

B 10 (Official Form 10) (12/11)

UNITED STATES BANKRUPTCY COURT		Southern District of Indiana	PROOF OF CLAIM
Name of Debtor: TWG Capital, Inc.		Case Number: 12-11019-BHL-11	
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.			
Name of Creditor (the person or other entity to whom the debtor owes money or property): U.S. Small Business Administration, as Receiver for Cardinal Growth, L.P.			
Name and address where notices should be sent: Thomas A. Smith / Senak Keegan Gleason Smith & Michaud, Ltd. 621 S. Plymouth Court, Suite 100 Chicago, IL 60661		RECEIVED NOV 09 2012 BMC GROUP	COURT USE ONLY
Telephone number: (312) 214-1400 email: tsmith@skgsmlaw.com			<input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
Name and address where payment should be sent (if different from above): U.S. Small Business Administration, Receiver for Cardinal Growth, L.P. 1100 G Street, N.W., Suite 1100 Washington, D.C. 20005			<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.
Telephone number: (202) 272-3617 email: charles.fulford@verizon.net			
1. Amount of Claim as of Date Case Filed: \$ <u>52,475.84</u> If all or part of the claim is secured, complete item 4. If all or part of the claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.			
2. Basis for Claim: <u>Written contract with debtor to pay letter of credit expenses.</u> (See instruction #2)			
3. Last four digits of any number by which creditor identifies debtor: <u>1 0 0 7</u>	3a. Debtor may have scheduled account as: <u>Cardinal Growth, L.P.</u> (See instruction #3a)	3b. Uniform Claim Identifier (optional): _____ (See instruction #3b)	
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other Describe: All property of Debtor, of any kind or description, tangible or intangible. Value of Property: \$ <u>1,000,000.00</u> Annual Interest Rate <u>5.000%</u> <input checked="" type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ <u>0.00</u> Basis for perfection: <u>Duly filed UCC-1</u> Amount of Secured Claim: \$ <u>52,475.84</u> Amount Unsecured: \$ <u>0.00</u>	
5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.			
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).		<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).	
<input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).		<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).	
		<input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).	
		<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)().	
		Amount entitled to priority: \$ _____	
*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.			
6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)			

TWG Capital POC

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7. Documents: Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

8. Signature: (See instruction #8)

Check the appropriate box.

- ☒ I am the creditor. ☐ I am the creditor's authorized agent. ☐ I am the trustee, or the debtor, or their authorized agent. ☐ I am a guarantor, surety, indorser, or other codebtor. (Attach copy of power of attorney, if any.) (See Bankruptcy Rule 3004.) (See Bankruptcy Rule 3005.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Charles Fulford
 Title: Principal Agent for Receiver
 Company: U.S. SBA, as Receiver for Cardinal Growth LP
 Address and telephone number (if different from notice address above):
1100 G Street, N.W., Suite 1100
Washington, D.C. 20005

 1 Oct 2012
 (Signature) (Date)

Telephone number: (202) 272-3617 email: charles.fulford@verizon.net

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

3b. Uniform Claim Identifier:

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:

Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).

If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

8. Date and Signature:

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, attach a complete copy of any power of attorney, and provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA

In re:

TWG CAPITAL, INC.

Debtor

Case No. 12-11019-BHL-11

(Chapter 11)

SUMMARY OF CLAIM AND INDEX OF CLAIM DOCUMENTS

The U.S. Small Business Administration, as Receiver for Cardinal Growth, L.P. ("Receiver"), submits this summary of its claim against TWG Capital, Inc. ("Debtor") and index of its claim documents, of which true and correct copies are attached hereto.

1. The Receiver was appointed by that certain **Order dated June 16, 2011, in the matter captioned *United States of America v. Cardinal Growth, L.P.*, Case No. 11-CV-04071 (Exhibit A)**, currently pending in the U.S. District Court for the Northern District of Illinois.

2. Attached hereto as **Exhibit B** is that certain **Credit Enhancement and Security Agreement** ("the Agreement"), dated as of June 30, 2009, under which Cardinal Growth, L.P. ("Cardinal") agreed to provide and did provide that certain Subject Event Letter of Credit ("the LOC"), described in the Agreement, for the benefit of Debtor's lenders. Under the Agreement, in exchange for Cardinal's covenant to provide the LOC, Debtor agreed to pay a certain Credit Enhancement Fee and to pay all of Cardinal's bank fees, legal fees, and reasonable out-of-pocket expenses in connection with the Agreement and the LOC. To secure Debtor's covenant to pay those amounts payable to Cardinal under the Agreement, Debtor also conveyed to Cardinal, under the Agreement, "a continuing and unconditional first priority security interest in and to any and all

property of [Debtor], of any kind or description, tangible or intangible, wheresoever located and whether now existing or hereafter arising or acquired. . . .”

3. To memorialize and to provide notice of the security interest which it received by and through the Agreement, Cardinal caused to be recorded on November 4, 2009, the **UCC Financing Statement** which is attached hereto as **Exhibit C**.

4. Pursuant to the Agreement and in connection with both the Agreement and the LOC, Cardinal incurred bank fees totaling \$43,450.84. Copies of **Cardinal's bank fee invoices** are attached hereto as **Exhibit D**.

5. Pursuant to the Agreement and in connection with the LOC, Cardinal incurred legal fees totaling \$9,025. Copies of **Cardinal's legal invoices** are attached hereto as **Exhibit E**. The invoices reflect the following legal fee charges in connection with the Agreement and the LOC:

<u>Date</u>	<u>Attorney</u>	<u>Hourly Rate</u>	<u>Time</u>	<u>Amount</u>
6/2/2009	BPC	\$300.00	0.75	\$225.00
6/3/2009	BPC	\$300.00	1.00	\$300.00
6/4/2009	BPC	\$300.00	1.50	\$450.00
6/29/2009	BPC	\$300.00	3.50	\$1,050.00
6/29/2009	EJK	\$260.00	1.25	\$325.00
6/29/2009	VK	\$155.00	0.25	\$38.75
6/30/2009	BPC	\$300.00	7.00	\$2,100.00
6/30/2009	EJK	\$260.00	0.50	\$130.00
6/30/2009	GJP	\$440.00	4.00	\$1,760.00
6/30/2009	VK	\$155.00	0.25	\$38.75
7/1/2009	EJK	\$260.00	0.50	\$130.00
7/1/2009	GJP	\$440.00	4.25	\$1,870.00
7/1/2009	VK	\$155.00	1.50	\$232.50
7/16/2009	BPC	\$300.00	0.25	\$75.00
7/23/2009	BPC	\$300.00	0.50	\$150.00
8/4/2009	BPC	\$300.00	0.50	\$150.00
				\$9,025.00

6. Debtor paid the Credit Enhancement Fee due under the Agreement, but Debtor did not pay either the legal fees or the bank fees that were incurred by Cardinal in connection with the Agreement and the LOC.

7. Accordingly, the Receiver, through its counsel, made a **July 31, 2012, demand of Debtor (Exhibit F)**, through its counsel, for a total of **\$52,475.84**, the sum of the amounts which remain due and unpaid under the terms of the Agreement.

8. The Receiver's claim is a FULLY SECURED claim in that the value of the Cardinal's collateral exceeds the indebtedness owed to Cardinal under the Agreement as of the Petition Date. If and to the extent the Receiver's claim is found to have been under-secured as of the Petition Date, the Receiver has an UNSECURED claim as to the shortfall between the outstanding indebtedness as of the Petition Date and the value of the collateral.

Exhibit A

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS

UNITED STATES OF AMERICA,

Plaintiff

v.

CARDINAL GROWTH, L.P.

Defendant

Civ. Action No.

Receivership Order

CONSENT ORDER OF RECEIVERSHIP

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. Pursuant to the provisions 15 U.S.C. §687c, this Court hereby takes exclusive jurisdiction of the Cardinal Growth, L.P. ("Cardinal"), and all of its assets and property, of whatever kind and wherever located, and the United States Small Business Administration ("SBA") is hereby appointed Receiver of Cardinal ("Receiver") to serve without bond until further order of this Court. The Receiver is appointed for the purpose of marshaling and liquidating all of Cardinal's assets and satisfying the claims of creditors therefrom in the order of priority as determined by this Court.

2. The Receiver shall have all powers, authorities, rights and privileges heretofore possessed by the officers, directors, managers and general and limited partners of Cardinal under applicable state and federal law, by the Articles of Limited Partnership, and By-Laws of said limited partnership, in addition to all powers and authority of a receiver at equity, and all powers and authority conferred upon the Receiver by the provisions of 15 U.S.C. § 687c and 28 U.S.C. § 754. The trustees, directors, officers,

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managers, employees, investment advisors, accountants, attorneys and other agents of Cardinal are hereby dismissed and the powers of any general partners are hereby suspended. Such persons and entities shall have no authority with respect to Cardinal's operations or assets, except to the extent as may hereafter be expressly granted by the Receiver. The Receiver shall assume and control the operation of Cardinal and shall pursue and preserve all of its claims.

3. The Receiver is entitled to take immediate possession of all assets, bank accounts or other financial accounts, books and records and all other documents or instruments relating to Cardinal. The past and/or present officers, directors, agents, managers, general and limited partners, trustees, attorneys, accountants, and employees of Cardinal, as well as all those acting in their place, are hereby ordered and directed to turn over to the Receiver forthwith all books, records, documents, accounts and all other instruments and papers of and relating to Cardinal and all of Cardinal's assets and all other assets and property of the limited partnership, whether real or personal. The general partner of Cardinal shall furnish a written statement within five (5) days after the entry of this Order, listing the identity, location and estimated value of all assets of Cardinal, a list of all employees (and job titles thereof), other personnel, attorneys, accountants and any other agents or contractors of Cardinal. Within thirty (30) days following the entry of this Order, the general partner of Cardinal shall also furnish a written report describing all assets. All persons and entities having control, custody or possession of any assets or property of Cardinal are hereby directed to turn such assets and property over to the Receiver.

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4. The Receiver shall promptly give notice of its appointment to all known officers, directors, agents, employees, shareholders, creditors, debtors, managers and general and limited partners of Cardinal, as the Receiver deems necessary or advisable to effectuate the operation of the receivership. All persons and entities owing any obligation, debt, or distribution with respect to a partnership interest to Cardinal shall, until further ordered by this Court, pay all such obligations in accordance with the terms thereof to the Receiver and its receipt for such payments shall have the same force and effect as if Cardinal had received such payments.

5. The Receiver is hereby authorized to open such Receiver's accounts at banking or other financial institutions to extend credit on behalf of Cardinal, to utilize SBA personnel, and to employ such other personnel as it may deem necessary to effectuate the operation of the receivership including, but not limited to, attorneys, accountants, consultants and appraisers, and is further authorized to expend receivership funds to compensate such personnel in such amounts and upon such terms as the Receiver shall deem reasonable in light of the usual fees and billing practices and procedures of such personnel. The Receiver is not required to obtain Court approval prior to the disbursement of receivership funds for payments to personnel employed by the Receiver or for expenses that the Receiver deems advantageous to the orderly administration and operation of the receivership. In addition, the Receiver is authorized to reimburse the SBA for travel expenses incurred by SBA personnel in the establishment and administration of the receivership. The Receiver may, without further order of this Court, transfer, compromise, or otherwise dispose of any claim or asset in the ordinary course of business, other than real estate.

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6. Cardinal's past and/or present officers, directors, agents, attorneys, managers, shareholders, employees, accountants, debtors, creditors, managers and general and limited partners of Cardinal, and other appropriate persons or entities (including without limitation, the defendant's portfolio of small business concerns and financial institutions doing business with defendant and/or defendant's portfolio of small business concerns) shall answer under oath to the Receiver all questions which the Receiver may put to them and produce any documents as required by the Receiver regarding the business of said limited partnership, or any other matter relevant to the operation or administration of the receivership or the collection of funds due to Cardinal. In the event that the Receiver deems it necessary to require the appearance of the aforementioned persons or entities, the Receiver shall make its discovery request(s) in accordance with the Federal Rules of Civil Procedure.

7. The parties to any and all civil legal proceedings of any nature, including, but not limited to, bankruptcy proceedings, arbitration proceedings, foreclosure actions, default proceedings, or other actions of any nature involving Cardinal or any assets of Cardinal, including subsidiaries and partnerships, wherever located, and excluding the instant proceeding, involving Cardinal, the Receiver, or any of Cardinal's past or present officers, directors, managers, agents, or general or limited partners sued for, or in connection with, any action taken by them while acting in such capacity of any nature, whether as plaintiff, defendant, third-party plaintiff, third-party defendant, or otherwise, are enjoined from commencing or continuing any such legal proceeding, or from taking any action, in connection with any such proceeding or any such asset. All civil legal proceedings of any nature, including but not limited to bankruptcy proceedings,

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arbitration proceedings, foreclosure actions, default proceedings, or other action of any nature involving Cardinal or any assets of Cardinal, including subsidiaries and partnerships, wherever located, and excluding the instant proceeding, involving Cardinal, the Receiver, or any of Cardinal's past or present officers, directors, managers, agents, or general or limited partners sued for, or in connection with, any action taken by them while acting in such capacity of any nature, whether as plaintiff, defendant, third-party plaintiff, third-party defendant, or otherwise, are stayed in their entirety, and all Courts having any jurisdiction thereof are enjoined from taking or permitting any action until further Order of this Court. Further, as to a cause of action accrued or accruing in favor of Cardinal against a third person or party, any applicable statute of limitation is tolled during the period in which this injunction against commencement of legal proceedings is in effect as to that cause of action.

8. Cardinal and its past and/or present directors, officers, managers, general or limited partners, agents, employees and other persons or entities acting in concert or participating therewith be, and they hereby are, enjoined from either directly or indirectly taking any actions or causing any such action to be taken which would dissipate the assets and/or property of Cardinal to the detriment of Cardinal or of the Receiver appointed in this cause, including but not limited to destruction of corporate records, or which would violate the Small Business Investment Act of 1958, as amended, 15 U.S.C. 661 et. seq., or the regulations promulgated thereunder, ("Regulations"), 13 C.F.R. §107.1 et. seq.

9. The Receiver is authorized to borrow up to \$500,000 from the SBA on behalf of Cardinal and is authorized to cause Cardinal to issue Receiver's Certificates of

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Indebtedness in the principal amounts of the sums borrowed, which certificates will bear interest at or about 10 percent per annum and will have a maturity date no later than 18 months after the date of issue. Said Receiver's Certificates of Indebtedness shall have priority over all other debts and obligations of Cardinal, excluding administrative expenses of the Receivership, whether currently existing or hereinafter incurred, including without limitation any claims of general or limited partners of Cardinal.

10. This Court determines and adjudicates that SBA has made a sufficient showing that Cardinal has violated the Act and the Regulations, as alleged in the Complaint filed against Cardinal in the instant action, to obtain the relief so requested.

DATED this 16th day of June, 2011.


UNITED STATES DISTRICT COURT JUDGE

SEEN, STIPULATED AND AGREED:

Cardinal Growth, L.P.

By: Cardinal Growth, LLC., General Partner

By: Cardinal Growth Corp., Manager

By: 

Its: President

Exhibit B

CREDIT ENHANCEMENT AND SECURITY AGREEMENT

THIS CREDIT ENHANCEMENT AND SECURITY AGREEMENT (this "Enhancement Agreement") dated as of June 30, 2009 is entered into by and between TWG CAPITAL, INC., Delaware corporation (the "Servicer"), INSURANCE RECEIVABLES 7, LLC, a Delaware limited liability company (the "Borrower"), and CARDINAL GROWTH, L.P., a Delaware limited partnership and each of its affiliates ("Cardinal").

WHEREAS, the Servicer and the Borrower are each a party to that certain Insurance Commission Receivables Facility Agreement, dated as of July 12, 2007 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Facility Agreement") by and among the Borrower, the Servicer, Fifth Third Bank and National City Bank, N.A. (as successor to MidAmerica Bank fsb), as senior lenders (the "Senior Lenders"), Fifth Third Bank, as lender agent (in its capacity as such, the "Lender Agent") and such other parties named therein;

WHEREAS, the Facility Agreement was amended pursuant to that certain Standstill Agreement and Amendment dated June 10, 2009 (the "Standstill Agreement"), to which the Servicer and the Borrower were each a party;

WHEREAS, pursuant to the terms of the Standstill Agreement, the Borrower and the Servicer are required to deliver to the Senior Lenders the Subject Event Letter of Credit (as defined in the Standstill Agreement);

WHEREAS, the Borrower and the Servicer have requested Cardinal, and Cardinal has agreed to provide the Subject Event Letter of Credit in favor of the Senior Lenders for the benefit of the Borrower;

WHEREAS, Cardinal has required that the Servicer and the Borrower execute and deliver this Enhancement Agreement as a condition to the issuance of the Subject Event Letter of Credit; and

WHEREAS, the Servicer and the Borrower expect to derive financial advantage from the Subject Event Letter of Credit to be extended by Cardinal such that it is in the Servicer's and the Borrower's best interest to execute this Enhancement Agreement.

NOW THEREFORE, for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees as follows:

1. Incorporation of Recitals/Defined Terms. All the recitals contained herein are hereby incorporated into and made a part of this Agreement. Capitalized terms not otherwise defined herein shall have the meanings given to them under, or by reference contained in the Facility Agreement and/or the Standstill Agreement.
2. Letter of Credit; Term; Etc. The Subject Event Letter of Credit and all related agreements describing the conditions to draw and other terms and conditions of the Subject Event Letter of Credit (the "LC Documents") will be provided to Servicer and Borrower upon

EMAILS0100266

EXHIBIT B

their issuance. Cardinal represents that the LC Documents will in all respects meet the requirements of Section 4(b) of the Standstill Agreement. None of the LC Documents will be amended or otherwise modified without the prior written consent of Cardinal, the Servicer and the Borrower which consent of the Servicer and Borrower shall not be unreasonably withheld.

3. Credit Enhancement Fee. The Servicer agrees to pay, or cause the Borrower to pay, to Cardinal a fee in the amount of \$250,000 (the "Enhancement Fee") upon the earlier of: (i) the Subject Event Letter of Credit being drawn upon by the Senior Lenders; or (ii) the Subject Event Letter of Credit expiring without being drawn or being terminated by the Senior Lenders and Cardinal being released from any of its obligations under such Subject Event Letter of Credit.

4. Repayment. Any amounts that are drawn on the Subject Event Letter of Credit by the Senior Lenders shall immediately be due and payable to Cardinal by the Servicer (the "Repayment Amounts"). Any Repayment Amounts drawn on the Subject Event Letter of Credit shall bear interest at fourteen percent (14%) per annum until repaid in accordance with this Section 4.

5. Security.

(a) Grant of Security Interest. As security for payment of the Enhancement Fee, the Repayment Amounts and any other amounts payable by the Servicer to Cardinal under this Enhancement Agreement, and in addition to any other security given to Cardinal under any other agreement, the Servicer hereby grants to Cardinal a continuing and unconditional first priority security interest in and to any and all property of the Servicer, of any kind or description, tangible or intangible, wherever located and whether now existing or hereafter arising or acquired (all of which property, along with the products and proceeds therefrom, are individually and collectively referred to as the "Collateral"), including, but not limited to all drafts, documents, instruments, contracts, inventory, software, accounts, securities, chattel paper and general intangibles, and all proceeds of the foregoing, including, any of the foregoing which is in Cardinal's actual or constructive possession or is in transit to Cardinal or any of its affiliates, agents or correspondents (and regardless of whether such property has been released to the Servicer). The Servicer further agrees that Cardinal or any of its affiliates may set off and apply any of the Collateral to any amounts which may be due and payable (by acceleration or otherwise) to Cardinal under this Enhancement Agreement, including, but not limited to the Repayment Amounts, the Enhancement Fee or the Interest Payment (defined below). The Servicer agrees that this Enhancement Agreement (or a carbon or photographic copy hereof) may be filed as a financing statement to the extent permitted by law. The Servicer authorizes Cardinal to file such financing statements as may be required by Cardinal to perfect the security interest of Cardinal hereunder. The Servicer also agrees that, on request by Cardinal, the Servicer shall execute and deliver such financing statements and other documents or instruments as may be required by Cardinal to perfect or maintain the security interest of Cardinal hereunder.

(b) Rights and Remedies. Cardinal shall have all rights and remedies of a secured party under the Uniform Commercial Code ("UCC"). If prior notice to the Servicer is required for any action, Cardinal shall give the Servicer at least ten days' notice in writing of the time and place of the sale, disposition or other event giving rise to such required notice, and the

Servicer agrees that such notice will be deemed commercially reasonable. Any property or document representing collateral may be held by Cardinal in its name or in the name of Cardinal's nominee, all without prior notice. Proceeds of any sale or other disposition of the Collateral shall be applied, in order, to the expenses of retaking, holding and preparing the Collateral for sale (including reasonable attorneys' fees and legal expenses), and then to the obligations of the Servicer hereunder until paid in full. The Servicer shall be liable for any deficiency.

(c) Release. Cardinal agrees that upon the release of Cardinal from any and all liability associated with the Subject Event Letter of Credit, and upon the payment in full of the Enhancement Fee, Cardinal agrees to terminate its security interest hereunder.

6. Representations and Warranties. To induce Cardinal to issue the Subject Event Letter of Credit, the Borrower and the Servicer, jointly and severally, make the following representations and warranties to Cardinal, each of which shall be true and correct as of the date of the execution and delivery of this Enhancement Agreement, and which shall survive the execution and delivery of this Enhancement Agreement:

(a) The Borrower and the Servicer have full right power and authority to enter into this Enhancement Agreement and to perform all of their duties and obligations under this Enhancement Agreement. The execution and delivery of this Enhancement Agreement will not, nor will the observance or performance of any of the matters and things herein or therein set forth, violate or contravene any provision of law or of the Borrower's or the Servicer's certificates of organization (or formation), the Investors Rights Agreement or any other governing document. All necessary and appropriate corporate action or limited liability company action, as applicable, have been taken on the part of the Servicer or the Borrower to authorize the execution and delivery of this Enhancement Agreement. This Enhancement Agreement is a valid and binding agreement and contracts of the Servicer and the Borrower enforceable against each of them in accordance with its terms.

(b) To the best knowledge of Melanie Otto and Mark Nondorf, all of the information that has been provided to the Servicer's Board of Directors (the "Board") regarding the Mike White Block and the Disputes (each as defined in the Standstill Agreement) concerning the Mike White Block is true and accurate in all material respects. The Servicer has not withheld from the Board any material information regarding the Disputes.

(c) The Collateral is free and clear and not subject to any prior liens or security interests.

7. Insurance. The Servicer agrees to maintain in force Director and Officer insurance providing customary coverage for the longer of the Maturity Date or Cardinal having any liability under the Subject Event Letter of Credit, to the extent that the Servicer can obtain such insurance on commercially reasonable terms (as determined by Cardinal's representatives on the Servicer's Board of Directors).

8. 2008 Subordinated Note. The parties acknowledge that the issuance of the Subject Letter of Credit is intended to increase the Capital Base as defined under the Facility

Agreement by \$2,500,000. Accordingly, as soon as amounts become available to the Borrower under Section 2.3(b) of the Facility Agreement, the Borrower shall request a Funding thereunder in the amount of the Interest Payment (as hereinafter defined) and, upon the receipt thereof, shall use the proceeds of such Funding to pay the interest on the 2008 Subordinated Note in the amount of \$281,275.22 (the "Interest Payment") which was advanced to the obligee of the 2008 Subordinated Note by Cardinal.

9. Standstill Agreement. The Servicer and the Borrower agree to perform all of their obligations under the Standstill Agreement, including, but not limited to the Servicer engaging a financial consultant in accordance with Paragraph 4(a) of the Standstill Agreement.

10. Payment of Expenses. In consideration of Cardinal's agreement to provide the Subject Event Letter of Credit as set forth in this Enhancement Agreement, the Servicer shall, or shall cause the Borrower to, pay (i) all fees charged by Fifth Third Bank associated with providing the Subject Event Letter of Credit, and (ii) all legal fees (estimated at \$5,000) and other reasonable out-of-pocket expenses (not to exceed \$1,000 without prior approval from Servicer) incurred by Cardinal in connection with this Enhancement Agreement and the issuance of the Subject Event Letter of Credit.

11. Governing Law. This Enhancement Agreement shall be a contract made under and governed by the laws of the State of Illinois applicable to contracts made and to be performed entirely within such State. Whenever possible each provision of this Enhancement Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Enhancement Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Enhancement Agreement. All obligations of the Servicer and rights of Cardinal expressed herein shall be in addition to and not in limitation of those provided by applicable law.

12. Counterparts. This Enhancement Agreement may be executed in any number of counterparts and by the parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Enhancement Agreement.

13. Successors and Assigns. This Enhancement Agreement shall be binding upon the Borrower and the Servicer and their successors and assigns, provided that the Servicer may not assign any of its rights or obligations hereunder without the prior written consent of Cardinal.

14. Right of Lender to Act through Affiliates. Provided the Senior Lenders provide their consent, Cardinal may cause any letter of credit requested by the Senior Lender to be issued by an affiliate of Cardinal.

15. Continuation of Liability. Regardless of the expiry date of any Subject Event Letter of Credit, the Servicer and the Borrower shall remain liable hereunder until Cardinal is released from liability by every Person that is entitled to draw or demand payment under the Subject Event Letter of Credit issued pursuant hereto.

16. ~~Jurisdiction~~. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS ENHANCEMENT AGREEMENT, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF COOK COUNTY, ILLINOIS OR IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS; PROVIDED THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT CARDINAL'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. THE SERVICE HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF COOK COUNTY, ILLINOIS AND OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS FOR THE PURPOSE OF ANY SUCH LITIGATION.

[Signature Page Follows]

IN WITNESS WHEREOF, the Borrower, the Servicer and Cardinal have executed this Credit Enhancement and Security Agreement as of the date first above written.

INSURANCE RECEIVABLES 7, LLC

By: TWG Capital, Inc.
Its: Manager

By: Melanie S. Otto
Name: Melanie S. Otto
Title: President

TWG CAPITAL, INC.

By: Melanie S. Otto
Name: Melanie S. Otto
Title: President

CARDINAL GROWTH, LP

By: Cardinal Growth, LLC
Its: General Partner

By: Cardinal Growth Corp.
Its: Manager

By: Jessie McInerney
Name: Jessie McInerney
Title: CEO

EMAILS0100271

Exhibit C

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)	
Pedersen & Rount	3122612532
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
VICKI KENNEDY	
161 NORTH CLARK, SUITE 3100	
CHICAGO IL 60601	

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 03:53 PM 11/04/2009
INITIAL FILING # 2009 3541007

SRV: 090991100

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names					
1a. ORGANIZATION'S NAME					
TNG CAPITAL, INC.					
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
6666 E. 75TH STREET, SUITE 500		INDIANAPOLIS	IN	46250	US
1e. TYPE OF ORGANIZATION		1f. JURISDICTION OF ORGANIZATION			
CORPORATION		DE			
2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names					
2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
2e. TYPE OF ORGANIZATION		2f. JURISDICTION OF ORGANIZATION			
3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - Insert only one secured party name (3a or 3b)					
3a. ORGANIZATION'S NAME					
CARDINAL GROWTH L.P.					
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
311 S. WACKER, SUITE 5500		CHICAGO	IL	60606	US
4. This FINANCING STATEMENT covers the following collateral:					
Collateral Description - please see attachment					

5. This FINANCING STATEMENT is to be filed (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)		7. Check to REQUEST SEARCH REPORT(s) on Debtor(s) (ADDITIONAL FEE) (optional)		All Debtors <input type="checkbox"/> Debtor 1 <input type="checkbox"/> Debtor 2 <input type="checkbox"/>	
6. OPTIONAL FILER REFERENCE DATA					
200330141					

EXHIBIT C

**Exhibit A
Collateral Description**

The Financing Statement covers, and the Debtor does hereby grant to the Secured Party a security interest in and to all property of the Debtor, of any kind or description, tangible or intangible, whether now existing or hereafter arising or acquired, and wherever now or hereafter located, together with all additions and accessions thereto, substitutions for, and replacements, products and proceeds therefrom, and all of the Debtor's books and records and recorded data relating thereto (regardless of the medium of recording or storage), together with all of the Debtor's right, title and interest in and to all computer software required to utilize, create, maintain and process any such records or data on electronic media including, but not limited to, the following property of the Debtor (all of which property is individually and collectively referred to as the "Collateral"):

1. All Accounts and all Goods whose sale, lease or other disposition by the Debtor has given rise to Accounts and have been returned to, or repossessed or stopped in transit by, the Debtor, or rejected or refused by an Account Debtor;
2. All Inventory, including, without limitation, raw materials, work-in-process and finished goods;
3. All Goods (other than Inventory), including, without limitation, embedded software, Equipment, vehicles, furniture and Fixtures;
4. All Software and computer programs;
5. All Securities, Investment Property, Financial Assets and Deposit Accounts;
6. All Chattel Paper, Electronic Chattel Paper, Instruments, Documents, Letter-of-Credit Rights, all proceeds of letters of credit, Health-care-insurance Receivables, Supporting Obligations, notes secured by real estate, Commercial Tort Claims and General Intangibles, including Payment Intangibles; and
7. All insurance policies and proceeds insuring the foregoing property or any part thereof, including unearned premiums.

Capitalized words and phrases used herein and not otherwise defined herein shall have the respective meanings assigned to such terms in either: (i) Article 9 of the Uniform Commercial Code as in force in Delaware at the time the financing statement was recorded by Secured Party, or (ii) Article 9 of the Uniform Commercial Code as in force at any relevant time in Illinois, the meaning to be ascribed thereto with respect to any particular item of property shall be that under the more encompassing of the two definitions.

The Debtor further acknowledges and agrees that this financing statement covers, and is intended to cover, all assets of the Debtor.

Exhibit D



DEBIT ADVICE

JUNE 26, 2009

TO:
CARDINAL GROWTH, LP
311 SOUTH WACKER DR
SUITE 5500
CHICAGO, IL 60606

RE: LETTER OF CREDIT NO: 509274
L/C AMOUNT: 2,500,000.00 USD

Redacted

PLEASE BE ADVISED WE HAVE DEBITED YOUR ACCOUNT 7516099491 IN THE AMOUNT OF 38,270.00 ON JUNE 26, 2009 FOR OUR CHARGES DUE UNDER THE ABOVE REFERENCED LETTER OF CREDIT NUMBER. THIS AMOUNT IS CALCULATED BEGINNING JUNE 26, 2009 FOR A PERIOD OF 366 DAYS, AT A RATE OF 1.500000000 ON THE AMOUNT OF 2,500,000.00 AND CALCULATED ON THE BASIS OF 360 DAYS PER ANNUM (MINIMUM \$325):

COMMISSION AMOUNT:	38,125.00
ADMINISTRATIVE FEE:	125.00
SWIFT FEE:	0.00
COURIER FEE	20.00

REGARDS,

FIFTH THIRD BANK
INTERNATIONAL TRADE SERVICES



DEBIT ADVICE

JUNE 28, 2010

TO:
CARDINAL GROWTH, LP
311 SOUTH WACKER DR
SUITE 5500
CHICAGO, IL 60606

ACCOUNT PARTY:
CARDINAL GROWTH, LP
311 SOUTH WACKER DR
SUITE 5500
CHICAGO, IL 60606

Redacted

RE: LETTER OF CREDIT NO: 109274
CURRENT L/C AMOUNT: 2,500,000.00 U.S. DOLLARS USD

PLEASE BE ADVISED WE HAVE DEBITED YOUR ACCOUNT 7516099491 IN THE
AMOUNT OF 1,666.67 FOR OUR CHARGES DUE UNDER THE ABOVE REFERENCED
LETTER OF CREDIT NUMBER. THIS AMOUNT IS CALCULATED FOR THE PERIOD
FROM JUNE 27, 2010 TO JULY 12, 2010 AT A RATE OF 1.500000000
PERCENT. (MINIMUM \$325)

REGARDS,

FIFTH THIRD BANK
INTERNATIONAL TRADE SERVICES

Fifth Third Bank: Transaction Detail

Page 1 of 1

Redacted

Transaction Details

Account: 512899491-Checking - Processed on: 06/28/2010
Cardinal Growth LP Primary Account
- USD
Transaction Type: ACH Debit BAI Code: 451 - ACH Debit Received
Bank Ref Number: 000000164 Customer Ref Number:
Date: 06/28/2010 Amount Debited: \$1,666.67
Amount Immediately Available:
Amount Available in One Day:
Amount Available in More than One Day:
Memo

Description
INTERNATIONAL 5409274000 062810

- Letter of credit fee
TWG

Close



DEBIT ADVICE

SEPTEMBER 27, 2010

File

TO:
CARDINAL GROWTH, LP
311 SOUTH WACKER DR
SUITE 5500
CHICAGO, IL 60606

ACCOUNT PARTY:
CARDINAL GROWTH, LP
311 SOUTH WACKER DR
SUITE 5500
CHICAGO, IL 60606

Redacted

RE: LETTER OF CREDIT NO: 9274
L/C AMOUNT: 1,000,000.00 U.S. DOLLARS USD

PLEASE BE ADVISED WE HAVE DEBITED YOUR ACCOUNT 7516099491 IN THE
AMOUNT OF 95.00 FOR OUR AMENDMENT CHARGES DUE UNDER THE ABOVE
REFERENCED LETTER OF CREDIT NUMBER.

COMMISSION AMOUNT:	0.00
ADMINISTRATIVE FEE:	75.00
SWIFT FEE:	0.00
COURIER FEE	20.00
TOTAL AMOUNT DUE:	95.00

QUESTIONS REGARDING THIS DEBIT ADVICE SHOULD BE ADDRESSED TO:
FIFTH THIRD BANK
TRADE SERVICES
5050 KINGSLEY DRIVE
MD 1MOCBR
CINCINNATI, OH 45263
PHONE: 800-662-3914

C0058983



DEBIT ADVICE

OCTOBER 27, 2010

TO:
CARDINAL GROWTH, LP
311 SOUTH WACKER DR
SUITE 5500
CHICAGO, IL 60606

ACCOUNT PARTY:
CARDINAL GROWTH, LP
311 SOUTH WACKER DR
SUITE 5500
CHICAGO, IL 60606

Redacted

RE: LETTER OF CREDIT NO: 9274
L/C AMOUNT: 500,000.00 U.S. DOLLARS USD

PLEASE BE ADVISED WE HAVE DEBITED YOUR ACCOUNT 7516099491 IN THE
AMOUNT OF 95.00 FOR OUR AMENDMENT CHARGES DUE UNDER THE ABOVE
REFERENCED LETTER OF CREDIT NUMBER.

COMMISSION AMOUNT:
ADMINISTRATIVE FEE:
SWIFT FEE:
COURIER FEE

0.00
75.00
0.00
20.00

95.00

TOTAL AMOUNT DUE:

QUESTIONS REGARDING THIS DEBIT ADVICE SHOULD BE ADDRESSED TO:
FIFTH THIRD BANK
TRADE SERVICES
5050 KINGSLEY DRIVE
MD 1MOCBR
CINCINNATI, OH 45263
PHONE: 800-662-3914

ok
10/31/10
A/P
file

C0059012

Exhibit E

PEDERSEN & HOUP

CARDINAL GROWTH L P
311 S WACKER DRIVE
SUITE 5500
CHICAGO IL 60606

July 9, 2009
Invoice 192560
Page 1

Our File 200330141
Investment - TWG Capital, Inc.
Client C12310

For Services Through 06/30/2009

05/07/2009	Review of Potential Claims under Securities Purchase Agreement with American Insurance. BPC	0.75 hours at 300.00 per hour.	225.00
06/02/2009	Review Term Sheet for Credit Enhancement and Line of Credit from Cardinal. Correspondence with J. Hofmockel. Review Cardinal Rights. BPC	0.75 hours at 300.00 per hour.	225.00
06/03/2009	Review of initial terms of transaction with IR7 and TWG regarding line of credit and credit enhancement. BPC	1.00 hours at 300.00 per hour.	300.00
06/04/2009	Calls and correspondence with J. Hofmockel regarding Investor Rights Agreement and terms of letter of credit. Review Cardinal's rights under the same. BPC	1.50 hours at 300.00 per hour.	450.00
06/08/2009	Call with J. Hofmockel regarding Cardinal's investment in TWG and the structure of transaction. Review Investor Rights Agreement. BPC	1.25 hours at 300.00 per hour.	375.00
06/09/2009	Intra-office conference with G. Perry regarding security interest on real estate tax certificates.		

INVOICES ARE PAYABLE UPON RECEIPT
TAX I.D. NUMBER 6074

Redacted

Suite 3100 | 181 North Clark Street | Chicago, IL 60601-3224 | pedersenhoupt.com | 312 641 8888 | Fax 312 641 8886
A Professional Corporation

EXHIBIT E

PEDERSEN&HOUP

CARDINAL GROWTH L P
311 S WACKER DRIVE
SUITE 5500
CHICAGO IL 60606

July 9, 2009
Invoice 192560
Page 2

Our File 200330141
Investment - TWG Capital, Inc.
Client C12310

For Services Through 06/30/2009

HJL	0.50 hours at 435.00 per hour,	217.50
06/09/2009	Review Investment Rights Agreement and other Loan Documents. Conference with G. Perry regarding Amendment to the same. Draft Amendment. Correspondence with J. Hofmockel.	
BPC	3.50 hours at 300.00 per hour.	1,050.00
06/10/2009	Research Lender Liability issues. Conference with G. Perry and E. Kordish regarding the same.	
BPC	1.00 hours at 300.00 per hour.	300.00
06/10/2009	Intra-office conference with E. Kordish regarding open issues.	
JAB	0.75 hours at 395.00 per hour.	296.25
06/10/2009	Intra-office conferences with B. Collins and G. Perry regarding nature of control and concerns about potential lender liability issues. Intra-office conference with J. Burger regarding same. Review A&R Investor Rights Agreement and draft of First Amendment to same. Research Delaware General Corporation Law Statute regarding fiduciary responsibilities of officers and directors and provisions for special rights of certain directors. Research law regarding lender liability issues generally and categories for theories of same.	
EJK	4.50 hours at 260.00 per hour.	1,170.00
06/10/2009	Review amendment to investor rights agreement. Meeting with B. Collins, et al. regarding lender liability and fiduciary obligations.	
GJP	1.50 hours at 440.00 per hour.	660.00
06/11/2009	Revise Amendment to Investor Rights Agreement.	

INVOICES ARE PAYABLE UPON RECEIPT
TAX I.D. NUMBER 36074

Redacted

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A Professional Corporation

PEDERSEN & HOUP

CARDINAL GROWTH L P
311 S WACKER DRIVE
SUITE 5500
CHICAGO IL 60606

July 9, 2009
Invoice 192560
Page 3

Our File 200330141
Investment - TWG Capital, Inc.
Client C12310

For Services Through 06/30/2009

	Conference with E. Kordish and G. Perry regarding the same. Revise Amendment. BPC	0.75 hours at 300.00 per hour.	225.00
06/11/2009	Telephone conference with E. Kordish regarding issues with respect to loan. JAB	0.25 hours at 395.00 per hour.	98.75
06/11/2009	Review and research additional lender liability issues and theories for same. Revise First Amendment to A&R Investor Rights Agreement regarding waiver and release of claims, agreement to amend articles of incorporation to remove certain fiduciary duties of directors, provide for indemnification of Cardinal Directors, and to further reduce certain other potential lender liability claims. Intra-office conferences with B. Collins regarding same. EJK	4.25 hours at 260.00 per hour.	1,105.00
06/12/2009	Draft and revise Amendment to Investor Rights Agreement. Review Standstill Agreement. BPC	1.00 hours at 300.00 per hour.	300.00
06/12/2009	Review and revise amendment to investor rights agreement. GJP	1.25 hours at 440.00 per hour.	550.00
06/17/2009	Call with J. Hofmockel. Conference with G. Perry regarding Investor Rights Agreement and Cardinal loan. Revise the Amendment to Investor Rights Agreement. Review of Lender Liability Issues. BPC	1.75 hours at 300.00 per hour.	525.00
06/18/2009	Call and correspondence with J. Hofmockel regarding lender liability issues and the Investor Rights Agreement. Calls with G. Perry regarding the same.		

INVOICES ARE PAYABLE UPON RECEIPT
TAX I.D. NUMBER 66074

Redacted

PEDERSEN&HOUP

CARDINAL GROWTH L P
311 S WACKER DRIVE
SUITE 5500
CHICAGO IL 60606

July 9, 2009
Invoice 192560
Page 4

Our File 200330141
Investment - TWG Capital, Inc.
Client C12310

For Services Through 06/30/2009

	BPC	0.75 hours at 300.00 per hour.	225.00
06/18/2009	Intra-office conference with B. Collins regarding potential appointment of special director and lender liability issues.		
	EJK	0.25 hours at 260.00 per hour.	65.00
06/19/2009	Call with G. Perry. Call with J. Hofmockel regarding lender liability issue and status.		
	BPC	0.50 hours at 300.00 per hour.	150.00
06/25/2009	Call with J. Hofmockel. Review revised term sheet.		
	BPC	0.75 hours at 300.00 per hour.	225.00
06/25/2009	Review email correspondence regarding director liability. Email G. Perry regarding potential lender liability.		
	EJK	0.25 hours at 260.00 per hour.	65.00
06/25/2009	Review Delaware law regarding multiple votes for a director. Comment on J. Hofmockel's term sheet regarding line of credit.		
	GJP	1.25 hours at 440.00 per hour.	550.00
06/29/2009	Draft Credit Enhancement Agreement. Calls with J. Hofmockel. Review Standstill Agreement.		
	BPC	3.50 hours at 300.00 per hour.	1,050.00
06/29/2009	Review term sheet. Intra-office conference with B. Collins regarding background on transaction and contemplated deal. Telephone conference with J. Hofmockel and B. Collins regarding same.		
	EJK	1.25 hours at 260.00 per hour.	325.00
06/29/2009	Conference with B. Collins. Prepare e-mail correspondence to CT Corporation requesting UCC search		

Redacted

INVOICES ARE PAYABLE UPON RECEIPT
TAX I.D. NUMBER 36074

Suite 3100 | 161 North Clark Street | Chicago, IL 60601-3224 | pedersenhoupt.com | 312 641 6888 | Fax 312 641 6895
A Professional Corporation

PEDERSEN & HOUP

CARDINAL GROWTH L P
311 S WACKER DRIVE
SUITE 5500
CHICAGO IL 60606

July 9, 2009
Invoice 192560
Page 5

Our File 200330141
Investment - TWG Capital, Inc.
Client C12310

For Services Through 06/30/2009

	in Delaware for TWG Capital, Inc.	
VK	0.25 hours at 155.00 per hour.	38.75
06/30/2009	Work on revising Credit Enhancement Agreement. Review Facility Agreement. Correspondence and calls with J. Hofmockel. Conference with G. Perry. Calls with TWG's attorney. Review revised Agreement.	
BPC	7.00 hours at 300.00 per hour.	2,100.00
06/30/2009	Review email from B. Collins regarding UCC searches. Telephone call with B. Collins regarding status of transaction, Credit Enhancement Agreement, UCC searches, and UCC Financing Statement to be prepared and filed. Review email from B. Collins regarding Credit Enhancement Agreement, Standstill Agreement, and conditions to draw on Letter of Credit.	
EJK	0.50 hours at 260.00 per hour.	130.00
06/30/2009	Review credit enhancement agreement. Conference call with B. Collins and J. Hofmockel.	
GJP	4.00 hours at 440.00 per hour.	1,760.00
06/30/2009	Conference with B. Collins regarding preparation of UCC-1 financing statement with TWG Capital, Inc as debtor.	
VK	0.25 hours at 155.00 per hour.	38.75

Fees for legal services:	14,795.00
Total Legal Services:	14,795.00

TIME AND FEE SUMMARY**Redacted**

INVOICES ARE PAYABLE UPON RECEIPT
TAX I.D. NUMBER 36074

Suite 3100 | 181 North Clark Street | Chicago, IL 60601-3224 | pedersenhoupt.com | 312 641 6888 | Fax 312 641 6896
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PEDERSEN&HOUP

CARDINAL GROWTH L P
311 S WACKER DRIVE
SUITE 5500
CHICAGO IL 60606

July 9, 2009
Invoice 192560
Page 6

Our File 200330141
Investment - TWG Capital, Inc.
Client C12310

For Services Through 06/30/2009

TIMEKEEPER	RATE	HOURS	FEES
Herbert J. Linn - HJL	435.00	0.50	217.50
Brian P. Collins - BPC	300.00	25.75	7,725.00
Jeffrey A. Burger - JAB	395.00	1.00	395.00
Eric J. Kordish - EJK	260.00	11.00	2,860.00
Gregory J. Perry - GJP	440.00	8.00	3,520.00
Victoria Kennedy - VK	155.00	0.50	77.50
	TOTAL FEES	46.75	14,795.00

REIMBURSABLE COSTS		
06/30/2009	Local Transportation Expenses	12.00
06/30/2009	Computer research re Lexis/Nexis	32.89
06/30/2009	Impressions	5.95
	TOTAL COSTS	50.84

TOTAL FEES & COSTS \$14,845.84

TOTAL CURRENT BILLING FOR THIS FILE \$14,845.84

Redacted

INVOICES ARE PAYABLE UPON RECEIPT
TAX I.D. NUMBER 36074

Suite 3100 | 161 North Clark Street | Chicago, IL 60601-3224 | pedersen&houpt.com | 312 641 6888 | Fax 312 641 6895
A Professional Corporation

PEDERSEN&HOUP

CARDINAL GROWTH L P
311 S WACKER DRIVE
SUITE 5500
CHICAGO IL 60606

July 9, 2009
Invoice 192560
Page 7

Our File 200330141
Investment - TWG Capital, Inc.
Client C12310

For Services Through 06/30/2009

TOTAL BALANCE DUE FOR THIS FILE **\$14,845.84**

TOTAL PAYMENTS RECEIVED SINCE LAST INVOICE - \$706.25

DATE OF LAST PAYMENT RECEIVED - 09/24/08

Redacted

INVOICES ARE PAYABLE UPON RECEIPT
TAX I.D. NUMBER 036074

Suite 3100 | 161 North Clark Street | Chicago, IL 60601-3224 | pedersen&houpt.com | 312 641 6888 | Fax 312 641 6888
A Professional Corporation

PEDERSEN & HOUP

Cardinal Growth, L.P.
Our File 200330141
Client C12310

July 9, 2009
Invoice 192560

REMITTANCE ADVICE

PLEASE RETURN THIS PAGE WITH YOUR PAYMENT

TOTAL CURRENT BILLING FOR THIS FILE	\$14,845.84
TOTAL BALANCE DUE FOR THIS FILE	\$14,845.84

Payments via Wire are welcomed at:
Bank of America
Chicago, IL
ABA 026009593
Account 5800506890
Pedersen & Houpt
Please reference invoice and file number

Payments via Check can be mailed to:
Pedersen & Houpt
Attn: Finance Department
161 N. Clark Street
Suite 3100
Chicago, IL 60601-3224

TO PAY BY CREDIT CARD PLEASE FAX TO 312-261-1061:

- ☐ VISA
☐ MASTERCARD
☐ AMERICAN EXPRESS
☐ DISCOVER

Name on Credit Card: _____
Credit Card Number: _____
Expiration Date: _____
Authorized Amount: \$ _____
Invoice or Matter Number: _____
Signature (must have): _____
or
Contact Sivan Koenig at 312-261-2581 or
e-mail at skoenig@pedersenhaupt.com

Redacted

INVOICES ARE PAYABLE UPON RECEIPT
TAX I.D. NUMBER 136074

Suite 3100 | 161 North Clark Street | Chicago, IL 60601-3224 | pedersenhaupt.com | 312 641 6888 | Fax 312 641 6896
A Professional Corporation

PEDERSEN&HOUP

CARDINAL GROWTH L P
311 S WACKER DRIVE
SUITE 5500
CHICAGO IL 60606

August 31, 2009
Invoice 193273
Page 1

Our File 200330141
Investment - TWG Capital, Inc.
Client C12310

For Services Through 07/31/2009

07/01/2009 Telephone conference with V. Kennedy regarding UCC Financing Statement to be filed. Telephone call with G. Perry regarding transaction. Review draft of financing statement and email from V. Kennedy regarding same. Review draft of UCC Search results and email from V. Kennedy regarding same.
EJK 0.50 hours at 260.00 per hour. 130.00

07/01/2009 Telephone conferences with J. Hofmockel. Multiple revisions of Credit Enhancement Agreement. Telephone conferences regarding Credit Enhancement Agreement and Standstill Agreement.
GJP 4.25 hours at 440.00 per hour. 1,870.00

07/01/2009 Review file regarding proper debtor name and address. Conference with E. Kordish. Prepare UCC-1 financing statement with TWG Capital, Inc. as debtor and Cardinal Growth L.P. as secured party. Prepare collateral description. Receive and review results of UCC search of TWG Capital, Inc. Memo to E. Kordish and G. Perry regarding results.
VK 1.50 hours at 155.00 per hour. 232.50

07/01/2009 Conference with G. Perry regarding filing evidence of UCC-1 financing statement against all debtors.

INVOICES ARE PAYABLE UPON RECEIPT
TAX I.D. NUMBER 3074

Redacted

PEDERSEN & HOUP

CARDINAL GROWTH L P
311 S WACKER DRIVE
SUITE 5500
CHICAGO IL 60606

August 31, 2009
Invoice 193273
Page 2

Our File 200330141
Investment - TWG Capital, Inc.
Client C12310

For Services Through 07/31/2009

VK	0.25 hours at 155.00 per hour.	38.75
07/09/2009	Conference with E. Kordish regarding previously filed UCC-1 against all FNH entities. Review file.	
VK	0.50 hours at 155.00 per hour.	77.50
07/10/2009	Conference with E. Kordish with authorization to file termination of UCC-1 with Cardinal Growth II, L.P. as secured party and to file revised UCC-1 against all entities on behalf of Cardinal Growth FNA Bridge, LLC. Prepare and file UCC-1 and UCC-3 with the Illinois Secretary of State. Receive receipt of filing.	
VK	1.25 hours at 155.00 per hour.	193.75
07/14/2009	Telephone conference with J. Hofmockel, Research regarding Investors Rights Agreement and duties of directors under Delaware law.	
GJP	1.25 hours at 440.00 per hour.	550.00
07/16/2009	Conference with G. Perry regarding Letter of Credit issues and status of Credit Enhancement.	
BPC	0.25 hours at 300.00 per hour.	75.00
07/23/2009	Call with J. Brown regarding Credit Enhancement. Review Standstill Agreement.	
BPC	0.50 hours at 300.00 per hour.	150.00

Fees for legal services:	3,317.50
Total Legal Services:	<u>3,317.50</u>

TIME AND FEE SUMMARY**Redacted**

INVOICES ARE PAYABLE UPON RECEIPT
TAX I.D. NUMBER 6074

Suite 3100 | 161 North Clark Street | Chicago, IL 60601-3224 | pedersenhoupt.com | 312 641 6888 | Fax 312 641 6895
A Professional Corporation

PEDERSEN&HOUP

CARDINAL GROWTH L P
311 S WACKER DRIVE
SUITE 5500
CHICAGO IL 60606

August 31, 2009
Invoice 193273
Page 3

Our File 200330141
Investment - TWG Capital, Inc.
Client C12310

For Services Through 07/31/2009

TIMEKEEPER	RATE	HOURS	FEES
Brian P. Collins - BPC	300.00	0.75	225.00
Eric J. Kordish - EJK	260.00	0.50	130.00
Gregory J. Perry - GJP	440.00	5.50	2,420.00
Victoria Kennedy - VK	155.00	3.50	542.50
TOTAL FEES		10.25	3,317.50

REIMBURSABLE COSTS		
07/31/2009	Long Distance Telephone	0.15
TOTAL COSTS		0.15

TOTAL FEES & COSTS	\$3,317.65
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TOTAL CURRENT BILLING FOR THIS FILE	\$3,317.65
OUTSTANDING INVOICES FOR THIS FILE	\$14,845.84
TOTAL BALANCE DUE FOR THIS FILE	\$18,163.49

INVOICES ARE PAYABLE UPON RECEIPT
TAX I.D. NUMBER 6074

Redacted

PEDERSEN&HOUP

CARDINAL GROWTH L P
311 S WACKER DRIVE
SUITE 5500
CHICAGO IL 60606

August 31, 2009
Invoice 193273
Page 4

Our File 200330141
Investment - TWG Capital, Inc.
Client C12310

For Services Through 07/31/2009

SUMMARY OF OUTSTANDING INVOICES

07/09/09	192560	14,845.84
	TOTAL	\$14,845.84

DATE OF LAST PAYMENT RECEIVED - 09/24/08

Redacted

INVOICES ARE PAYABLE UPON RECEIPT
TAX I.D. NUMBER 00-0000000

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PEDERSEN & HOUP

Cardinal Growth, L.P.
Our File 200330141
Client C12310

August 31, 2009
Invoice 193273

REMITTANCE ADVICE

PLEASE RETURN THIS PAGE WITH YOUR PAYMENT

TOTAL CURRENT BILLING FOR THIS FILE	\$3,317.65
OUTSTANDING INVOICES FOR THIS FILE	\$14,845.84
TOTAL BALANCE DUE FOR THIS FILE	\$18,163.49

*****NEW*****

Payments via Wire are welcomed at:
The PrivateBank
Chicago, IL
ABA 071006486
Account 2202917
Pedersen & Houpt
Please reference invoice and file number

Payments via Check can be mailed to:
Pedersen & Houpt
Attn: Finance Department
161 N. Clark Street
Suite 3100
Chicago, IL 60601-3224

TO PAY BY CREDIT CARD PLEASE FAX TO 312-261-1061:

- ☐ VISA
☐ MASTERCARD
☐ AMERICAN EXPRESS
☐ DISCOVER

Name on Credit Card: _____
Credit Card Number: _____
Expiration Date: _____
Authorized Amount: \$ _____
Invoice or Matter Number: _____
Signature (must have): _____

or

Contact Sivan Koenig at 312-261-2581 or
e-mail at skoenig@pedersenhoupt.com

Redacted

INVOICES ARE PAYABLE UPON RECEIPT
TAX I.D. NUMBER 00-00000000

Suite 3100 | 161 North Clark Street | Chicago, IL 60601-3224 | pedersenhoupt.com | 312 641 8888 | Fax 312 641 8888
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PEDERSEN & HOUP

CARDINAL GROWTH L P
311 S WACKER DRIVE
SUITE 5500
CHICAGO IL 60606

September 3, 2009
Invoice 193306
Page 1

Our File 200330141
Investment - TWG Capital, Inc.
Client C12310

For Services Through 08/31/2009

08/04/2009 Correspondence with J. Hofmockel regarding status of
Credit Enhancement and Letter of Credit. Call with J.
Brown regarding the same. 150.00
BPC 0.50 hours at 300.00 per hour.

08/26/2009 Correspondence with J. Signa regarding ownership in
TWG Capital and TWG Mezzanine. Review Purchase
Documents and Organizational documents. Correspondence
regarding investments in FNA. 375.00
BPC 1.25 hours at 300.00 per hour.

Fees for legal services: 525.00
Total Legal Services: 525.00

TIME AND FEE SUMMARY			
TIMEKEEPER	RATE	HOURS	FEES
Brian P. Collins - BPC	300.00	1.75	525.00
TOTAL FEES		1.75	525.00

Redacted

INVOICES ARE PAYABLE UPON RECEIPT
TAX I.D. NUMBER 00-0000000

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PEDERSEN&HOUP

Cardinal Growth, L.P.
Our File 200330141
Client C12310

September 3, 2009
Invoice 193306

DATE OF LAST PAYMENT RECEIVED - 09/24/08

Redacted

INVOICES ARE PAYABLE UPON RECEIPT
TAX I.D. NUMBER 67-05074

Suite 3100 | 151 North Clark Street | Chicago, IL 60601-3224 | pedersenhoupt.com | 312 641 6888 | Fax 312 641 6886
A Professional Corporation

Exhibit F



621 SOUTH PLYMOUTH COURT
SUITE 100
CHICAGO, ILLINOIS 60605
312-214-1400 telephone
312-214-1401 facsimile
www.skgsmllaw.com

July 31, 2012

Via Facsimile and First Class Mail

Jay Jaffee
Faegre Baker Daniels
600 East 96th Street Suite 600
Indianapolis, IN 46240-3789

Re: *United States v. Cardinal Growth, L.P.*, Case No. 11-cv-04011

Dear Mr. Jaffe:

I write to follow up on our recent conversations concerning the Credit Enhancement and Security Agreement ("Agreement") of June 30, 2009, by and between TWG Capital, Inc. ("TWG") as "Servicer", Insurance Receivables 7, LLC ("IR7") as "Borrower," and Cardinal Growth, L.P. ("Cardinal"). You and I have discussed the UCC Financing Statement that was filed on Cardinal's behalf to provide notice of the security interest conveyed to Cardinal under paragraph 5(a) of the Agreement. As that paragraph provides, TWG, as Servicer, granted to Cardinal a security interest "[a]s security for payment of the Enhancement Fee, the Repayment Amounts and any other amounts payable by the Servicer to Cardinal under this Enhancement Agreement."

We have reviewed other amounts payable to Cardinal under the Enhancement Agreement, and we have determined that certain amounts payable under paragraph 10 of the Agreement remain, as of this date, unpaid. Such amounts include the following fees, charged by Fifth Third Bank and paid from Cardinal's accounts, associated with providing the Subject Event Letter of Credit:

<u>Date</u>	<u>Amount</u>	<u>Description</u>	<u>Comment</u>
6/26/2009	\$38,270.00	INTERNATIONAL S409274000 062810	LOC fee

EXHIBIT F

Jay Jaffee
July 31, 2012
Page 2

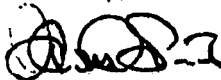
6/28/2010	\$1,666.67	INTERNATIONAL S409274000 062609	Renewal of LOC
7/13/2010	\$3,324.17	INTERNATIONAL S409274001	Debit account no. 99491 for amendment and commission
9/27/2010	\$95.00	Administrative and courier fees	Amendment Charge
10/27/2010	\$95.00	Administrative and courier fees	Amendment Charge
Total:	\$43,450.84		

Redacted

Such amounts also include legal fees and expenses incurred by Cardinal and paid to the law firm of Pedersen & Houpt in connection with the Enhancement Agreement and the issuance of the Subject Event Letter of Credit. To date, our review reveals that between June 2, 2009, and August 4, 2009, Cardinal incurred \$9,025.00 in unpaid attorney fees and costs which have not been reimbursed by TWG. Our review continues, and this sum may increase should it be determined that the amount of fees and costs paid to Cardinal's counsel in connection with the Enhancement Agreement and the letter of credit exceeds this total.

Please consider this letter as the Receiver's demand for payment of \$52,475.84 under the Credit Enhancement Agreement. The security interest conveyed under paragraph 5(a) of that Agreement serves to secure the payment of such amounts.

Sincerely,



Thomas A. Smith

cc: Arlene P. Messinger

12-11019-BHL-11 TWG Capital, Inc.

Chapter: 11

Last Date to file claims:

Last Date to file (Govt):

Amount claimed: \$52475.84

Secured claimed: \$52475.84

<u>Details</u>	<u>5-1</u>	10/16/2012 Claim #5 filed by U.S. Small Business Administration,, Amount claimed: \$52475.84 (Estelle, Susan)
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Details 5-2 10/31/2012 Amended Claim #5 filed by U.S. Small Business Administration,,
Amount claimed: \$52475.84 (Estelle, Susan)

Remarks:

Case Name: TWG Capital, Inc.

Case Number: 12-11019-BHL-11

Chapter: 11

Date Filed: 09/14/2012

Total Number Of Claims: 1

Total Amount Claimed*	\$52475.84
Total Amount Allowed*	

*Includes general unsecured claims

The values are reflective of the data entered. Always refer to claim documents for actual amounts.

	Claimed	Allowed
Secured	\$52475.84	
Priority		
Administrative		