

BRUCE S. KRAMER RECEIVER TRADE PARTNERS, INC.

CASH ACTIVITY REPORT (COMPILED)

FOR THREE AND SEVENTY-TWO MONTHS ENDED APRIL 15, 2009





**BUSINESS STRATEGISTS
CERTIFIED PUBLIC ACCOUNTANTS**

ECHELBARGER, HIMEBAUGH, TAMM & CO., P.C.

Dennis M. Echelbarger CPA/CFF
Michael T. Tamm CPA
Diane L. Friar CPA/ABV/CFF
David G. Echelbarger CPA
Robin M. Stoner CPA/MST
Robert E. Milanowski
Dale R. Manske CPA
Jennifer A. Hashley CPA
Margie S. Gerencer CPA/MBA
Danice D. Pavey CPA
Brenda K. Pavlak CPA
Ronald J. Kaley MBA
Christopher L. Mast CPA/MBA
Teri S. Stora MBA
Jenna L. Federau MSA
Edward S. Kisscorni CPA/MBA
Melinda K. DeMarse CPA
Mary Beth Lorenz CPA
Cody E. Pike MST

ACCOUNTANT'S COMPILATION REPORT

April 24, 2009

Bruce S. Kramer Receiver
Trade Partners, Inc.
Memphis, Tennessee

We have compiled the special-purpose Cash Activity Report for Bruce S. Kramer Receiver Trade Partners, Inc. for the three and seventy-two months ended April 15, 2009 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of Bruce S. Kramer Receiver Trade Partners, Inc. We have not audited or reviewed the accompanying special-purpose financial statement and, accordingly, do not express an opinion or any other form of assurance on it.

The accompanying special-purpose financial statement was prepared for the purpose of complying with information requested by Bruce S. Kramer Receiver Trade Partners, Inc. and the United States District Court for the Western District of Michigan Southern Division, and is not intended to be a presentation in conformity with generally accepted accounting principles in the United States of America.

We are not independent with respect to Trade Partners, Inc. or Bruce S. Kramer Receiver Trade Partners, Inc.

This report is intended solely for the information and use of Bruce S. Kramer Receiver Trade Partners, Inc., its creditors, and The United States District Court for the Western District of Michigan Southern Division and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Echelbarger, Himebaugh, Tamm & Co., P.C.

Echelbarger, Himebaugh, Tamm & Co., P.C.

Bruce S. Kramer Receiver Trade Partners, Inc.
Cash Activity Report (Compiled)
Three and Seventy-Two Months Ended April 15, 2009

	Current Quarter 10/16/08-4/15/09	From Inception of Receivership 4/15/03-4/15/09
Beginning Cash Balance		
Checking - Receiver Operating	1	(593,592)
Savings #1 - Receiver	1,000,000	48,161
Savings #2 - Receiver	5,778,837	-
Savings #3 - Policy Sales	6,808,308	-
Savings #4 - General	32,173	-
Savings #5 - General	155,298	-
Claims Sweep	307,008	-
Total	\$ 14,081,624	\$ (545,421)
Cash Receipts:		
Checks Voided By Receiver	-	749,855
Death Proceeds (Net of Refunds)	459,358	33,593,010
Initial Deposit on Portfolio Sale	-	-
Interest and Dividends	84,358	3,908,935
Miscellaneous	-	60,589
Notes Receivable - Principal	-	95,645
Policy Sales	-	39,741,807
Pooled Funds:		
Excess Premium Escrow	-	353,279
Maturity Escrow	-	5,328
Premium Escrow	-	299,552
Purchaser Escrow	-	303,241
Purchaser Escrow Funds - Undesignated	-	204,237
Real Estate Proceeds	-	7,078,177
Restitution - Tom Smith	-	49,387
Restitution - Chris Zmudka	-	56,561
Settlement Proceeds - New Era & Greenville	-	585,000
Payment from Ellis Management	-	5,000
Subtotal	\$ 543,716	\$ 87,089,783
Cash Disbursements:		
Advertising	-	2,770
Background Investigation	-	-
Bank Charges	315	14,053
Claims Payments	-	46,990,300
Commissions Paid - Associates	-	180,481
Commissions Paid - Trade Partners	-	1,000
Death Proceeds paid to Universal Settlements Inc	-	1,972,640
Interest Expense	890	90,410
Legal and Professional Services:		
Borod & Kramer, PLC	69,486	3,669,872
Echelbarger, Himebaugh, Tamm & Co., P.C.	71,603	1,589,909
EMS Engineered Management Solutions	3,862	174,009
Litler, Segner, Shaw & McKenney LLP	-	364,289
Munsch, Hardt, Kopf & Harr, P.C.	22,798	2,497,188
National Vetical Inc.	-	180,000
Quilling, Selander, Cumminskey, Lownds	14,667	2,570,091
Other	3,503	305,901
Licenses & Fees		
Meals & Entertainment	-	46,422
Miscellaneous	-	8,108
Office Expense	7,615	269,385
Outside Labor	-	44,411
Parking	2	9,491
Penalties	890	-
Postage and Shipping	11,376	858,060
Premiums (Net of Refunds)	32,253	9,108,577
Printing	5,497	46,256
Purchaser Escrow Refunds	-	291,166
Real Estate Expenses	-	74,021
Rent	15,000	194,969
Salaries - Officers	-	30,800
Salaries - Other	-	144,560
Taxes:		
Payroll	3,001	14,751
State	100	38,020
Travel	5,994	411,561
Utilities	6,370	49,363
Subtotal	\$ 275,213	\$ 72,194,234
Net Change in Cash Balance	\$ 268,503	\$ 14,885,549
Ending Cash Balance		
Checking - Receiver Operating	(13,096)	(13,096)
Savings #1 - Receiver	1,000,000	1,000,000
Savings #2 - Receiver	6,028,184	6,028,184
Savings #3 - Policy Sales	6,840,342	6,840,342
Savings #4 - General	32,173	32,173
Savings #5 - General	155,640	155,640
Claims Sweep	306,884	306,884
Total	\$ 14,350,128	\$ 14,350,128

Bruce S. Kramer Receiver Trade Partners, Inc.

Notes to Selected Information – Basis of Presentation (Compiled)

Three and Seventy-Two Months Ended April 15, 2009

The following items are considered significant when reading the cash activity report.

Cash Accounts

The Receiver has established various bank accounts to maximize the return on investment and protect the cash assets held by the Receivership. All savings are invested at money market and overnight repo rates.

During the course of the Receivership, various funds have been collected but not deposited in the Receiver's bank accounts because the ownership of the funds is being disputed or because a deposit has been made on a potential sale that has not yet closed. The total cash balance reported in the Cash Activity Report does not include any escrow funds held by the Court or any other third party. The possibility exists that the Court may rule that all or some of these funds may not belong to the Receiver. Some of the funds are deposited in interest bearing accounts as prescribed by the Court.

Death Proceeds

Death Proceeds represents collections of the face amount of matured life insurance policies. A maturity check may include interest or dividend income, interest expense, and/or premium refund. These components have been accounted for separately.

Pooled Funds

Trade Partners, Inc. maintained various escrow accounts which were allowed to be pooled with operating funds pursuant to the Court's order of July 21, 2003. The amounts listed under Pooled Funds reflect the balances in the escrow accounts at April 15, 2003, the date the Receiver was appointed. Pooled funds have been shown as additions to operating funds to properly reflect the cash activity during the period of Receivership.

Claims

On January 9, 2007, the Court authorized the Receiver to make an initial distribution to claimants who filed "A Claims" under the Plan of Distribution. Court-approved claims and settlements in the amount of \$46,990,299.44 have been paid as of April 15, 2009.

Interest Expense

Interest expense consists primarily of interest paid on policy loans taken out prior to the date of the Receivership. A line of credit was established at Macatawa Bank and was not used during the period. The line of credit expired on January 1, 2006 and was not renewed.

See Accountant's Compilation Report

Bruce S. Kramer Receiver Trade Partners, Inc.

Notes to Selected Information – Basis of Presentation (Compiled)

Three and Seventy-Two Months Ended April 15, 2009

Legal and Professional

Legal and professional expenses are listed by each professional and include only the fee portion of the professional's bill. Often a professional's bill will include other expenses such as travel, delivery charges, etc. incurred on behalf of the Receivership. These have been reported separately. Legal and professional expenses are paid based on a Court-approved procedure.

Premiums (Net of Refunds)

Premiums represent premiums paid on life insurance policies owned by Trade Partners, Inc. or any related entities. Premiums are also paid for any policy in which Trade Partners, Inc. or any related entity had a beneficial interest. Premiums paid are shown net of premiums refunded and do not include premiums paid by using available cash surrender value of policies or available escrow account funds administered by the law firm of an investor.

The Receiver is entitled to reimbursement by Universal Settlements International, Inc. (USI), the policy portfolio purchaser, for premiums paid net of refunds and dividends after January 15, 2005. Premium reimbursements in the amount of \$862,080.56 have been received from USI as of April 15, 2009.

Portfolio Sale

The Court approved the sale of the policy portfolio on July 19, 2005. According to the purchase and sale agreement, 26.58% of the death benefit of purchased policies is to be released from an escrow account under the joint control of the purchaser's agent and the Receiver and transferred to the Receiver upon receipt of proof of ownership change from the insurance company on each individual policy. At April 15, 2009, \$39,003,556.11 had been released from the joint escrow account and transferred to the Receiver's escrow account as payment for policies transferred.

In addition, the Receiver is entitled to 26.58% of proceeds collected on deaths subsequent to January 15, 2005. Of the total proceeds collected through April 15, 2009, the Receiver retained \$3,273,015.59.

A settlement agreement was negotiated between the Receivership and Universal Settlements International, Inc. to terminate the purchase and sale agreement. The Court approved the agreement on April 21, 2009.

Income Taxes

The Receivership is a taxable settlement fund. Accordingly, federal and state income, franchise and excise taxes are paid as required. A cash reserve for taxes may be necessary in the future.

See Accountant's Compilation Report