

**Exhibit D**

EXECUTION COPY

MONITORING AGREEMENT (this "Agreement") dated as of December 30, 2004 is among TWG Capital, Inc., a Delaware corporation ("TWG"), individually and in its capacity as monitor, Lion 2004 Receivables Trust, a Delaware statutory trust (the "Trust"), and Imagine International Reinsurance Limited, an Irish registered company ("Imagine").

#### RECITALS

Capitalized terms used in these Recitals are used as defined in Section 1.

The Trust wants to engage the services of TWG as monitor with respect to the Commissions and related matters as set forth herein (the "Monitor"), TWG is willing to provide such services with the consent of Imagine, which is willing to consent thereto.

#### AGREEMENT

Accordingly, in consideration of the premises, the terms and conditions herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

#### SECTION 1 - DEFINITIONS

Terms used but not defined herein are used as defined in the Distribution Agreement (as defined below). As used in this Agreement, the following terms shall have the following meanings:

"Commission Purchase Agreement"	The Commission Purchase Agreement dated as of the date hereof between Long Term Preferred Care, Inc. and the Trust, as the same may be amended or supplemented from time to time.
"Distribution Agreement"	The Distribution Agreement dated as of the date hereof between Imagine and TWG, as the same may be amended or supplemented from time to time.
"Early Termination Event"	Any event that would be a Profit Sharing Rate Adjustment Trigger under the Distribution Agreement; provided, however, that a Profit Sharing Rate Adjustment Trigger described in any of the following provisions of the Distribution Agreement shall not be an Early Termination Event if it was beyond the reasonable control of the Monitor or any affiliate thereof and was not caused by the Monitor or any affiliate thereof: <ul style="list-style-type: none"><li>• Section 3(a) of the Distribution Agreement;</li><li>• Section 3(b) of the Distribution Agreement;</li><li>• Section 3(c) of the Distribution Agreement; or</li><li>• paragraph 3 of Section 3(j) of the Distribution Agreement.</li></ul>
"Imagine"	Imagine International Reinsurance Limited, an Irish registered company.
"Monitor"	TWG and its successors as Monitor under this Agreement.
"Trust"	Lion 2004 Receivables Trust, a Delaware statutory trust.
"TWG"	TWG Capital, Inc., a Delaware corporation.

SECTION 2 – APPOINTMENT OF MONITOR; TERM AND TERMINATION; APPOINTMENT OF SUCCESSOR MONITOR; COMPENSATION

Section 2(a) – Appointment of Monitor      Upon the terms and subject to the conditions of this Agreement, the Trust hereby appoints TWG to serve as Monitor pursuant to and in accordance with this Agreement, TWG hereby accepts such appointment, and Imagine consents to such appointment.

Section 2(b) – Term      The term of this Agreement shall commence on the date hereof and shall end on the earlier of the following dates:

1.      Subject to the last sentence of this paragraph 1, the date on which the parties hereto all agree that this Agreement shall be terminated, which date shall be an anniversary of the date hereof unless otherwise agreed. If a party wishes to propose such termination, it shall give not fewer than 180 days' notice of such proposal to the other parties hereto, or such fewer days' notice as shall be acceptable to the other parties. In the event the parties agree to terminate this Agreement, (i) this Agreement shall terminate only as to the predecessor Monitor, and the effectiveness of such termination shall be subject to the condition that a successor Monitor shall have been appointed in accordance with Section 2(c), (ii) such successor Monitor shall be designated by all the parties hereto, (iii) such successor Monitor may, but need not, be one of the parties hereto or one of its affiliates, and (iv) such successor Monitor shall be appropriately licensed to perform its obligations hereunder.
2.      Subject to the last sentence of this paragraph 2, the date specified as an "Early Termination Date" in a notice given by Imagine to the other parties hereto to the effect that an Early Termination Event shall have occurred (and specifying such Early Termination Event). In such event, (i) this Agreement shall terminate only as to the predecessor Monitor, and the effectiveness of such termination shall be subject to the condition that a successor Monitor shall have been appointed in accordance with Section 2(c), (ii) such successor Monitor shall be designated by Imagine, (iii) such successor Monitor shall not, without the consent of TWG, be Imagine or an affiliate of Imagine, and (iv) such successor Monitor shall be appropriately licensed to perform its obligations hereunder.

Section 2(c) – Appointment of Successor Monitor      In any case in which it shall be contemplated by Section 2(b) that a successor Monitor shall be appointed, the effectiveness of such appointment shall be subject to the following conditions:

1.      The successor Monitor shall have been designated in accordance with the relevant provisions of Section 2(b).
2.      The successor Monitor shall have agreed in writing to be bound by this Agreement as the Monitor.

Section 2(d) -      The Monitor shall be entitled to receive from time to time the Monitor Fees

Compensation payable to it pursuant to the Distribution Agreement and the Trust Agreement.

SECTION 3 – MONITORING OBLIGATIONS

Section 3(a) – General

Subject to the more specific provisions of this Agreement, except as otherwise directed by Imagine, the Monitor shall in general service the Commissions and the related rights of the Trust therein. In performing its obligations under this Agreement, the Monitor shall perform its obligations hereunder in good faith and shall use a degree of skill and attention no less than that which the Monitor would exercise with respect to comparable assets that it services for itself.

The Monitor shall have the right to perform any of its duties hereunder either directly or by or through agents, accountants, experts, attorneys, subcontractors and nominees. The Monitor shall exercise reasonable care in the selection of any such agents, accountants, experts, attorneys, subcontractors or nominees. The Monitor shall remain fully responsible for its duties and obligations and shall exercise active supervision and oversight hereunder notwithstanding any delegation to any such agent, accountant, expert, attorneys, subcontractors or nominee.

The Monitor shall comply in all material respects with all laws applicable to it in connection with the performance of its obligations and services under this Agreement.

The Monitor shall not take or omit to take any action under this Agreement that would adversely affect the interests of the Trust or Imagine.

Section 3(b) –  
Reconciliation, Auditing,  
Projections and  
Conservation

The Monitor shall perform the following monitoring obligations with respect to the Commissions:

- (1) Reconciling payments as follows:
  - (a) Receiving electronic (or paper, if applicable) Commission statements and updating the database with current payments, lapses, deaths, premium increases, commission step-downs and premium waivers.
  - (b) Booking payments.
  - (c) Constructing statements on a monthly basis.
  - (d) Reconciling payment amounts with statements.
- (2) Auditing Insurance Company policy statements and Commission statements as follows:
  - (a) Verifying disposition for all expected payments based upon existing policy data.
  - (b) Verifying premium and Commission amounts based upon governing agreements, including:
    - (i) Verifying appropriate step downs.
    - (ii) Verify Commission changes due to rate actions.
- (3) Projecting future cash flows as follows:
  - (a) Developing lapse, mortality and waiver models.
  - (b) Performing cash flow projections based on existing

policyholder base and updated models.

- (4) Implementing conservation efforts as follows:
  - (a) Focusing on identifying policyholders that represent voluntary lapse risk, developing methods to reduce lapse rates cost effectively and building and reviewing financial models of conservation efforts.
  - (b) Managing relationships with agents and Insurance Companies to ensure compliance with existing agreements and to encourage activities that enhance the value of the Commission stream, including:
    - (i) Monitoring agents and policies to detect and prevent churning.
    - (ii) Communicating with Insurance Companies regarding planned policy upgrade programs or impending rate increases.

Section 3(c) – Reporting

The Monitor shall perform the following reporting obligations:

- (1) The Monitor shall deliver the Monthly Report referred to in Section 2 of the Distribution Agreement as required thereby and shall prepare and deliver the insurance commission statement as required by the definition of “Insurance Commission Statement” in the Commission Purchase Agreement, in the form attached hereto as Appendix 7.
- (2) The Monitor shall provide to the Trust and Imagine, on or before the 20th Business Day following the end of each Month of Agreement, a report (the “Reconciliation Report”), in the form of Appendix 1, as modified from time to time by agreement of the Monitor and Imagine. Each Reconciliation Report shall report in reasonable detail on all activities performed by the Monitor as described in paragraph 1 of Section 3(b). Each Reconciliation Report shall include the following information:
  - (a) A reconciliation (at the policy level) of the Commissions received by the Trust with:
    - (i) The list of policies with respect to which Commissions are assigned by the Insurance Companies to the Trust pursuant to the Commission Purchase Agreement, which list is included in the electronic file provided pursuant to Section 3.02(w) of the Commission Purchase Agreement.
    - (ii) The amount of Commissions included in Appendix 1 to the Distribution Agreement.
  - (b) A classification of any discrepancies revealed in such reconciliation by cause (including, as applicable, mortality, lapse, morbidity, commutation and errors and omissions.
  - (c) A report on the Monitor’s systematic investigation of such discrepancies and active follow-up with the Insurance Companies to obtain appropriate adjustments. The activities referred to in this paragraph (c) shall be

done on a basis reasonably acceptable to Imagine.

- (3) The Monitor shall provide to the Trust and Imagine, on or before the 30th calendar day following the end of each third Month of Agreement (commencing with the fourth Month of Agreement) a report (the "Audit Report"), in the form of Appendix 2, as modified from time to time by agreement of the Monitor and Imagine. Each Audit Report shall report in reasonable detail on all activities performed by the Monitor as described in paragraph 2 of Section 3(b).
- (4) The Monitor shall provide to the Trust and Imagine, on or before the 30th calendar day following the end of each Year of Agreement, a report (the "Projection Report") in the form of Appendix 3, as modified from time to time by agreement of the Monitor and Imagine. The first such report shall relate to the Year of Agreement ending on the first anniversary of the date hereof. Each Projection Report shall report in reasonable detail on all activities performed by the Monitor as described in paragraph 3 of Section 3(b). Each Projection Report shall include the following information:
  - (a) An update of the cash flow projections based on the existing policyholder base and other relevant current information, including the actuarial assumptions (lapse, mortality and waiver) used in connection with such cash flow projections and an explanation of any material discrepancies between the new assumptions and the assumptions used in connection with the cash flow projections provided in the prior Projection Report.
  - (b) An explanation of any material discrepancies between the cash flow projections and the Commissions set forth in Appendix 1 to the Distribution Agreement.
- (5) The Monitor shall provide to the Trust and Imagine, on or before the 30th calendar day following the end of each Year of Agreement, a report (the "Conservation Report"), in the form of Appendix 4, as modified from time to time by agreement of the Monitor and Imagine. Each Conservation Report shall report in reasonable detail on all activities performed by the Monitor as described in paragraph 4 of Section 3(b).
- (6) The Monitor shall deliver to Imagine a copy of its audited financial statements within 120 days of the end of each fiscal year of the Monitor. The Monitor shall deliver to Imagine a copy of its unaudited financial statements for the first six months of each fiscal year of the Monitor within 120 days of the end of each such six-month period. The Monitor shall deliver to Imagine with each financial statement a certificate by the Monitor's president or chief financial officer, certifying that such financial statements are complete and correct in all material respects.
- (7) The Monitor shall provide to the Trust and Imagine, on or before the 30th calendar day following the end of each third Month of Agreement (commencing with the fourth Month of Agreement) a projection of cash-flows, for the following 10 years, of Monitor in form and substance reasonably acceptable to Imagine and certified by the senior financial officer of Monitor.

- (8) The Monitor shall use its commercially reasonable efforts to provide to the Trust and Imagine, on or before the 30th calendar day following the end of each third Month of Agreement (commencing with the fourth Month of Agreement), from each Insurance Company, a quarterly balance confirmation, following the same format and procedure as the "third party confirmations" obtained to confirm the outstanding balances as of December 29, 2004, as set forth in Appendix 5. If, notwithstanding such commercially reasonable efforts, the Monitor is unable to provide any such confirmation, it shall provide to the Trust and Imagine, on or before the date on which it is otherwise due, a reasonably detailed explanation of the reason for which it is not being provided and the steps that the Monitor is taking in connection therewith.

Section 3(d) – [Reserved] [Reserved].

Section 3(e) – Other The Monitor shall perform such other monitoring obligations with respect to the Commissions, and shall deliver such other reports relating to the Commissions, as Imagine shall reasonably request.

**SECTION 4 – RECORDS AND AUDITING; INFRASTRUCTURE**

Section 4(a) – Records and Auditing The Monitor shall maintain appropriate books of account and records relating to services performed hereunder, and such books of account and records shall be accessible for inspection by representatives of the Trust and Imagine during TWG’s normal business hours.

Imagine shall have the right, during TWG’s normal business hours and upon reasonable notice to the Monitor, to audit the compliance of the Monitor with the Monitor’s obligations under this Agreement. The reasonableness of the time and the notice shall be determined in light of the facts and circumstances, including whether there is an actual or alleged breach of this Agreement by the Monitor. In the absence of such an actual or alleged breach, it is currently contemplated that audits of the obligations set forth in paragraph 1 of Section 3(c) shall be performed not more frequently than quarterly during the first Year of Agreement and semiannually thereafter, but Imagine shall have the right to increase the frequency of such audits at any time. The information provided to Imagine in connection with any such audit shall be subject to applicable privacy restrictions; provided, however, that, if any such restrictions limit the amount or kind of information provided, the Monitor shall use its commercially reasonable efforts to provide such information in an alternative fashion (such as in a redacted form).

Imagine shall bear its own out-of-pocket costs and expenses associated with any such audit.

Section 4(b) – Infrastructure The Monitor shall maintain appropriate infrastructure to perform its obligations hereunder on a basis consistent with the standards referred to herein. Such infrastructure shall include:

- (1) An appropriate information technology environment: The Monitor shall maintain and, as appropriate, enhance a computerized system and related infrastructure to perform its obligations hereunder on a basis consistent with the standards



referred to herein. Related infrastructure includes qualified accounting, IT and other back office staff to maintain the integrity of the database and perform such obligations. However, the Monitor has the right to modify and otherwise change the supporting infrastructure for the purposes of achieving better efficiencies, reliability and scalability and to manage control risks related to third party vendors and/or internal employees.

- (2) Appropriate staffing: The Monitor shall maintain qualified accounting and back office staff to maintain the integrity of the database and perform the Monitor's obligations hereunder, including those relating to reconciliation and other accounting and data.

Some or all of the foregoing obligations may be performed by or through agents, accountants, experts, attorneys, subcontractors and nominees, to the extent permitted under Section 3(a).

#### SECTION 5 – OTHER PROVISIONS

##### Section 5(a) - Representations and Warranties

Each party hereto represents and warrants to the other party hereto as follows:

1. Such representing and warranting party is duly formed, validly existing and in good standing under the laws of its jurisdiction of formation and has all requisite power and authority to conduct its business and is in good standing in each jurisdiction in which its business is conducted.
2. Such party has the power and authority and legal right to execute and deliver this Agreement and each other document contemplated hereby to which it is a party, perform its obligations hereunder and thereunder and consummate the transactions herein and therein contemplated. The execution and delivery by such party of this Agreement and each such other document, the performance of its obligations and consummation of the transactions contemplated hereunder and thereunder have been duly authorized by proper proceedings, and this Agreement and each such other document constitutes the legal, valid and binding obligation of such party enforceable against such party in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.
3. Neither the execution and delivery by such party of this Agreement or any such other documents nor the consummation of the transactions herein or therein contemplated nor compliance with the provisions hereof or thereof will violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on such party, other than as disclosed in Appendix 6, (ii) its constituent documents or (iii) the provisions of any indenture, instrument or agreement to which such party is a party or is subject, or by which it, or its property, is bound, or conflict with or constitute a default thereunder, or result in the creation or imposition of any lien in, of or on the property of such party pursuant to the terms of any such



indenture, instrument or agreement.

In addition, the Monitor represents and warrants to the Trust and Imagine that it, or its agents, is licensed in the states where policies relating to the Assigned Commission Rights (as such term is defined in the Commission Purchase Agreement) were first written by Continental Assurance Company or its affiliates.

Section 5(b) – Payments All amounts due and payable under this Agreement shall be remitted by wire transfer of immediately available funds between the payor and the payee.

Section 5(c) – No Third Party Rights This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and any successor Monitor and their respective successors and permitted assigns, and in no instance shall any other party have any rights under this Agreement.

Section 5(d) – No Implied Waiver The failure of any party to enforce any of the provisions of this Agreement shall not be construed to be a waiver of the right of such party to enforce any such provision.

Section 5(e) – Assignment Except as expressly provided otherwise herein, neither party may assign or transfer any rights, interests or obligations under the Agreement to any person or entity, and any such assignment or transfer without the consent of the other party shall be null and void, except that:

1. Imagine shall have the right to effect any such transfer (i) to any affiliate of Imagine without the consent of any party hereto and (ii) to any other person with the consent of each of the other parties hereto, such consent not to be unreasonably withheld; provided, in each case, that (a) such assignee is also assigned Imagine's rights, interests and obligations under the Distribution Agreement, and (b) such assignee assumes all of Imagine's rights, interests and obligations hereunder and under the Distribution Agreement in a written assignment and assumption agreement that is reasonably acceptable to the Monitor; and
2. any party other than Imagine shall have the right to effect any such transfer to any affiliate of such party with the consent of Imagine, such consent not to be unreasonably withheld.

Section 5(f) – Governing Law This Agreement shall be interpreted and governed by the laws of the State of Delaware without regard to principles of choice of law (the "Governing Law").

Section 5(g) – Arbitration

1. Any dispute arising out of the interpretation, performance or breach of this Agreement, including the formation of validity thereof, shall be submitted for decision to a panel of three arbitrators. Notice requesting arbitration will be in writing and sent certified or registered mail, return receipt requested.
2. One arbitrator shall be chosen by Imagine, and the other arbitrator shall be chosen by the Monitor, and the two arbitrators shall, before instituting the hearing choose an impartial third arbitrator who shall preside at the hearing. If either party fails to appoint its arbitrator within 30 days after being requested to do so by the other party, the latter, after 10 days' notice by certified or registered mail of its

intention to do so, may appoint the second arbitrator.

3. If the two arbitrators are unable to agree upon the third arbitrator within 30 days of their appointment, each of them shall name two, of whom the other shall decline one and the decision shall be made by drawing lots.
4. All arbitrators shall be disinterested active or former executive officers of insurance-related institutions.
5. Within 30 days after notice of appointment of all arbitrators, the panel shall meet and determine timely periods for briefs, discovery procedures and schedules for hearings.
6. The panel shall be relieved of all judicial formality and shall not be bound by the strict rules of procedure and evidence. Unless the panel agrees otherwise, arbitration shall take place in New York City, but the venue may be changed when deemed by the panel to be in the best interest of the arbitration proceeding. Insofar as the arbitration panel looks to substantive law, it shall consider the Governing Law. The decision of any two arbitrators when rendered in writing shall be final and binding. The panel is empowered to grant interim relief and equitable relief, as it may deem appropriate.
7. The panel shall make its decision considering the custom and practice of the applicable business within 45 days following the termination of hearings. Judgment upon the award may be entered in any court having jurisdiction thereof, including the United States District Court for the Southern District of New York or, if that court lacks jurisdiction, in the Supreme Court State of New York New York County.
8. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the cost of the third arbitrator. The remaining costs of the arbitration shall be allocated by the panel. The panel may, at its sole and absolute discretion, award such further costs and expenses as it considers appropriate, including attorneys' fees, to the extent permitted by law.

Section 5(h) – Amendments

This Agreement may be changed, altered or amended as the parties may agree, provided such change, alteration or amendment is evidenced in writing or by endorsement executed by the parties hereto.

Section 5(i) – Notices

Except as otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing and shall be (a) hand-delivered by messenger, (b) sent by reputable overnight or second business day courier, or (c) sent by facsimile or similar electronic transmission directed to the applicable address or fax number, as the case may be, set forth below or at such other address or fax number as any party may hereafter specify in writing to the other parties for purposes of receiving notices and other communications. Each such notice or other communication shall be effective only upon receipt thereof.

- If to the Monitor, to it at 6666 East 75<sup>th</sup> Street, Suite 500, Indianapolis, Indiana 46250, Attention: President, Fax: (317) 813-1701.

- If to the Trust, to it c/o the Trustee at 101 Barclay Street, Floor 8W, New York, New York 10286, Attention: Corporate Trust Administration—Asset Backed Finance Unit, Fax: (212) 815-2493.
- If to Imagine, to it at 43 St. Stephen's Green, Dublin 2, Attention: Chief Underwriter, Fax: 353 1 669 1848.

Section 5(j) – Currency Whenever the word “Dollar” or the “\$” sign appear in this Agreement, they shall be construed to mean the currency of the United States of America and all transactions under this Agreement shall be in Dollars.

Section 5(k) – Headings The headings contained in the Agreement are for convenience only and shall not affect the meaning or interpretation of this Agreement.

Section 5(l) – Non-Petition Provision Each party hereto other than the Trust agrees not to institute against, or join any other person in instituting against, the Trust any bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceedings or other proceedings under federal or state bankruptcy or similar laws until at least one year and one day after the payment in full of all amounts payable under the Distribution Agreement.

Section 5(m) – Non-Recourse-Petition Provision All obligations of the Trust to pay amounts pursuant to this Agreement shall constitute non-recourse obligations of the Trust payable solely as provided in the Trust Agreement from funds available for such payment.

Section 5(n) – No Recourse to The Bank of New York This Agreement is executed and delivered by The Bank of New York, not individually or personally but solely as trustee of the Trust under the Trust Agreement, in the exercise of the powers and authority conferred and vested in it; each of the representations, undertakings and agreements herein made on the part of the Trust is made and intended not as personal representations, undertakings and agreements by The Bank of New York but is made and intended for the purpose for binding only the Trust; nothing contained in this Agreement shall be construed as creating any liability on The Bank of New York, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto; and in no circumstances shall The Bank of New York be personally liable for the payment of any indebtedness or expenses of the Trust or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Trust under this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the date first above written.

TWG CAPITAL, INC.

By: Melanie Otto  
Name: Melanie Otto  
Title: President

LION 2004 RECEIVABLES TRUST

By: THE BANK OF NEW YORK,  
not in its individual capacity  
but solely as Trustee

By: \_\_\_\_\_  
Name:  
Title:

IMAGINE INTERNATIONAL  
REINSURANCE LIMITED

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the date first above written.

TWG CAPITAL, INC.

By: \_\_\_\_\_  
Name: Melanie Otto  
Title: President

LION 2004 RECEIVABLES TRUST

By: THE BANK OF NEW YORK,  
not in its individual capacity  
but solely as Trustee

By: \_\_\_\_\_  
Name:  
Title:

IMAGINE INTERNATIONAL  
REINSURANCE LIMITED

By: \_\_\_\_\_  
Name: J. DOYLE  
Title: Chief Risk Officer  
Antonio [Signature]  
A. GLENDA  
FINANCE

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the date first above written.

TWG CAPITAL, INC.

By: \_\_\_\_\_  
Name: Melanie Otto  
Title: President

LION 2004 RECEIVABLES TRUST

By: THE BANK OF NEW YORK,  
not in its individual capacity  
but solely as Trustee

By: Antonio Vayas  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
ANTONIO VAYAS  
ASSISTANT VICE PRESIDENT  
IMAGINE INTERNATIONAL  
REINSURANCE LIMITED

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPENDIX 1

Form of Reconciliation Report

**Reconciliation Report**

Reference is made to the Monitoring Agreement (the "Monitoring Agreement") dated as of December 30, 2004 among TWG Capital, Inc., a Delaware corporation ("TWG"), Lion 2004 Receivables Trust, a Delaware statutory trust, and Imagine International Reinsurance Limited, an Irish registered company. Capitalized terms are used herein as defined in the Monitoring Agreement.

Pursuant to Section 3(c)(2) of the Monitoring Agreement, the Monitor hereby delivers this Reconciliation Report, with respect to the Month of Agreement referred to below, to each of the Trust and Imagine.

Notes, if any, to the information presented herein are attached, together with any additional information that the Monitor has chosen to present.

**General**

Date of this Reconciliation Report [ ]  
 Month of Agreement [ ]

As required by Section 3(c)(2) of the Monitoring Agreement, this Reconciliation Report reports in reasonable detail on all activities performed by the Monitor as described in paragraph 1 of Section 3(b) of the Monitoring Agreement.

**Commission and Policy Information**

	Policy Count	Commission Due	Commission
<b>Paid</b>			
Policies Due	[ ]	[ ]	[ ]
Policies Paid	[ ]	[ ]	[ ]
[Policies Overdue/Unreported	[ ]	[ ]	N/A
Lapses Reported by Insurer	[ ]	[ ]	N/A
Deaths Reported by Insurer	[ ]	[ ]	N/A
Reinstated Policies	[ ]	[ ]	[ ]
Waived Premium	[ ]	[ ]	N/A



**Additional Information**

Without duplication of the foregoing, attached is the following information:

- (a) A reconciliation (at the policy level) of the Commissions received by the Trust with:
  - (i) The list of policies assigned by the Insurance Companies to the Trust and attached to the Commission Purchase Agreement.
  - (ii) The amount of Commissions included in Appendix 1 to the Distribution Agreement.
- (b) A classification of any discrepancies revealed in such reconciliation by cause (including, as applicable, mortality, lapse, morbidity, commutation and errors and omissions.
- (c) A report on the Monitor's systematic investigation of such discrepancies and active follow-up with the Insurance Companies to obtain appropriate adjustments.

A seriatim file is available for review by the Trust and Imagine that includes the status of each policy due.

IN WITNESS WHEREOF, the Monitor has caused this Reconciliation Report to be executed and delivered as of the date specified above.

TWG CAPITAL, INC.

By: \_\_\_\_\_  
Name:  
Title:

APPENDIX 2  
Form of Audit Report

**Audit Report**

Reference is made to the Monitoring Agreement (the "Monitoring Agreement") dated as of December 30, 2004 among TWG Capital, Inc., a Delaware corporation ("TWG"), Lion 2004 Receivables Trust, a Delaware statutory trust, and Imagine International Reinsurance Limited, an Irish registered company. Capitalized terms are used herein as defined in the Monitoring Agreement.

Pursuant to Section 3(c)(3) of the Monitoring Agreement, the Monitor hereby delivers this Audit Report, with respect to the Month of Agreement referred to below, to each of the Trust and Imagine.

Notes, if any, to the information presented herein are attached, together with any additional information that the Monitor has chosen to present.

**General**

Date of this Audit Report [ ]  
Month of Agreement [ ]

As required by Section 3(c)(3) of the Monitoring Agreement, this Audit Report reports in reasonable detail on all activities performed by the Monitor as described in paragraph 2 of Section 3(b) of the Monitoring Agreement.

A quarterly audit report on the carriers as follows:

Inforce Commissions by Evaluation Month				
	Jan	Apr	Jul	Oct
Carrier 1	\$	\$	\$	\$
Carrier 2	\$	\$	\$	\$
Carrier 3	\$	\$	\$	\$
<b>Total</b>	\$0	\$0	\$0	\$0

Inforce Policies				
	Jan	Apr	Jul	Oct
Carrier 1				
Carrier 2				
Carrier 3				
<b>Total</b>	0	0	0	0

Quarterly Percentage Termination - Commission Basis				
	Jan	Apr	Jul	Oct
Carrier 1				
Carrier 2				
Carrier 3				
<b>Total</b>				

Cumulative Percentage Termination - Commission Basis				
	Jan	Apr	Jul	Oct
Carrier 1				
Carrier 2				
Carrier 3				
<u>Total</u>	0.0%	0.0%	0.0%	0.0%

Quarterly Percentage Termination - Policy Count Basis				
	Jan	Apr	Jul	Oct
Carrier 1				
Carrier 2				
Carrier 3				
<u>Total</u>				

Cumulative Percentage Termination - Policy Count Basis				
	Jan	Apr	Jul	Oct
Carrier 1				
Carrier 2				
Carrier 3				
<u>Total</u>				

**Additional Information**

A seriatim file is available for review by the Trust and Imagine that includes the status of each policy due.

IN WITNESS WHEREOF, the Monitor has caused this Audit Report to be executed and delivered as of the date specified above.

TWG CAPITAL, INC.

By: \_\_\_\_\_  
 Name:  
 Title:

APPENDIX 3

Form of Projection Report

**Projection Report**

Reference is made to the Monitoring Agreement (the "Monitoring Agreement") dated as of December 30, 2004 among TWG Capital, Inc., a Delaware corporation ("TWG"), Lion 2004 Receivables Trust, a Delaware statutory trust, and Imagine International Reinsurance Limited, an Irish registered company. Capitalized terms are used herein as defined in the Monitoring Agreement.

Pursuant to Section 3(c)(4) of the Monitoring Agreement, the Monitor hereby delivers this Projection Report, with respect to the Month of Agreement referred to below, to each of the Trust and Imagine.

Notes, if any, to the information presented herein are attached, together with any additional information that the Monitor has chosen to present.

**General**

Date of this Projection Report [ ]  
Month of Agreement [ ]

As required by Section 3(c)(4) of the Monitoring Agreement, this Projection Report reports in reasonable detail on all activities performed by the Monitor as described in paragraph 3 of Section 3(b) of the Monitoring Agreement.

**Projection Information**

Attached is the following information:

- (d) An update of the cash flow projections based on the existing policyholder base and other relevant current information, including the actuarial assumptions (lapse, mortality and waiver) used in connection with such cash flow projections and an explanation of any material discrepancies between the new assumptions and the assumptions used in connection with the cash flow projections provided in the prior Projection Report (if applicable).
- (e) An explanation of any material discrepancies between the cash flow projections and the Commissions set forth in Appendix 1 to the Distribution Agreement.

**Additional Information**

*[NOTE - The remainder of this Projection Report will not be completed according to an established template but will be completed in order to provide meaningful information as contemplated above and with respect to the following:*

- (a) Segment reporting: Possible segments include: time, carrier, age, duration, issue year, product and gender.*
- (b) Report on current in-force policies: This report will be based upon the Monitor database, the policies relating to the Commissions assigned to the Trust, the last year of commission statements and any predictions of unreported deaths, lapses or claims to the extent that they are material. The report will provide (i) a current listing of in-force policies and (ii) to the extent material, estimated percentage of policies likely to be unreported deaths, percentage of overdue policies likely to lapse and percentage of policies likely to be unreported claims subject to waiver of premium. This report will be compared to the initial and previous years' projections. The report will highlight and explain significant deviations.*
- (c) Projection of in-force policy file: The Monitor will perform a projection of future expected cashflows. This projection will be based upon the current in-force policies and up-to-date mortality, lapse and waiver due to claim. This report will be compared to the initial and previous years' projections. The report will highlight and explain significant deviations. In that connection, Monitor will make available a full policy listing of those policies in force at the time of the projection and a projection of annual cashflows. These cashflows may be segmented by carrier, gender, quarter or other attributes as deemed actuarially material.]*

IN WITNESS WHEREOF, the Monitor has caused this Projection Report to be executed and delivered as of the date specified above.

TWG CAPITAL, INC.

By: \_\_\_\_\_  
Name:  
Title:

APPENDIX 4

Form of Conservation Report

**Conservation Report**

Reference is made to the Monitoring Agreement (the "Monitoring Agreement") dated as of December 30, 2004 among TWG Capital, Inc., a Delaware corporation ("TWG"), Lion 2004 Receivables Trust, a Delaware statutory trust, and Imagine International Reinsurance Limited, an Irish registered company. Capitalized terms are used herein as defined in the Monitoring Agreement.

Pursuant to Section 3(c)(5) of the Monitoring Agreement, the Monitor hereby delivers this Conservation Report, with respect to the Year of Agreement referred to below, to each of the Trust and Imagine.

Notes, if any, to the information presented herein are attached, together with any additional information that the Monitor has chosen to present.

**General**

Date of this Conservation Report [ ]  
Year of Agreement [ ]

As required by Section 3(c)(5) of the Monitoring Agreement, this Conservation Report reports in reasonable detail on all activities performed by the Monitor as described in paragraph 4 of Section 3(b) of the Monitoring Agreement.

*[NOTE - The balance of the information provided pursuant to the Conservation Report may vary with the requirements of the parties to the Monitoring Agreement and the data provided by the Insurance Companies. The report below is an example of such information. Conservation Report design will by its nature be ad hoc. The Conservation Report will describe both ongoing efforts and pilot results.]*

**Report on Conservation Efforts**

*General Description*

Attached is a description of the activities performed and measurements taken for both experimental and control groups.

*Cost of Efforts*

Attached is a description of the costs of the efforts, including the printing and mailing costs of policyholder contact efforts, the costs of phone contacts and the costs of management, measurement and reporting.

*Impact of Efforts*

Attached are estimates of lapse reduction continuous measurement of the continuous results of any sustained improvement in lapse rates, measured by a prediction of the present value of the continued Commissions, with any adjusted lapse prediction. This prediction is compared to the cost of conservation effort, and the cash impact on an annual basis is also presented.

**Report on Conservation Pilots**

*General Description*

Attached is a description of the activities performed and measurements taken for both experimental and control groups.

*Cost of Efforts*

Attached is a description of the costs of the pilot and a projection of the costs of a continuous effort.

*Impact of Efforts*

Attached are (i) comparisons of the termination rates for both the experimental and the control group and (ii) estimates of the financial impact of a continuous effort.

IN WITNESS WHEREOF, the Monitor has caused this Conservation Report to be executed and delivered as of the date specified above.

TWG CAPITAL, INC.

By: \_\_\_\_\_  
Name:  
Title:



APPENDIX 5

Third Party Confirmations of Outstanding Balances as of November 30, 2004

[See Attached]



Allianz LifeCare Company

Dear Sir:

Imagine International Company Limited is performing due diligence on our financial statements.

Please confirm the balance due us as of November 30, 2004 which is shown on our records as \$0.00.

Please confirm the balance due by us as of November 30, 2004 which is shown on our records as \$0.00.

Please indicate in the space below whether this amount agrees with your records. If there are differences, please provide any information that will assist in reconciling the difference.

Please sign and date your response and fax your reply directly to 1 212 707 0801

Your prompt response to this request will be appreciated.

Very truly yours,

*Vandy E. Duke*

Vandy E. Duke  
Director of Commissions  
LTPC

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The balance due to LTPC of \$0.00 as of November 30, 2004, agrees with our records. No debit balance exists with LTPC. Except as noted below please list any charges you do not accept, credits you have not been allowed, or other differences:

By: Kathleen Mackenzie  
(Name)  
Field Administrator  
(Title)  
12/21/04  
(Date)



LONG TERM PREFERRED CARE, INC.

Allianz LTCA Company

Dear Sir:

Imagine International Company Limited is performing due diligence on our financial statements.

Please confirm the balance due us as of November 30, 2004 which is shown on our records as \$0.00.

Please confirm the balance due by us as of November 30, 2004 which is shown on our records as \$0.00.

Please indicate in the space below whether this amount agrees with your records. If there are differences, please provide any information that will assist in reconciling the difference.

Please sign and date your response and fax your reply directly to 1 212 707 0801

Your prompt response to this request will be appreciated.

Very truly yours,

Vandy E. Duke  
Director of Commissions  
LTPC

The balance due to LTPC of \$0.00 as of November 30, 2004, agrees with our records. No debit balance exists with LTPC. Except as noted below please list any charges you do not accept, credits you have not been allowed, or other differences:

By: Michelle Hanson  
(Name)  
Commission Representative  
(Title)  
12/27/04  
(Date)

FIELD COMP  
DEC 21 2004  
4P

Continental Casualty Company

Dear Sir:

Imagine International Company Limited is performing due diligence on our financial statements.

Please confirm the balance due us as of November 30, 2004 which is shown on our records as \$0.

Please confirm the balance due by us as of November 30, 2004 which is shown on our records as \$0.

Please indicate in the space below whether this amount agrees with your records. If there are differences, please provide any information that will assist in reconciling the difference.

Please sign and date your response and fax your reply directly to 1 212 707 0801

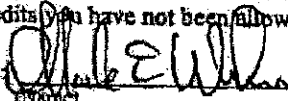
Your prompt response to this request will be appreciated!

Very truly yours,



David Newman, Vice President of Finance  
LTPC

The balance due to LTPC of \$0 as of November 30, 2004, agrees with our records. No debit balance exists with LTPC. Except as noted below please list any charges you do not accept, credits you have not been allowed, or other differences:

By: 

VICE PRESIDENT

12/27/2004

(Date)



GE Capital Life Assurance Company

Dear Sir:

Imagine International Company Limited is performing due diligence on our financial statements.

Please confirm the balance due us as of November 30, 2004 which is shown on our records as \$0.00.

Please confirm the balance due by us as of November 30, 2004 which is shown on our records as \$0.00.

Please indicate in the space below whether this amount agrees with your records. If there are differences, please provide any information that will assist in reconciling the difference.

Please sign and date your response and fax your reply directly to 1 212 707 0891

Your prompt response to this request will be appreciated.

Very truly yours,

Vandy E. Duke  
Director of Commissions  
LTPC

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The balance due to LTPC of \$0.00 as of November 30, 2004, agrees with our records. No debit balance exists with LTPC. Except as noted below please list any charges you do not accept, credits you have not been allowed, or other differences:

By: Dorcas Chubb  
(Name)  
Commissioner Jean Lalen  
(Title)  
12/25/04  
(Date)

APPENDIX 6

Disclosure Referred to in Section 5(a)

Regulatory authorities may apply laws, rules or regulations relating to the payment or receipt of insurance commissions to prohibit the payment of commissions to an unlicensed entity, such as the Trust.

## APPENDIX 7

Form of Insurance Commission Statement (January 1, 2005 through June 30, 2005)

Commission Statement Month	C.N.A.	GE	Allianz
January 2005	\$	\$	\$
February 2005	\$	\$	\$
March 2005	\$	\$	\$
April 2005	\$	\$	\$
May 2005	\$	\$	\$
June 2005	\$	\$	\$
Total Jan to Jun 2005 Commissions Received	\$	\$	\$

Appendix 7