

APPENDIX A

**BANYON 1030-32, LLC AND AFFILIATES
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

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INDEPENDENT AUDITORS' REPORT

To the Members of
Banyon 1030-32, LLC and Affiliates
Fort Lauderdale, Florida

We have audited the accompanying consolidated balance sheets of Banyon 1030-32, LLC and Affiliates (a limited liability company) as of December 31, 2008 and 2007, and the related consolidated statements of income, changes in members' equity and cash flows for the year ended December 31, 2008 and for the period from inception (December 22, 2006) to December 31, 2007. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Banyon 1030-32, LLC and Affiliates as of December 31, 2008 and 2007, and the results of its consolidated operations and its consolidated cash flows for the year ended December 31, 2008 and for the period from inception (December 22, 2006) to December 31, 2007 in conformity with accounting principles generally accepted in the United States of America.

Berenfeld Spritzer Shechter & Sheer LLP

Fort Lauderdale, Florida

March 1, 2009

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**BANYON 1030-32, LLC AND AFFILIATES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2008 AND 2007**

Assets

Current Assets:

	2008	2007
Cash	\$ 8,841,504	\$ 80
Finance receivables, net	332,881,393	27,095,887
Due from related party	10,342,584	-
Total Current Assets	352,065,481	27,095,967

Property and Equipment:

Office condominium	3,733,314	-
Aircraft	2,940,000	-
Land	406,600	-
Furniture and fixtures	2,290	-
Less: Accumulated depreciation	(123,368)	-
Property and equipment, net	6,958,836	-

Other Assets:

Finance receivables, long term portion	7,501,908	513,550
Due from related party, long term	2,074,962	-
Other assets	2,165,997	-
Total Other Assets	11,742,867	513,550
Total Assets	\$ 370,767,184	\$ 27,609,517

Liabilities and Members' Equity

Current Liabilities:

Notes payable, current	\$ 204,764,130	\$ 4,528,618
Accounts payable and accrued expenses	6,069,806	150,724
Accrued interest payable	2,442,692	-
Claims payable	41,376,578	1,608,000
Due to investors	3,979,795	-
Total Current Liabilities	258,633,001	6,287,342

Other Liabilities:

Notes payable, net of current portion	1,804,215	-
Interest rate swap contract liability	209,121	-
Security deposits	31,016	-
Total Other Liabilities	2,044,352	-

Total Liabilities

	260,677,353	6,287,342
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Members' Equity

	110,089,831	21,322,175
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Total Liabilities and Members' Equity

	\$ 370,767,184	\$ 27,609,517
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See accompanying notes to the consolidated financial statements.

**BANYON 1030-32, LLC AND AFFILIATES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2008 AND FOR THE
PERIOD FROM INCEPTION (DECEMBER 22, 2006) TO DECEMBER 31, 2007**

	<u>2008</u>	<u>2007</u>
Revenues:		
Finance revenue	\$ 146,005,125	\$ 7,956,654
Total revenues	<u>146,005,125</u>	<u>7,956,654</u>
Operating expenses:		
Interest expense	39,334,386	145,787
Commissions	201,266	-
Management fees	808,030	-
Charter expenses	165,561	-
Business expense	66,279	355
Other operating expenses	<u>630,771</u>	<u>2,875</u>
Total operating expenses	<u>41,206,293</u>	<u>149,017</u>
Operating income	<u>104,798,832</u>	<u>7,807,637</u>
Other income (expense):		
Rental income	159,641	-
Interest income	165,997	-
Depreciation expense	<u>(123,368)</u>	<u>-</u>
Total other income	<u>202,270</u>	<u>-</u>
Net income	<u>\$ 105,001,102</u>	<u>\$ 7,807,637</u>
Comprehensive income:		
Net income	\$ 105,001,102	\$ 7,807,637
Other comprehensive (loss):		
Unrealized loss on interest rate swap agreement	<u>(209,121)</u>	<u>-</u>
Comprehensive income	<u>\$ 104,791,981</u>	<u>\$ 7,807,637</u>

See accompanying notes to the consolidated financial statements.

BANYON 1030-32, LLC AND AFFILIATES
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE PERIOD FROM INCEPTION (DECEMBER 22, 2006) TO DECEMBER 31, 2008

Capital contributions	\$ 17,631,100
Distributions	(4,116,562)
Net income	<u>7,807,637</u>
Balance, December 31, 2007	21,322,175
Capital contributions	2,943,061
Distributions	(18,967,386)
Net income	105,001,102
Other comprehensive loss	<u>(209,121)</u>
Balance, December 31, 2008	<u>\$ 110,089,831</u>

See accompanying notes to the consolidated financial statements.

**BANYON 1030-32, LLC AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008 AND FOR THE
PERIOD FROM INCEPTION (DECEMBER 22, 2006) TO DECEMBER 31, 2007**

	2008	2007
Cash Flows from Operating Activities:		
Net income	\$ 105,001,102	\$ 7,807,637
Adjustment to reconcile net income to net cash (used in) operating activities:		
Accretion of unearned income	(146,005,125)	(7,956,654)
Depreciation expense	123,368	-
Change in operating assets and liabilities:		
Other assets	(2,165,997)	-
Finance receivable collections	302,811,249	12,725,382
Finance receivable purchases, including acquisition costs	(465,600,193)	(32,378,165)
Accounts payable and accrued expenses	5,919,082	150,724
Accrued interest payable	2,442,692	-
Claims payable	39,768,578	1,608,000
Security deposits	31,016	-
Net cash (used in) operating activities	(157,674,228)	(18,043,076)
Cash Flows from Investing Activities:		
Purchase of property and equipment	(5,232,204)	-
Net cash used in investing activities	(5,232,204)	-
Cash Flows from Financing Activities:		
Proceeds from notes payable	368,727,505	4,821,643
Principal payments on notes payable	(168,537,778)	(293,025)
Advances to related parties	(12,417,546)	-
Member capital contributions	2,943,061	17,631,100
Distributions to members	(18,967,386)	(4,116,562)
Net cash provided by financing activities	171,747,856	18,043,156
Net increase in cash	8,841,424	80
Cash, Beginning of Period	80	-
Cash, End of Period	\$ 8,841,504	\$ 80
Supplemental disclosure of cash flow information:		
Interest paid	\$ 36,891,694	\$ 145,787
Supplemental disclosure of non-cash investing and financing activities:		
Debt incurred in acquisition of property	\$ 1,850,000	\$ -

See accompanying notes to the consolidated financial statements.

**BANYON 1030-32, LLC AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008 AND FOR THE PERIOD FROM
INCEPTION (DECEMBER 22, 2006) TO DECEMBER 31, 2007**

NOTE 1 - Summary of Significant Accounting Policies and Other Information

Principles of Consolidation

The consolidated financial statements for the year ended December 31, 2008 include the accounts of Banyon 1030-32, LLC ("Banyon 1030-32"), Banyon Capital, LLC ("Banyon Capital"), Banyon Funding, LLC ("Banyon Funding"), Banyon Investments, LLC ("Banyon Investments"), Banyon Resources, LLC ("Banyon Resources"), and Galleria Aviation, LLC ("Galleria Aviation"), herein collectively referred to as the "Company". All significant intercompany transactions and balances have been eliminated in consolidation.

Banyon Capital, Banyon Funding, Banyon Investments, Banyon Resources and Galleria Aviation commenced operations in 2008. Therefore, the financial statements as of and for the period ended December 31, 2007 include the accounts of Banyon 1030-32 only.

Nature of Activities

The Company's primary business is as a specialty finance company that originates, securitizes and services rights to receive payments from legal settlements and other deferred payment obligations. Deferred payment obligations are contractual arrangements under which one party has agreed to make fixed, scheduled payments to another party ("the claimant") over time to satisfy an obligation.

"Origination" of legal settlement receivables refers to the Company's purchase of the rights to receive payments, not the origination of the underlying deferred payment obligation itself.

The Company acquires the claimant's right to receive payments with respect to legal settlements which are paid to the claimant over a period of years in return for a discounted lump sum payment to the claimant.

Banyon Capital, Banyon Funding, Banyon Investments and Banyon Resources were formed as single-purpose vehicles, and were incorporated on December 22, 2006, April 25, 2008, April 25, 2008, and October 30, 2008, respectively, pursuant to the laws of the State of Nevada.

Galleria Aviation, incorporated on September 18, 2008, purchased two aircraft and has a deposit on a third during the year ended December 31, 2008 to provide air charter activities to the private, corporate and commercial flying public in accordance with Part 135 of the Federal Aviation Regulations.

The Company purchased an office condominium during the year ended December 31, 2008, and has entered into leasing arrangements with an affiliate and various third parties for certain office space. (See Note 5, Related Party Transactions, and Note 6, Rents)

**BANYON 1030-32, LLC AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008 AND FOR THE PERIOD FROM
INCEPTION (DECEMBER 22, 2006) TO DECEMBER 31, 2007**

NOTE 1 - Summary of Significant Accounting Policies and Other Information (continued)

Basis of Accounting

These consolidated financial statements have been prepared on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Cash and Cash Equivalents

For the purposes of the consolidated statements of cash flows, the Company considers all highly liquid debt instruments with original maturity dates of less than three months to be cash equivalents. There were no cash equivalents at December 31, 2008 and 2007.

Revenue Recognition

Finance Receivables

The Company purchases finance receivables at a discount from their maturity value. This discount is recorded as unearned income and is netted against finance receivables in the accompanying consolidated financial statements. Unearned income on finance receivables is recognized as finance revenue using the interest method over the life of the related finance receivables.

Certain direct acquisition costs are capitalized and recognized as an adjustment to finance revenue over the contractual lives of the related finance receivables utilizing the interest method. Direct acquisition costs include direct personnel cost, legal, and other costs incurred in connection with originations.

Air Charter Activities

Revenue for air charter activities are recognized after an arrangement exists, the price is fixed, and collectibility is reasonably assured.

Allowance for Credit Losses

The Company maintains an allowance for credit losses at a level that management considers adequate to provide for potential losses in the finance receivable portfolio based upon current economic conditions, past experience, known and inherent risks in the portfolio and other relevant factors. These credit losses principally result from individual payments not collected on finance receivables. The Company will charge-off the defaulted payment balance at the time it determines it to be uncollectible.

BANYON 1030-32, LLC AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008 AND FOR THE PERIOD FROM
INCEPTION (DECEMBER 22, 2006) TO DECEMBER 31, 2007

NOTE 1 - Summary of Significant Accounting Policies and Other Information (continued)

Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated on the straight-line method over the estimated useful lives of the respective assets as follows: Office condominium – 39 years, Aircraft – 7 years and Furniture and fixtures – 5 years.

The cost of additions and betterments are capitalized and expenditures for repairs and maintenance are charged to expense as incurred. When assets are retired or otherwise disposed of, the cost of such assets and the related accumulated depreciation are removed from the accounts. Any profit or loss resulting from the retirement or disposal of such assets is charged to other income or expenses.

Fair Value of Financial Instruments

Except as otherwise disclosed, the Company's financial instruments, including receivables and accounts payable, are reported at their carrying value which, in the opinion of management, approximates their fair value and have relatively short-term maturities.

Concentration of Credit Risk

The Company maintains cash balances at various financial institutions which at times may exceed federally insured limits. At December 31, 2008 and 2007, the Company had excess deposits over the federally insured limit of \$7,309,600 and \$0, respectively.

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Derivative Instruments and Hedging Transactions

The Company may use derivative instruments to reduce interest rate risk. The Company has established policies and procedures for risk assessment and the approval, reporting and monitoring of derivative instruments. The Company does not hold derivative instruments for trading purposes.

Interest rate swap contracts designated and qualifying as cash flow hedges are reported at fair value. The gain or loss on the effective portion of the hedge initially is included as a component of other comprehensive income (loss) and is subsequently reclassified into earnings when interest on the related debt is paid.

**BANYON 1030-32, LLC AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008 AND FOR THE PERIOD FROM
INCEPTION (DECEMBER 22, 2006) TO DECEMBER 31, 2007**

NOTE 1 - Summary of Significant Accounting Policies and Other Information (continued)

Income Taxes

A limited liability company is treated as a partnership for income tax purposes and is not subject to income taxes. The taxable income or loss of the Company is includible in the individual income tax returns of its members based upon their percentage of ownership. Consequently, no provision for income taxes is recorded in the accompanying consolidated financial statements.

NOTE 2 - Finance Receivables

At December 31, 2008 and 2007, finance receivables consist of the following:

	<u>2008</u>	<u>2007</u>
Legal settlements	\$ 517,404,505	\$ 41,947,844
Unearned income	(177,099,308)	(14,363,545)
Deferred acquisition costs, net	<u>78,104</u>	<u>25,138</u>
Carrying value	340,383,301	27,609,437
 Allowance for credit losses	 <u>-</u>	 <u>-</u>
Finance receivables, net	 <u>\$ 340,383,301</u>	 <u>\$ 27,609,437</u>

At December 31, 2008, the contractual maturities of the finance receivables were as follows:

2009	\$ 508,688,180
2010	<u>8,716,325</u>
	<u>\$ 517,404,505</u>

There were no finance receivables that were individually identified as impaired for the year ended December 31, 2008 and for the period from inception (December 22, 2006) to December 31, 2007 and therefore the allowance for credit losses attributed to impaired loans amounted to \$0 for each period.

**BANYON 1030-32, LLC AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008 AND FOR THE PERIOD FROM
INCEPTION (DECEMBER 22, 2006) TO DECEMBER 31, 2007**

NOTE 3 – Notes Payable

At December 31, 2008 and 2007, notes payable consist of the following:

	<u>2008</u>	<u>2007</u>
Notes payable to investors, interest ranging from 12% to 30% payable in full six months from the date of the notes. The notes are secured by the proceeds of various legal settlements and the goods and property of the Company.	\$ 40,730,923	\$ 4,528,618
Note payable with an investor with a maximum limit of \$150,000,000 that the Company may draw against to purchase legal settlements, interest of 50%, maturing on June 26, 2013, secured by the proceeds of various legal settlements and the goods and property of the Company.	117,844,681	-
Note payable with an investor with a maximum limit of \$50,000,000 that the Company may draw against to purchase legal settlements, interest of 22%, maturing on April 3, 2013, secured by the proceeds of various legal settlements and the goods and property of the Company.	26,054,752	-
In addition to this note, the investor has advanced additional funds to the Company with payment terms as disclosed in Note 4.	7,062,070	-
Note payable with an investor with a maximum limit of \$50,000,000 that the Company may draw against to purchase legal settlements, interest of 22%, maturing on June 11, 2010, secured by the proceeds of various legal settlements and the goods and property of the Company.	11,336,737	-
In addition to this note, the investor has advanced additional funds to the Company with payment terms as disclosed in Note 4.	1,704,000	-
Mortgage payable to Regions Bank, payable in monthly installments of \$34,528 including interest at the rate of 4.54%, maturing on June 1, 2013, secured by a first mortgage on real estate owned by the Company.	<u>1,835,182</u>	<u>-</u>
Total	<u>\$ 206,568,345</u>	<u>\$ 4,528,618</u>

**BANYON 1030-32, LLC AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008 AND FOR THE PERIOD FROM
INCEPTION (DECEMBER 22, 2006) TO DECEMBER 31, 2007**

NOTE 3 – Notes Payable

Minimum future principal payments required under the above notes payable as of December 31, 2008, for each of the next five years and in the aggregate are:

<u>Year</u>	<u>Amount</u>
2009	\$ 204,764,130
2010	33,069
2011	35,320
2012	37,717
2013	40,279
Thereafter	<u>1,657,830</u>
Total	<u>\$ 206,568,345</u>

NOTE 4 – Due to Investors

The Company has entered into agreements with certain investors, whereby funds are advanced to the Company (see Note 3), interest free. Pursuant to these agreements and in consideration of the 0% interest rate, these investors are entitled to an interest in the Company's unearned income on finance receivables. The agreements have no stated maturity dates, but are expected to be repaid within 12 months, and are therefore classified as current liabilities on the accompanying consolidated balance sheets. As of December 31, 2008 and December 31, 2007, the total amount due to investors for their portion of unearned income totaled \$3,979,795 and \$0, respectively.

NOTE 5 – Related Party Transactions

The Company leases certain office space to an affiliate under a non-cancelable operating lease expiring on April 30, 2013. As of December 31, 2008 and December 31, 2007, the total amount due from the related party for rent was \$50,886 and \$0, respectively. Minimum future rental payments to be received from the affiliate as of December 31 for each of the next five years and in the aggregate are as follows:

<u>Year Ended</u>	
2009	\$ 78,237
2010	80,585
2011	83,002
2012	85,489
2013	14,317
Thereafter	<u>-</u>
Total future minimum lease payments	<u>\$ 341,630</u>

**BANYON 1030-32, LLC AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008 AND FOR THE PERIOD FROM
INCEPTION (DECEMBER 22, 2006) TO DECEMBER 31, 2007**

NOTE 5 – Related Party Transactions (continued)

The Company is also provided administrative support from this affiliate. As of December 31, 2008 and 2007, the total amount due to the related party was \$351,000 and \$150,000, respectively.

At December 31, 2008 and 2007, the Company had outstanding advances due from an affiliate in the amount of \$10,342,584 and \$0, respectively. During the year ended December 31, 2008, the advances were determined to be temporary by the Company and no interest was charged to the affiliate on the outstanding advances.

At December 31, 2008 and 2007, the Company had outstanding advances to another affiliate in the amount of \$2,074,962 and \$0, respectively. During the year ended December 31, 2008, the advances were determined to be of a long-term nature and interest was charged to the affiliate at an annual rate of 8%. As of December, 2008 and 2007, interest receivable on these advances totaled \$165,997 and \$0, respectively.

NOTE 6 – Rents

The Company also leases certain office space to third parties under non-cancelable operating leases expiring in various years through 2010. During the year ended December 31, 2008 and from the period from inception (December 22, 2006) to December 31, 2007, the Company received \$108,755 and \$0, respectively, of rental income from third parties, which includes common area maintenance. Minimum future rental payments to be received from third parties as of December 31 are as follows:

Year Ended	
2009	\$ 152,556
2010	<u>25,560</u>
Total future minimum lease payments	<u>\$ 178,116</u>

NOTE 7 – Hedging Transactions

On May 30, 2008, the Company entered into an interest rate swap agreement with a notional amount of approximately \$1.85 million to reduce the impact of changes in interest rates on the Company's mortgage payable. This agreement effectively converts the fixed rate of 4.54% to a variable rate based on LIBOR but not to exceed the fixed rate on the \$1.85 million mortgage payable. The Company designated this interest rate swap as a cash flow hedge. As of December 31, 2008 and 2007, the fair value of the cash flow hedge was \$(209,121) and \$0, respectively, which has been recorded as other comprehensive loss and will be reclassified to interest expense over the life of the swap agreement. The Company's credit risk is limited to the fair market value of the interest rate swap agreement. The agreement matures on June 1, 2013.

**BANYON 1030-32, LLC AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008 AND FOR THE PERIOD FROM
INCEPTION (DECEMBER 22, 2006) TO DECEMBER 31, 2007**

NOTE 8 – Risks and Uncertainties

The Company is subject to numerous risks associated with finance receivables. The risks include, but are not limited to, restrictions on the assignability of legal settlements, confidentiality provisions, a change in the U.S. tax law, and other potential risks of regulation and/or legislation.

Significant estimates are made by management in determining the allowance for credit losses, the fair value of securitized assets retained and certain deferred acquisition costs. Consideration is given to a variety of factors in establishing these estimates, including current economic conditions, the results of internal review processes, and the existence of delinquencies, if any. Since the allowance for credit losses is dependent on general and other economic conditions beyond the Company's control, it is at least reasonably possible that the estimates could differ materially from currently reported values in the term.