

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

UNITED STATES BANKRUPTCY COURT

Southern District of Indiana

In re

TWG Capital Inc.
Debtor

Case No.

12-11019-BHL-11

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month:

January 2013

Date filed:

February 15, 2013

Line of Business:


Specialty Finance Company
Serving The Insurance Industry

NAISC Code:

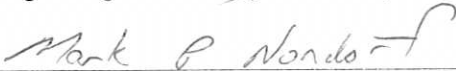
524298

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 type="checkbox"/> | <input checked="" type="checkbox"/> (2) |
| 13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT? | <input type="checkbox"/> | <input checked="" type="checkbox"/> (2) |

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

(2) DIP is now closed @ 12/31/12

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

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

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 \$

*(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 \$

*(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.

*(Exhibit F)***EMPLOYEES**

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

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

PROFESSIONAL FEES**BANKRUPTCY RELATED:**

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

\$ 10,416

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

\$ 132,173

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

SEE
Exhibit BSEE
Exhibit CSEE
Exhibit D6 (6 full time)
0 (part time)
1 (1 full time)

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 January

	Actual January	Projected January	Monthly Positive (Negative) Variance	January Variance Explanation	Est February
Cash at Beginning of Period per Bank	364,101				
Management fees	-	44,612	(44,612)	IR7 Fees were budgeted but servicing transferred to Carmel Funding 1/1/13	30,000
Progeny servicing fee/LTPC	5,280	43,000	(37,720)	Imagin receivable of \$30k not received	9,843
Other (downline, expense reserve, LTPC)	43,542	75,000	(31,458)	IR1 Dividend and Progeny servicing was budgeted but sold on 12/31 to Carmel Funding	39,843
Total cash in	48,822	162,612	(113,790)		
Payroll, benefits, and payroll taxes	64,271	48,042	(16,229)	Includes payment of \$19k of vacation pay approved by Court	25,486
Insurance (Health, Disability, Etc.)	2,744	7,800	5,056	Lower due to Carmel Funding taking over ops as of 12/31	600
Rent	3,149	3,149	(0)		3,149
Bank service fee	142	210	68		10
Phone	414	1,376	962		1,198
Licenses	28	6,300	6,272	Timing of when licenses renew	3,852
Office supplies	1,795	1,176	(619)		620
Paychex	331	180	(151)		294
IR1 Downlines	-	-	-		-
Legal and Professional	15,291	38,049	22,758	Lower than anticipated legal needs, possibly timing	47,711
Acctg and tax fees	-	4,000	4,000	Tax work will begin in Feb	5,318
Postage	184	600	416		92
Travel & ent	132	307	175		200
Trustee Fees	-	5,000	5,000	Timing, check cashed in Feb	-
Taxes	-	-	-		-
Capital expenditures/ IT Outsourcing	15,587	6,967	(8,620)	Higher than anticipated IT fees for Imagine Settlement	7,234
Other Servicing	1,129	650	(479)		538
Downlines	0	-	(0)		13,409
LTPC transfers	-	-	-		-
Orig Arranger Fees	-	-	-		-
Shipping/Postage	-	-	-		-
Marketing Expense	-	-	-		-
DIP Financing (interest and payments)	-	-	-		-
Total cash out	10,809	-	(10,809)		-
Net cash	116,007	123,806	7,799		109,710
	(67,184)	38,806	(105,990)		(69,867)
Cash at End of Period per Bank	296,917				

Exhibit A 1/2

TWG Capital, Inc.
Current Business Income And Expenses (Cash Basis) *- Oct-50r*

	Actual Oct-Jan	Projected Oct-Jan	Filing to Date Positive (Negative) Variance	Filing To Date Variance Explanation
Cash at Beginning of Period per Bank	165,850			
Management fees	221,042	240,484	(19,442)	Includes \$14k in IR1 servicing fee rev not budgeted, less loss of IR7 servicing fees
Progeny servicing fee/LTPC	87,933	53,200	34,733	Includes \$30k from LTPC settlement and additional servicing fees from LTPC and Affinion not previously anticipated
Other (downline, expense reserve, LTPC)	324,999	80,000	244,999	Includes \$200k in DIP financing, add'l \$7k from IR1 dist. and \$54k for Reaology Receivable collection
Total cash in	633,974	373,684	260,290	
Payroll, benefits, and payroll taxes	223,559	222,878	(681)	
Insurance (Health, Disability, Etc.)	33,388	35,421	2,033	
Rent	12,597	12,596	(1)	
Bank service fee	172	240	68	
Phone	3,851	5,387	1,536	
Licenses	2,567	8,430	5,863	
Office supplies	2,368	2,206	(162)	
Paychex	1,205	984	(221)	
IR1 Downlines	860	-	(860)	
Legal and Professional	138,580	278,049	139,469	Lower than anticipated fees, possibly only timing in nature
Acctg and tax fees	1,664	9,652	7,988	Lower than anticipated fees, possibly only timing in nature
Postage	1,430	2,378	948	
Travel & ent	2,844	1,607	(1,237)	
Trustee Fees	4,875	10,000	5,125	timing of payment vs budgeted
Taxes	-	-	-	
Capital expenditures/ IT Outsourcing	38,164	32,062	(6,102)	
Other Servicing	3,375	98,151	94,776	lower than anticipated use of 3rd party fees
Downlines	(0)	-	0	
LTPC transfers	-	-	-	
Orig Arranger Fees	-	-	-	
Shipping/Postage	-	-	-	
Marketing Expense	-	-	-	
DIP Financing (interest and payments)	-	-	-	
Total cash out	31,409	15,537	(15,872)	Lower than anticipated need for borrowing under DIP
Net cash	502,907	735,578	232,671	
	131,067	(361,894)	492,961	
Cash at End of Period per Bank	296,917			

Exhibit A²

Listing of Debts Incurred Since Bankruptcy, That Have Not Been Paid

Type	Date	Name	Purpose	Open Balance
Bill	10/17/2012	Faegre Baker Daniels LLP	Legal Fees	7,663.60
Bill	11/07/2012	Faegre Baker Daniels LLP	Legal Fees	11,169.50
Bill	11/30/2012	Faegre Baker Daniels LLP	Legal Fees	9,185.90
Bill	12/31/2012	Mark Nondorf	Expense Reimbursement	392.27
Bill	12/31/2012	CT Corporation	Corp Registry Fees	284.00
Bill	12/31/2012	CT Corporation	Corp Registry Fees	284.00
Bill	12/31/2012	CT Corporation	Corp Registry Fees	284.00
Bill	12/31/2012	Global Securitization Services, LLC	Independent Director Fee	3,500.00
Bill	12/31/2012	CBRE AGF Shadeland	Rent	3,009.27
Bill	01/01/2013	Consolidated Brokers Insurance	Downline for Nord, MGA	3,869.89
Bill	01/01/2013	Barbara Bucholz	Downline for Nord, MGA	234.11
Bill	01/01/2013	Clayton Perry	Downline for Nord, MGA	294.02
Bill	01/01/2013	Mark LaJoie	Downline for Nord, MGA	51.44
Bill	01/01/2013	Phillip DeSoto	Downline for Nord, MGA	157.91
Bill	01/01/2013	Terri Murast	Downline for Nord, MGA	8.31
Bill	01/01/2013	Donald Johnson	Downline for Nord, MGA	129.15
Bill	01/01/2013	Ron Pfeifle	Downline for Nord, MGA	251.28
Bill	01/01/2013	Jeffrey Wilson	Downline for Nord, MGA	540.24
Bill	01/01/2013	AAA OREGON	Downline for Nord, MGA	742.59
Bill	01/01/2013	AAA IDAHO ASSOCIATION	Downline for Nord, MGA	215.09
Bill	01/01/2013	Jeff Hovey	Downline for Nord, MGA	622.65
Bill	01/01/2013	Jim Conner	Downline for Nord, MGA	112.48
Bill	01/01/2013	Susan Throssel	Downline for Nord, MGA	60.96
Bill	01/01/2013	Alan Feist	Downline for Nord, MGA	298.13
Bill	01/01/2013	Lawrence Lee	Downline for Nord, MGA	176.85
Bill	01/01/2013	Rick Baumgartner	Downline for Nord, MGA	76.51
Bill	01/01/2013	Rosemary Johnson	Downline for Nord, MGA	308.58
Bill	01/01/2013	Barbara Quaife-Hopkins	Downline for Nord, MGA	760.76
Bill	01/01/2013	John Westman - MGA Downlines	Downline for Nord, MGA	511.17
Bill	01/01/2013	Automobile Club Insurance Agency	Downline for Nord, MGA	438.04
Bill	01/01/2013	WASHINGTON STATE GRANGE CO-OP	Downline for Nord, MGA	520.44
Bill	01/01/2013	Linda Volosin	Downline for Nord, MGA	709.36
Bill	01/01/2013	DAVID FRANCO	Downline for Nord, MGA	2,269.05
Bill	01/01/2013	Indianapolis Power & Light Company	Utility	92.79
Bill	01/07/2013	Comcast	Utility	218.09
Bill	01/18/2013	Citizens Gas	Utility	194.24
Bill	01/18/2013	QuickShred	Recycling	45.00
Bill	01/21/2013	LEAF	Copier	1,059.27
Bill	01/31/2013	Innovative Intergration, Inc.	IT Consulting	300.00
Bill	01/31/2013	Melanie Otto	Expense Reimbursement	206.11
Bill	01/31/2013	Allegient	IT Consulting	82.50
Bill	01/31/2013	Peters, Browning & Co., P.C.	Accounting/Tax Prep	850.00

Exhibit B

TWG Capital, Inc.
Schedule of Receivables
January 31, 2013

<u>Name</u>	<u>Amount</u>	<u>Date Due</u>
Imagine Reinsurance	\$ 30,000.00	Jan-13
Carmel Funding	250.00	Feb-13
	<u>\$ 30,250.00</u>	

Exhibit C



Business Banking Statement
January 31, 2013
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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 TRANSACTIONSS 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.

Please see the end of the statement for important information about the following:
Important information about the KeyBank Rewards Program and changes to the KeyBank Rewards Program Terms and Conditions..

Key Business Reward Checking 141601002951

TWG CAPITAL, INC.
OPERATING ACCOUNT

Total Cash Per Bank:

	12/31/12	1/31/13
Operating a/c	(A) 297,132.26	229,947.49 (B)
DBA LTPL	(C) 66,969.22	66,969.22 (D)
	<u>364,101.48</u>	<u>296,916.71</u>

Beginning balance 12-31-12	\$297,132.26 (A)
8 Additions	+59,032.74
58 Subtractions	-126,207.51
Net fees and charges	-10.00
Ending balance 1-31-13	\$229,947.49 (B)

Rewards

Rewards point balance, as of 01-31-2013 33,752

Rewards Number	Name
141601002951000	TWGCAPITAL, INC.

Rewards Number	Name
141601002951001	MARKP NONDORF

Exhibit A 1/4



Business Banking Statement
January 31, 2013
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Rewards (con't)

Rewards Number Name

141601002951002 MELANIES OTTO

Rewards Number Name

Visit key.com/rewards for details

Additions

Deposits	Date	Serial #	Source	
	1-2		Uta/Galic Ltc Ddp Credit	\$37.14
	1-2		Galic Ddp Credit	2.43
	1-2		Galic Ddp Credit	1.65
	1-3		Easy Savings Office365 Easysavings NY	3.60
	1-18	9362	Wire Deposit Whg Hospitality 6429	36,139.90
	1-18	8915	Wire Deposit Imagine Reinsura 0000	6,993.66
	1-25	5859	Wire Deposit Imagine Reinsura 0000	12,121.61
	1-29		Deposit Branch 0160 Indiana	3,732.75
Total additions				\$59,032.74

Subtractions

Paper Checks

* check missing from sequence

Check	Date	Amount	Check	Date	Amount	Check	Date	Amount
935	1-10	\$3,032.00	1912	1-7	426.01	*1938	1-28	264.90
936	1-14	1,129.91	*1915	1-15	568.17	*1944	1-31	207.56
937	1-11	2,561.10	*1924	1-2	50.00	*1946	1-29	569.92
938	1-10	2,496.13	*1926	1-2	250.00	1947	1-29	174.19
939	1-10	62.49	*1928	1-2	4,950.00	*1952	1-28	33.71
940	1-15	2,253.72	1929	1-10	7,799.65	*1962	1-28	2,366.83
*1889	1-16	315.47	*1931	1-8	8,048.80	1963	1-25	335.19
*1892	1-4	61.10	1932	1-7	3,009.27	1964	1-29	447.50
*1900	1-18	109.82	1933	1-8	4,690.00	1965	1-28	4,875.00
*1902	1-3	106.89	1934	1-7	175.00	1966	1-28	330.00
*1909	1-3	251.11	1935	1-10	668.75	1967	1-28	312.50
*1911	1-2	265.51	1936	1-31	2,557.08	1968	1-28	3,960.00

Paper Checks Paid \$59,715.28

Withdrawals	Date	Serial #	Location	
	1-2		Vtf*State Insur Licens 517-381-3860 MI	\$924.70
	1-2		Stapls9235527101000 800-3333330 CA	209.66
	1-2		Uhaul 999999 Ws Purchase	139.95
	1-2		Msft *Online 0999999999999999 WA	36.00
	1-2		Starbucks #02701 India Indianapolis In	7.41
	1-3		Marsh 100 W 08009786273 Ia	621.00
	1-3		Office Depot #1170 800-463-3768 OH	128.81
	1-3		Office Depot #1170 800-463-3768 OH	115.53
	1-3		Office Depot #1170 800-463-3768 OH	8.71
	1-3		Office Depot #1105 800-463-3768 IL	3.48
	1-4		Withdrawal Branch 0160 Indiana	250.00
	1-7		Dolrtree 2419 00024190 Indianapolis In	5.35
	1-10		Paychex Tps Taxes	6,182.16

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Business Banking Statement
January 31, 2013
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Subtractions

(con't)

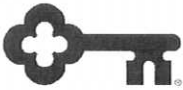
<i>Withdrawals</i>	<i>Date</i>	<i>Serial #</i>	<i>Location</i>	
	1-10		Paychex Eib Invoice	120.17
	1-11		Paychex-Hrs Hrs Pmt	116.75
	1-14		Nw Trust Contrib	955.28
	1-14		Nw Trust Contrib	455.28
	1-22		Paychex Tps Taxes	460.32
	1-22		J2 *Efax Plus Service 323-817-3205 CA	16.95
	1-31		Nw Trust Contrib	585.82

<i>Transfers</i>	<i>Date</i>	<i>Serial #</i>	<i>Destination</i>	
	1-22		Trf To DDA 0000141601004049 0101	\$36,139.90
	1-25		Trf To DDA 0000141601004049 0101	19,009.00
Total subtractions				\$126,207.51

Fees and charges

<i>Date</i>		<i>Quantity</i>	<i>Unit Charge</i>	
1-9-13	Dec Kbo Manage Access (Monthly)	1	10.00	-\$10.00
Fees and charges assessed this period				-\$10.00

Ex D 3/4



141601002969

KeyNotes (con't)

IMPORTANT NOTICE ABOUT CHANGES TO YOUR AGREEMENT FOR SMALL BUSINESS DEBIT CARD AND ELECTRONIC FUNDS TRANSFER SERVICES

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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.

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Important information about the KeyBank Rewards Program and changes to the KeyBank Rewards Program Terms and Conditions.

Key Business Reward Checking 141601002969

TWG CAPITAL, INC.
DBA LTPC

Beginning balance 12-31-12	(C)	\$66,969.22
Ending balance 1-31-13	(D)	\$66,969.22

Rewards

Rewards point balance, as of 01-31-2013 600

Rewards Number	Name
141601002969000	TWGCAPITAL, INC.
141601002969001	MELANIES OTTO

Rewards Number	Name
141601002969002	MARK P NONDORF

Visit key.com/rewards for details

Ex D 7/1

TWG Capital, Inc
January 31, 2013 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. The Court has approved this motion. Accordingly, the obligation to Dowlines has been reduced. The corresponding offset was to retained earnings.

In addition, certain non-cash intangibles, such as unamortized origination expenses and deferred revenue, were written off as the underlying asset or earning process was sold as part of the sale of assets to Carmel Funding LLC. The impact of that write-off was included as an adjustment to retained earnings.

Exhibit E 1/6

TWO Capital
Balance Sheet
As of January 31, 2013

ASSETS

Current Assets

Checking/Savings

1020 · LTPC Downline Acct	-78,580.48
1030 · Key Bank Operating	216,734.10
1040 · Key Bank LTPC	62,242.42

Total Checking/Savings 200,396.04

Accounts Receivable

1200 · Accounts Receivable	
1201 · IR1-IC Receivable	0.00
1208 · IR7-IC Receivable	28,818.65
1209 · IR Finance 1-IC Receivable	0.00
1200 · Accounts Receivable - Other	30,250.00

Total 1200 · Accounts Receivable 59,068.65

Total Accounts Receivable 59,068.65

Other Current Assets

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

Total Other Current Assets 0.00

Total Current Assets 259,464.69

Fixed Assets

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

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

Total Fixed Assets 0.00

Other Assets

1600 · Member Interests	
1601 · Marketing General Agents	38,541.05

Ex E 2/6

TWG Capital
Balance Sheet
As of January 31, 2013

1602 · AIMC	-24,219.50
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	0.00
1710 · Loan Originator Costs - Other	0.00
Total 1710 · Loan Origination Costs	0.00
1740 · Origination Costs	
1741 · Accumulated Amortization - Orig	0.00
1740 · Origination Costs - Other	0.00
Total 1740 · Origination Costs	0.00
1800 · Deferred Tax Assets	12,805,574.00
Total Other Assets	-41,600,060.40
TOTAL ASSETS	-41,340,595.71
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	
2001 · IR1-IC Payable	1,501.49
2007 · IR7 - IC payable	0.00
2008 · MGA - IC Payable	28,685.50
2040 · Accounts Payable - LTPC	
2041 · A/P - LTPC SR Payment Contra	0.00
2040 · Accounts Payable - LTPC - Other	479,069.02
Total 2040 · Accounts Payable - LTPC	479,069.02
2000 · Accounts Payable - Other	161,025.04
Total 2000 · Accounts Payable	670,281.05
Total Accounts Payable	670,281.05
Other Current Liabilities	
2045 · DIP Financing	0.00
2050 · Payroll Liabilities	-460.32

Ex E 3/6

TWG Capital
Balance Sheet
As of January 31, 2013

2056 · Medical Insurance Liabilities	7,929.25
2059 · FSA - Medical	952.61
2100 · Accrued Expenses	
2101 · Accrued Accounting Expenses	0.00
2104 · Accrued Wage Expense	179,444.44
2106 · Accrued Dividend	1,634,884.50
2113 · Accrued Federal Income Tax	578.82
2114 · Accrued Indiana Income Tax	144.70
2115 · Accrued Downline/First Years	14,875.07
Total 2100 · Accrued Expenses	1,829,927.53
2500 · Deferred Income Tax Liabilities	4,188,282.00
2510 · Deferred Tax Valuation Allowanc	8,617,292.00
Total Other Current Liabilities	14,643,923.07
Total Current Liabilities	15,314,204.12
Long Term Liabilities	
2525 · Deferred Revenue - Orig Fee	0.00
2526 · Deferred Rev - Orig Fee Amort	0.00
2600 · Notes Payable	
2610 · Notes Payable to Cardinal	74,000.00
2600 · Notes Payable - Other	27,771.19
Total 2600 · Notes Payable	101,771.19
Total Long Term Liabilities	101,771.19
Total Liabilities	15,415,975.31
Equity	
3000 · Opening Bal Equity	0.01
3110 · Retained Earnings	-67,010,680.60
3520 · Capital Stock	103.25
3521 · Additional Paid-in-Capital	12,698,948.49
3525 · Preferred Stock	2.46
3526 · Preferred Dividend	-2,394,865.45
Net Income	-50,079.18
Total Equity	-56,756,571.02
TOTAL LIABILITIES & EQUITY	-41,340,595.71

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Accrual Basis

TWG Capital
Profit & Loss
January 2013

	Jan 13
Ordinary Income/Expense	
Income	
4010 · Fees	
4013 · Servicing Fee Textron	12,121.61
4016 · Loan Origination Fee	3,546.49
Total 4010 · Fees	15,668.10
Total Income	15,668.10
Gross Profit	15,668.10
Expense	
6000 · Corporate Expenses	
6040 · Amortization Expense	7,800.63
6120 · Bank Service Charges	10.00
6186 · Property Casualty Insurance	85.58
6187 · D & O Insurance	920.83
6188 · E & O Insurance	621.00
6240 · Miscellaneous	45.00
6245 · Online Expense	254.09
6247 · Technology	9,671.40
6550 · Office Supplies	5.35
Total 6000 · Corporate Expenses	19,413.88
6100 · Occupancy Expenses	
6150 · Depreciation Expense	1,478.08
6172 · Equipment - Non-Depreciable	1,356.49
6290 · Rent	139.95
6301 · Repairs	
6750 · Janitorial Exp	175.00
Total 6301 · Repairs	175.00
6390 · Utilities	
6400 · Gas and Electric	529.43
Total 6390 · Utilities	529.43
Total 6100 · Occupancy Expenses	3,678.95
6200 · Personnel Costs	
6180 · Insurance	
6420 · Work Comp	246.92
Total 6180 · Insurance	246.92
6560 · Payroll Expense	
6562 · Gross Wages	15,848.11
6569 · PayChex Service Charges	236.92
6573 · 401K Expense	149.17
Total 6560 · Payroll Expense	16,234.20
Total 6200 · Personnel Costs	16,481.12
6270 · Professional Fees	
6650 · Accounting	1,562.50
6270 · Professional Fees - Other	2,366.83
Total 6270 · Professional Fees	3,929.33
6300 · Marketing Expenses	
6225 · Marketing Expense	16.95
6250 · Postage and Delivery	184.00
6340 · Telephone	620.05
Total 6300 · Marketing Expenses	821.00
6820 · Taxes	
6830 · Federal	
6833 · Social Security-Employer	982.59
6834 · Medicare-Employer	229.79

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Accrual Basis

TWG Capital
Profit & Loss
 January 2013

	Jan 13
6835 · FUTA	95.09
Total 6830 · Federal	1,307.47
6860 · State	
6866 · SUTA	1,147.75
Total 6860 · State	1,147.75
Total 6820 · Taxes	2,455.22
Total Expense	46,779.50
Net Ordinary Income	-31,111.40
Other Income/Expense	
Other Income	
7030 · Other Income	41.22
Total Other Income	41.22
Other Expense	
8010 · Other Expenses	19,009.00
Total Other Expense	19,009.00
Net Other Income	-18,967.78
Net Income	-50,079.18

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