

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF:	MUTUAL BENEFITS CORPORATION	)	
	ITS OFFICERS, DIRECTORS,	)	
	EMPLOYEES, AGENTS, AFFILIATES,	)	FILE NO: 0400171
	SUCCESSORS, AND ASSIGNS	)	

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CONSENT ORDER

TO THE RESPONDENT: Mutual Benefits Corporation  
C/O Colson, Hicks and Edson  
255 Aragon Avenue  
Coral Gables, FL 33134

WHEREAS, Mutual Benefit Corporation, through its Receiver, on February 23, 2006 executed a certain Stipulation To Entry Of Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, the Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing in this matter and the Respondent has consented to the entry of this Consent Order.

WHEREAS, the Secretary of State, by and through his designated representative, the Securities Director, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceeding.

WHEREAS, the Respondent has acknowledged that the allegations contained in paragraph seven (7) of the Stipulation shall be adopted as the Secretary of State's Findings of Fact as follows:

1. That Mutual Benefits Corporation ("MBC") is a Florida Corporation incorporated in October 1994, located in Fort Lauderdale Florida and currently in receivership.

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2. Since 1994, MBC has operated as a Viatical Settlement Provider raising money from investors to purchase Viatical Settlement Contracts.
3. Viatical Settlement Contracts involve the purchase of a life insurance policy from a terminally ill person at a price discounted from the face value of the policy.
4. MBC promised investors guaranteed, fix-rate of returns ranging from 12% to 72% depending on the life expectancy of the insured and term of the Viatical Settlement Contract.
5. From on or about 1996 through 2003, approximately 1,458 Illinois residents invested in Viatical Settlement Contracts through MBC.
6. From on or about 1996 through 2003 MBC had approximately 112 Illinois based sales agents.
7. That the above-described investment contracts are a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act").
8. That Section 5 of the Act provides, inter alia, that all securities except those set forth under Section 2A of the Act or those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.
9. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act.
10. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provisions of the Act.

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11. That at all times relevant hereto, MBC failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois.
12. That by virtue of the foregoing, the Respondent, MBC, has violated Sections 12.A and 12.D of the Act.
13. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act.
14. That by virtue of the foregoing, MBC, its officers, directors, employees, agents, affiliates, successors and assigns is subject to a fine of up to \$10,000.00 per violation.
15. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State.

WHEREAS, the Respondent has acknowledged that the allegations contained in paragraph eight (8) of the Stipulation shall be adopted as the Secretary of State's Conclusion of Law as follows:

1. That by virtue of the foregoing, Mutual Benefits Corporation Plan has violated Sections 12.A and 12.D of the Act; and
2. That by virtue of the foregoing, Mutual Benefits Corporation is subject to a fine of up to \$10,000 per violation and an order of prohibition

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. The allegations contained in paragraphs seven (7) and eight (8) of the Stipulation shall be and are

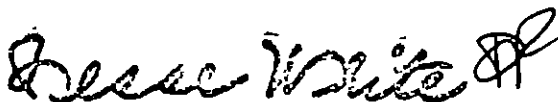
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hereby adopted as the Secretary of State's  
Findings of Fact and Conclusion of Law;

2. Mutual Benefits Corporation shall be prohibited from offering and selling securities in the State of Illinois.
3. The formal hearing scheduled on this matter is hereby dismissed without further proceeding.

ENTERED: This 6<sup>th</sup> day of March, 2006.



JESSE WHITE  
Secretary of State  
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

Attorney for the Secretary of State:

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