independent Certified Public Accountant:

- Certain group insurance policies were billed to investors off-cycle with these policies paid for by the Trust one to two months before the premiums were billed to the investors.

Response:

The nature of the group policies is such that precise billing information is not available to the Servicer until after year-end. Accordingly, as in the past, these policies are generally billed retroactively. The Trustee has requested that the Servicer submit estimated invoicing to the investors prior to the end of the calendar year and adjust any overage or shortfall in the subsequent billing cycle

- It was noted that although employees are granted varying levels of user access to the Servicer's computer network, software and programs consistent with their responsibilities, it was noted that on occasion when computer stations were unattended, the computer screens were unlocked.

This can create the possibility of unauthorized access of the network by employees that would otherwise be restricted to them.

Response:

Subsequent to September 30, 2010, the existing protocol was modified by the Servicer's information technology department to ensure that all computer work stations are auto locked after eight minutes of no activity.