

B 25C (Official Form 25C) (12-08)

UNITED STATES BANKRUPTCY COURT

Southern District of Indiana

In re TWC Capital, Inc.
DebtorCase No. 12-11019-BHL-11


Small Business Case under Chapter 11

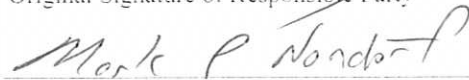
SMALL BUSINESS MONTHLY OPERATING REPORT

Month: December 2012Date filed: January 15, 2013Line of Business: Specialty Finance Company
Serving The Insurance IndustryNAISC Code: 524298

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:


Original Signature of Responsible Party


Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/> (1)	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input checked="" type="checkbox"/> (2)	<input type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input checked="" type="checkbox"/> (1)	<input type="checkbox"/>

(1) Several DIP accounts were not required by Court.
Company continues to use Court approved bank accounts only.

(2) The Asset Purchase Agreement
closed on 12/31/12. See notes
to financials enclosed.

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14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH? *See Note (2) on prior page* ☒ ☐
15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH? ☐ ☒
16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH? *(3)* ☒ ☐
17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH? ☐ ☒
18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY? ☐ ☒

(3) only borrowing was from Court approved DIP lender.

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS? ☒ ☐

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT. *see Exhibit F*

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL INCOME \$ _____

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ _____

Cash on Hand at End of Month \$ _____

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU TOTAL \$ _____

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL EXPENSES \$ _____

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH (TOTAL FROM EXHIBIT B) \$ _____

EXPENSES FOR THE MONTH (TOTAL FROM EXHIBIT C) \$ _____

(Subtract Line C from Line B)

CASH PROFIT FOR THE MONTH \$ _____

SEE EXHIBIT A

B 25C (Official Form 25C) (12-08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$

SEE
EXHIBIT
B

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$

SEE
EXHIBIT
C

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

SEE
EXHIBIT
D

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

6 (6 Full Time
0 Part Time)
8 (5 Full Time
3 Part Time)

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ 37,720.01

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ 121,757.26

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ 0

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ 0

B 25C (Official Form 25C) (12-08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ _____	\$ _____	\$ _____
EXPENSES	\$ _____	\$ _____	\$ _____
CASH PROFIT	\$ _____	\$ _____	\$ _____

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:

\$ _____

TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:

\$ _____

TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:

\$ _____

SEE
EXHIBIT
A

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

SEE EXHIBIT E

TWG Capital, Inc.

Current Business Income And Expenses (Cash Basis) - Month of Dec.

	Actual December	Projected December	Monthly Positive (Negative) Variance	December Variance Explanation	Est January
Cash at Beginning of Period per Bank	209,660				
Management fees	46,539	48,797	(2,258)		44,612
Progeny servicing fee/LTPC	47,858	3,400	44,458	Includes \$30k from settlement of LTPC	43,000
Other (downline, expense reserve, LTPC)	197,505	-	197,505	Includes \$140k in DIP Advances and \$54k collection of Reaology Receivable	75,000
Total cash in	291,902	52,197	239,705		162,612
Payroll, benefits, and payroll taxes	50,823	55,017	4,194	Lower than budgeted full time payroll expense	48,042
Insurance (Health, Disability, Etc.)	15,577	9,207	(6,370)	Extra health insurance payment due to timing of billing cycle.	7,800
Rent	3,149	3,149	(0)		3,149
Bank service fee	10	10	-		210
Phone	536	1,327	791		1,376
Licenses	22	-	(22)		6,300
Office supplies	136	110	(26)		1,176
Paychex	287	268	(19)		180
IR1 Downlines	860	-	(860)		-
Legal and Professional	38,603	90,000	51,397	Lower than anticipated legal fees, possibly timing only.	38,049
Acctg and tax fees	-	-	-		4,000
Postage	568	678	110		600
Travel & ent	1,150	400	(750)		307
Trustee Fees	-	-	-		5,000
Capital expenditures/ IT Outsourcing	8,646	8,142	(504)		6,967
Other Servicing	5,997	49,351	43,354	lower than anticipated 3rd party fees	650
Downlines	0	-	(0)		-
LTPC transfers	-	-	-		-
Shipping/Postage	-	-	-		-
DIP Financing (interest and payments)	11,097	11,668	571		(0)
Total cash out	137,461	229,327	91,866		123,806
Net cash	154,441	(177,130)	331,571		38,806
Cash at End of Period per Bank	364,101				

Exhibit A 1/2

TWG Capital, Inc.
Current Business Income And Expenses (Cash Basis) - Oct-Dec 2012

	Actual Oct-Dec	Projected Oct-Dec	YTD Positive (Negative) Variance	YTD Variance Explanation
Cash at Beginning of Period per Bank	165,850			
Management fees	221,042	195,872	25,170	Includes \$14k in IR1 servicing fee rev not budgeted and greater IR7 and IR Finance fees
Progeny servicing fee/LTPC	82,653	10,200	72,453	Includes \$30k from LTPC settlement and additional servicing fees from LTPC and Affinion not previously anticipated
Other (downline, expense reserve, LTPC)	281,456	5,000	276,456	Includes \$200k in DIP financing, addtl \$7k from IR1 dist. and \$54k for Reology Receivable collection
Total cash in	585,151	211,072	374,079	
Payroll, benefits, and payroll taxes	159,288	174,836	15,548	Overall lower salary cost due to lower FTE
Insurance (Health, Disability, Etc.)	30,644	27,621	(3,023)	
Rent	9,448	9,447	(0)	
Bank service fee	30	30	-	
Phone	3,437	4,011	574	
Licenses	2,538	2,130	(408)	
Office supplies	574	1,030	456	
Paychex	874	804	(70)	
IR1 Downlines	860	-	(860)	
Legal and Professional	123,290	240,000	116,710	Lower than anticipated fees, possibly only timing in nature
Acctg and tax fees	1,664	5,652	3,988	Lower than anticipated fees, possibly only timing in nature
Postage	1,246	1,778	532	
Travel & ent	2,712	1,300	(1,412)	
Trustee Fees	-	5,000	5,000	timing of payment vs budgeted
Capital expenditures/ IT Outsourcing	22,577	25,095	2,518	
Other Servicing	7,120	97,501	90,381	lower than anticipated use of 3rd party fees
Downlines	(0)	-	0	
LTPC transfers	-	-	-	
Shipping/Postage	-	-	-	
DIP Financing (interest and payments)	20,600	15,537	(5,063)	Lower than anticipated need for borrowing under DIP
Total cash out	386,900	611,772	224,872	
Net cash	198,251	(400,700)	598,951	
Cash at End of Period per Bank	364,101			

Exhibit A 2/2

Listing of Debts Incurred Since Bakruptcy That Have Not Been Paid

Type	Date	Name	Purpose	Due Date	Open Balance
Bill	10/17/2012	Faegre Baker Daniels LLP	Legal Fees	10/27/2012	7,663.60
Bill	11/07/2012	Faegre Baker Daniels LLP	Legal Fees	11/17/2012	11,169.50
Bill	11/30/2012	Faegre Baker Daniels LLP	Legal Fees	12/10/2012	9,185.90
Bill	12/01/2012	Consolidated Brokers Insurance	Downline for Nord, MGA	12/11/2012	2,557.08
Bill	12/01/2012	Barbara Bucholz	Downline for Nord, MGA	12/11/2012	547.70
Bill	12/01/2012	Clayton Perry	Downline for Nord, MGA	12/11/2012	264.90
Bill	12/01/2012	Dean Paulsen	Downline for Nord, MGA	12/11/2012	33.23
Bill	12/01/2012	Mark LaJoie	Downline for Nord, MGA	12/11/2012	51.44
Bill	12/01/2012	Phillip DeSoto	Downline for Nord, MGA	12/11/2012	126.54
Bill	12/01/2012	Terri Morast	Downline for Nord, MGA	12/11/2012	385.12
Bill	12/01/2012	Donald Johnson	Downline for Nord, MGA	12/11/2012	63.60
Bill	12/01/2012	Ron Pfieffe	Downline for Nord, MGA	12/11/2012	207.56
Bill	12/01/2012	Jeffrey Wilson	Downline for Nord, MGA	12/11/2012	17.72
Bill	12/01/2012	AAA OREGON	Downline for Nord, MGA	12/11/2012	569.92
Bill	12/01/2012	AAA IDAHO ASSOCIATION	Downline for Nord, MGA	12/11/2012	174.19
Bill	12/01/2012	Jeff Hovey	Downline for Nord, MGA	12/11/2012	350.80
Bill	12/01/2012	Jim Conner	Downline for Nord, MGA	12/11/2012	126.64
Bill	12/01/2012	Susan Throssel	Downline for Nord, MGA	12/11/2012	73.80
Bill	12/01/2012	Alan Feist	Downline for Nord, MGA	12/11/2012	303.07
Bill	12/01/2012	Lawrence Lee	Downline for Nord, MGA	12/11/2012	33.71
Bill	12/01/2012	Rick Baumgartner	Downline for Nord, MGA	12/11/2012	67.92
Bill	12/01/2012	Rosemary Johnson	Downline for Nord, MGA	12/11/2012	188.09
Bill	12/01/2012	Barbara Quaife-Hopkins	Downline for Nord, MGA	12/11/2012	369.52
Bill	12/01/2012	John Westman - MGA Downlines	Downline for Nord, MGA	12/11/2012	504.93
Bill	12/01/2012	Automobile Club Insurance Agency	Downline for Nord, MGA	12/11/2012	270.82
Bill	12/01/2012	WASHINGTON STATE GRANGE CO-OP	Downline for Nord, MGA	12/11/2012	109.92
Bill	12/01/2012	Linda Volosin	Downline for Nord, MGA	12/11/2012	423.75
Bill	12/01/2012	DAVID FRANCO	Downline for Nord, MGA	12/11/2012	516.10
Bill	12/01/2012	Indianapolis Power & Light Company	Utility	01/25/2013	92.79
Bill	12/17/2012	BMC Group, Inc	Legal Support for Faegre	12/27/2012	8,048.80
Bill	12/21/2012	LEAF	Copier	01/20/2013	668.75
Bill	12/31/2012	CBRE AGF Shadeland	Rent	01/10/2013	3,009.27
Bill	12/31/2012	U.S. Trustee Payment Center	Trustee Fee	01/10/2013	4,875.00
Bill	12/31/2012	The Rose Financial Group, LLC	Employee Benefit Provider	01/30/2013	447.50

Exhibit B

TWG Capital, Inc.
Schedule of Receivables
31-Dec-12

<u>Name</u>	<u>Amount</u>	<u>Date Due</u>
Imagine Reinsurance	\$ 30,000.00	Jan-13

exhibit C



141601002951

KeyNotes (con't)**IMPORTANT NOTICE ABOUT CHANGES TO YOUR AGREEMENT FOR SMALL BUSINESS DEBIT CARD AND ELECTRONIC FUNDS TRANSFER SERVICES**

The following revisions will be made amending the Agreement for Small Business Debit Card and Electronic Funds Transfer Services provided to you when you opened your KeyBank Account, as amended. All changes will be effective February 23, 2013. Section 4. TYPES OF AVAILABLE TRANSACTIONS AND LIMITS ON TRANSACTIONS INITIATED USING YOUR CARD. (a) Account Access. will be revised to include additional information about restrictions on use of your Card. KeyBank will restrict use of your Card in any jurisdiction or country where such use would be contrary to applicable law or regulation, or which is identified as presenting a high risk of fraud. Please call 1-800-KEY2YOU for the current list of countries where transactions are restricted.

Section 4. TYPES OF AVAILABLE TRANSACTIONS AND LIMITS ON TRANSACTIONS INITIATED USING YOUR CARD. (b) Limits on Dollar Amount of Card Transactions. will be revised to reflect changes to the Daily POS Purchase and Daily PIN/POS Purchase limits. There will be a new combined Daily Signature/PIN Purchase limit of \$10,000 for your KeyBank Business Debit MasterCard or your KeyBank Business Rewards Debit Mastercard.

Section 6. TERMINATION OF YOUR CARD. will be revised by adding the following sentence after the fifth sentence in this section: We may close or not reissue your ATM or Debit Card if there has not been any activity on the Card for 12 months.

Please read and retain this important information with all of your Account opening Agreements and Disclosures.

get tax forms online

Sign up to receive your 2012 Tax Forms online. Online Tax Forms are an eco-friendly, fast and secure way to stay organized. Enroll through Online Banking under the Statements & Documents tab today.

Total Cash Per Bank:

	11/30/12	12/31/12
Operating A/c (A)	142,690.46	297,132.26 (B)
DBA LTFC A/c (C)	66,969.22	66,969.22 (D)
	<u>209,659.68</u>	<u>364,101.48</u>

Key Business Reward Checking 141601002951

TWG CAPITAL, INC.
OPERATING ACCOUNT

Beginning balance 11-30-12	\$142,690.46 (A)
12 Additions	+296,241.68
89 Subtractions	-141,789.88
Net fees and charges	-10.00
Ending balance 12-31-12	\$297,132.26 (B)

Additions

Deposits	Date	Serial #	Source	
	12-4		Easy Savings Office365 Easysavings NY	\$3.60
	12-11	4779	Wire Deposit Insurance Receiv Na	46,538.76
	12-11		Deposit Branch 0160 Indiana	4,335.76

Exhibit D 1/4



141601002951

Additions

(cont)

Deposits	Date	Serial #	Source	
	12-11	4778	Wire Deposit Insurance Receiv Na	2,853.83
	12-12	5600	Wire Deposit Imagine Reinsura 0000	30,000.00
	12-19	4606	Wire Deposit Realogy Services 6445	54,635.19
	12-21		Deposit Branch 0160 Indiana	80,000.00
	12-21	3608	Wire Deposit Imagine Reinsura 0000	11,057.80
	12-24		Easy Savings Avis Easysavings NY	4.07
	12-26		Galic Ddp Credit	12.67
	12-27		Affinion Group lap Payment	6,800.00
	12-31		Deposit Branch 0160 Indiana	60,000.00
			Total additions	\$296,241.68

Subtractions

Paper Checks

* check missing from sequence

Check	Date	Amount	Check	Date	Amount	Check	Date	Amount
919	12-10	\$570.03	*1864	12-10	365.06	*1903	12-24	264.51
920	12-10	1,954.03	*1868	12-11	802.29	1904	12-26	37.52
921	12-14	2,517.69	*1871	12-3	597.63	1905	12-18	125.34
922	12-10	5,464.60	1872	12-4	1,033.41	1906	12-20	197.01
923	12-10	5,927.96	*1882	12-14	7,776.96	*1908	12-31	716.73
924	12-14	69.69	1883	12-10	882.50	*1910	12-21	146.73
925	12-12	555.00	1884	12-10	3,009.27	*1913	12-13	4,335.76
926	12-12	1,435.10	1885	12-7	4,665.00	1914	12-13	859.58
927	12-21	407.59	1886	12-7	175.00	*1916	12-24	420.50
928	12-24	1,954.03	1887	12-12	668.75	1917	12-28	288.36
929	12-26	2,517.69	1888	12-24	3,101.11	1918	12-24	312.77
930	12-21	5,799.51	*1890	12-18	293.30	1919	12-21	62.50
931	12-21	5,927.97	1891	12-19	33.23	1920	12-27	5,525.00
932	12-21	353.74	*1893	12-19	201.60	1921	12-26	275.90
933	12-27	1,435.11	1894	12-31	82.28	1922	12-27	200.00
934	12-21	97.50	*1896	12-31	207.56	1923	12-20	50.00
*1850	12-5	365.21	1897	12-28	17.72	*1925	12-24	200.00
*1855	12-31	12.36	1898	12-19	605.28	*1927	12-24	95.08
*1858	12-10	211.67	1899	12-19	127.90	*1930	12-26	37,720.01
*1861	12-17	1,031.64						

Paper Checks Paid

\$115,087.27

Withdrawals	Date	Serial #	Location	
	12-3		Uhaul 999999 Ws Purchase	\$139.95
	12-3		Cvs Pharmacy #6611 Q03 Indianapolis In	110.36
	12-3		Cvs Pharmacy #6573 Q03 Indianapolis In	53.91
	12-3		Msft *Online 09999999999 WA	36.00
	12-4		Budget Rent-A-Car Indianapolis In	182.41
	12-6		Starbucks #02701 India Indianapolis In	24.03
	12-6		Ind Secretary of State 317 233-2110 In	22.44
	12-7		Georges Neighborhood Indianapolis In	42.09
	12-10		Paychex Tps Taxes	6,927.45
	12-10		Ringcentral, Inc San Mateo CA	115.55
	12-10		Paychex Eib Invoice	102.21
	12-10		Luca Pizza Castleton In	19.59

Exh D 2/4



141601002951

Subtractions

(con't)

Withdrawals	Date	Serial #	Location	
	12-14		Paychex-Hrs Hrs Pmt	88.00
	12-14		Samsclub #8168 Fishers In	81.77
	12-17		Harry & Izzy'S Northsi Indianapolis In	43.60
	12-18		Fry'S Electronics # 43 Fishers In	139.09
	12-19		Comcast of Indianapoli 800-Comcast In	218.09
	12-19		Comcast of Nashville 800-Comcast TN	87.55
	12-20		Starbucks Corp00027383 Whitestown In	32.34
	12-20		Indiana Toll Roads 8668995849 PA	1.70
	12-20		Indiana Toll Roads 8668995849 PA	0.70
	12-21		Paychex Tps Taxes	6,908.35
	12-21		Cooper'S Hawk S Indian Indianapolis In	160.27
	12-21		Pilot 00004481 Hebron In	19.56
	12-21		Mercantile Exchange #0 Chicago IL	18.00
	12-21		J2 *Efax Plus Service 323-817-3205 CA	16.95
	12-24		Payche < Eib Invoice	97.21
	12-24		Avis Rent-A-Car 1 Indianapolis In	81.33
	12-24		Thorntons #0110 Q35 Indianapolis In	24.36
	12-31	5881	Wire Withdrawal Carmel Funding L 9784	10,808.75
	12-31		Netsoft/1099 Express 03618841500 TX	99.00
Total subtractions				\$141,789.88

Fees and charges

Date		Quantity	Unit Charge	
12-10-12	Nov Kbo Manage Access (Monthly)	1	10.00	-\$10.00
Fees and charges assessed this period				-\$10.00

Exh D 3/4



141601002969

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Key Business Reward Checking 141601002969TWG CAPITAL, INC.
DBA LTPC

Beginning balance 11-30-12	\$66,969.22	(C) (15)
Ending balance 12-31-12	\$66,969.22	

Exh D 4/4

TWG Capital, Inc
December 31, 2012 Unaudited Financials
Basis of Presentation

The accompanying unaudited financial statements include (or exclude as appropriate), the following items:

On December 31, 2012, the Debtor consummated the sale of substantially all of the assets of the debtor's estate in accordance with Asset Purchase Agreement by and between Carmel Funding LLC previously authorized by the Court. The attached financial statements reflect the closing of the transaction based on the information available as of the date of this report.

Pursuant to the Settlement Agreement dated November 20, 2012 by and between the Debtor, Lion Trust and Imagine (the "Settlement Agreement"), the pre-petition Downline Claims and the claims of the Downlines for post-petition commission payments have been and will be satisfied by Lion Trust, and the obligations of the Debtor to the Downlines have been extinguished. The debtor has petitioned to the court that the Downline Claims be expunged in light of this Settlement Agreement. Because the Court has not approved this motion, the attached financial statements continue to show the obligations to the Downlines as outstanding.

Exhibit E 1/7

TWG Capital
Balance Sheet

As of December 31, 2012

ASSETS

Current Assets

Checking/Savings

1020 · LTPC Downline Acct	-78,580.48
1030 · Key Bank Operating	276,088.29
1040 · Key Bank LTPC	62,242.42
Total Checking/Savings	259,750.23

Accounts Receivable

1200 · Accounts Receivable	
1201 · IR1-IC Receivable	0.00
1208 · IR7-IC Receivable	48,830.62
1209 · IR Finance 1-IC Receivable	0.00
1200 · Accounts Receivable - Other	30,000.00
Total 1200 · Accounts Receivable	78,830.62

Total Accounts Receivable 78,830.62

Other Current Assets

1250 · Other Current Assets	
1300 · Prepaid Expenses	0.00
1400 · Office Supply Inventory	0.00
1515 · Other Deposits & Advances	0.00
Total 1250 · Other Current Assets	0.00

Total Other Current Assets 0.00

Total Current Assets 338,580.85

Fixed Assets

1500 · Property and equipment, net	
1551 · Property, Plant & Equipment	0.00
1552 · Accumulated Depreciation-PP&E	0.00
Total 1500 · Property and equipment, net	0.00

1554 · Leasehold improvements, net	
1555 · Leasehold Improvements	0.00
1556 · Accum. Depr. - Leasehold Imp.	0.00
Total 1554 · Leasehold improvements, net	0.00

Total Fixed Assets 0.00

Other Assets

1600 · Member Interests	
1601 · Marketing General Agents	38,541.05
1602 · AIMC	-24,219.50

Ex E 2/7

TWG Capital
Balance Sheet

As of December 31, 2012

1610 · Insurance Receivables 1	0.00
1620 · Insurance Receivables 2	150.00
1630 · Insurance Receivables 3	200.00
1660 · Insurance Receivables 6	-18,034.28
1670 · Insurance Receivables 7	-54,402,271.67
1691 · IR Finance 1, LLC	0.00
Total 1600 · Member Interests	-54,405,634.40
1710 · Loan Origination Costs	
1712 · Accumulated Amortization-Loan	-1,948,156.38
1710 · Loan Origination Costs - Other	1,950,643.20
Total 1710 · Loan Origination Costs	2,486.82
1740 · Origination Costs	
1741 · Accumulated Amortization - Orig	-664,124.54
1740 · Origination Costs - Other	1,237,953.26
Total 1740 · Origination Costs	573,828.72
1800 · Deferred Tax Assets	12,805,574.00
Total Other Assets	-41,023,744.86
TOTAL ASSETS	-40,685,164.01
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	
2001 · IR1-IC Payable	286.52
2007 · IR7 - IC payable	372,021.21
2008 · MGA - IC Payable	28,434.41
2040 · Accounts Payable - LTPC	0.00
2041 · A/P - LTPC SR Payment Contra	-718,060.74
2040 · Accounts Payable - LTPC - Other	1,613,314.63
Total 2040 · Accounts Payable - LTPC	895,253.89
2000 · Accounts Payable - Other	162,154.72
Total 2000 · Accounts Payable	1,458,150.75
Total Accounts Payable	1,458,150.75
Other Current Liabilities	
2045 · DIP Financing	0.00
2055 · 401K Liability	1,410.56
2056 · Medical Insurance Liabilities	7,929.25
2059 · FSA - Medical	952.61

EXLE 3/7

TWG Capital
Balance Sheet
As of December 31, 2012

2100 · Accrued Expenses	0.00
2101 · Accrued Accounting Expenses	34,599.50
2104 · Accrued Wage Expense	179,444.44
2106 · Accrued Dividend	1,610,264.50
2113 · Accrued Federal Income Tax	578.82
2114 · Accrued Indiana Income Tax	144.70
2115 · Accrued Downline/First Years	8,910.65
Total 2100 · Accrued Expenses	<u>1,833,942.61</u>
2500 · Deferred Income Tax Liabilities	4,188,282.00
2510 · Deferred Tax Valuation Allowanc	8,617,292.00
Total Other Current Liabilities	<u>14,649,809.03</u>
Total Current Liabilities	16,107,959.78
Long Term Liabilities	
2525 · Deferred Revenue - Orig Fee	216,289.48
2526 · Deferred Rev - Orig Fee Amort	-157,262.73
2600 · Notes Payable	0.00
2610 · Notes Payable to Cardinal	74,000.00
2600 · Notes Payable - Other	27,771.19
Total 2600 · Notes Payable	<u>101,771.19</u>
Total Long Term Liabilities	<u>160,797.94</u>
Total Liabilities	16,268,757.72
Equity	
3000 · Opening Bal Equity	0.01
3110 · Retained Earnings	-59,916,831.31
3520 · Capital Stock	103.25
3521 · Additional Paid-in-Capital	12,698,948.49
3525 · Preferred Stock	2.46
3526 · Preferred Dividend	-2,370,245.45
Net Income	-7,365,899.18
Total Equity	<u>-56,953,921.73</u>
TOTAL LIABILITIES & EQUITY	<u><u>-40,685,164.01</u></u>

Ex E 1/7

December 2012

Ordinary Income/Expense

Income

4010 · Fees

4012 · Management Fees 44,081.09

4016 · Loan Origination Fee 3,546.49

4017 · Loan Service Fee Income 4,231.89

Total 4010 · Fees 51,859.47

4040 · LTPC

4041 · LTPC Downlines -64,563.78

4042 · LTPC Servicing Fees 11,057.80

4040 · LTPC - Other 44,000.00

Total 4040 · LTPC -9,505.98

Total Income 42,353.49

Gross Profit 42,353.49

Expense

6000 · Corporate Expenses

6040 · Amortization Expense 8,274.91

6120 · Bank Service Charges 10.00

6186 · Property Casualty Insurance 85.58

6187 · D & O Insurance 920.81

6202 · Interest Expense

6210 · Finance Charge 10,808.75

Total 6202 · Interest Expense 10,808.75

6230 · Licenses and Permits 947.14

6245 · Online Expense 254.09

6247 · Technology 9,763.58

6550 · Office Supplies 601.87

Total 6000 · Corporate Expenses 31,666.73

6100 · Occupancy Expenses

6150 · Depreciation Expense 1,972.57

6172 · Equipment - Non-Depreciable 1,479.96

6290 · Rent 6,158.49

6301 · Repairs

6750 · Janitorial Exp 175.00

Total 6301 · Repairs 175.00

6390 · Utilities

6400 · Gas and Electric 407.85

Total 6390 · Utilities 407.85

Exh E 5/7

TWG Capital
Profit & Loss

December 2012

Total 6100 · Occupancy Expenses	10,193.87
6200 · Personnel Costs	
6180 · Insurance	
6182 · Health Insurance	7,799.65
6420 · Work Comp	246.92
Total 6180 · Insurance	8,046.57
6560 · Payroll Expense	
6166 · Temporary Employee	97.50
6562 · Gross Wages	57,647.92
6569 · PayChex Service Charges	287.42
6573 · 401K Expense	151.25
Total 6560 · Payroll Expense	58,184.09
Total 6200 · Personnel Costs	66,230.66
6270 · Professional Fees	
6280 · Legal Fees	4,875.00
6650 · Accounting	1,562.50
6270 · Professional Fees - Other	8,048.80
Total 6270 · Professional Fees	14,486.30
6300 · Marketing Expenses	
6225 · Marketing Expense	16.95
6340 · Telephone	536.05
Total 6300 · Marketing Expenses	553.00
6350 · Travel & Ent	
6355 · Auto	263.74
6360 · Entertainment	43.60
6365 · Fuel	43.92
6370 · Meals	125.46
6372 · Parking	18.00
6380 · Travel	2.40
6382 · Holiday Party	0.00
6350 · Travel & Ent - Other	660.27
Total 6350 · Travel & Ent	1,157.39
6820 · Taxes	
6830 · Federal	
6833 · Social Security-Employer	1,159.90
6834 · Medicare-Employer	754.56
6835 · FUTA	13.72
Total 6830 · Federal	1,928.18

Exh E 6/7

TWG Capital
Profit & Loss
December 2012

6860 · State	
6866 · SUTA	157.93
Total 6860 · State	<u>157.93</u>
 Total 6820 · Taxes	 <u>2,086.11</u>
 Total Expense	 <u>126,374.06</u>
 Net Ordinary Income	 -84,020.57
 Other Income/Expense	
Other Income	
4020 · IR2 Member Income	0.00
4030 · IR3 Member Income	0.00
4035 · IR5 Member Income	0.00
4036 · IR6 Member Income	0.00
7030 · Other Income	-568,055.20
Total Other Income	<u>-568,055.20</u>
 Net Other Income	 <u>-568,055.20</u>
 Net Income	 <u><u>-652,075.77</u></u>

Ex E 7/7