

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re NEW STREAM INSURANCE, LLC Case No. 11-10754
Reporting Period: August 31, 2011

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month.

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached	Affidavit/Supplement Attached
Schedule of Cash Receipts and Disbursements	MOR-1			
Bank Reconciliation (or copies of debtor's bank reconciliations)		N/A	Refer to MOR-5	
Schedule of Professional Fees Paid	MOR-1a			
Cash disbursements journals	MOR-1b			
Copies of bank statements	MOR-1c			
Statement of Operations	MOR-2			
Balance Sheet	MOR-3			
Balance Sheet on Petition Date	MOR-3			
Status of Postpetition Taxes	MOR-4			
Copies of IRS Form 6123 or payment receipt		N/A		
Copies of tax returns filed during reporting period		N/A		
Summary of Unpaid Postpetition Debts	MOR-4		Refer to intercompany payable detail	
Listing of aged accounts payable	MOR-4a			
Accounts Receivable Reconciliation and Aging	MOR-5			
Debtor Questionnaire	MOR-5			
Intercompany Payables	MOR-6			

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date



Signature of Authorized Individual*

9/20/2011

Date

Richard E. Pereira

Printed Name of Authorized Individual

CFO

Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.



SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be per the debtor's books, not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. The amounts reported in the "PROJECTED" columns should be taken from the SMALL BUSINESS INITIAL REPORT (FORM IR-1). Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

	BANK ACCOUNTS				CURRENT MONTH	CUMULATIVE FILING TO DATE
	JP Morgan Chase A/C 8693	JP Morgan Chase A/C 9147			ACTUAL	ACTUAL
CASH BEGINNING OF MONTH	\$637,710.88	\$121,450,856.88			\$122,088,567.76	\$367,312.14
RECEIPTS						
Interest Income					0.00	83.77
Transfer from NSI and subs bank accounts					0.00	578,178.79
Reimbursement of Service Costs					0.00	384,765.10
Reimbursement of Life Settlement Premiums					0.00	35,000.00
Reimbursement of Escrow funds					0.00	250,000.00
Other Receipts					0.00	4,738.94
Sale of Life Settlement Portfolio					0.00	124,319,659.88
TOTAL RECEIPTS	0.00	0.00			0.00	125,572,426.48
DISBURSEMENTS						
Temporary Help					0.00	13,583.50
Reimbursement of Employee Expenses					0.00	2,699.35
Life Settlement Premium Payment					0.00	35,000.00
Settlement & Cooperation Fee Payment					0.00	10,000.00
Bank Fee	1,440.11				1,440.11	5,670.78
Management Fee					0.00	120,000.00
Transfer to NSI bank accounts					0.00	639,687.82
Ordinary Course Legal Expenses	741.00				741.00	7,237.39
Ordinary Course Professionals	610.00				610.00	62,993.83
Professionals - re Sale of Life Settlement Portfolio					0.00	2,888,400.00
Tax Expenses					0.00	13,875.00
Administrative and Trustee Fees					0.00	53,126.12
Payment of Secured Claim		93,750,000.00			93,750,000.00	93,750,000.00
Travel Expenses	382.70				382.70	382.70
Other expenses	2,210.84				2,210.84	3,899.02
TOTAL DISBURSEMENTS	5,384.65	93,750,000.00			93,755,384.65	97,606,555.51
NET CASH FLOW	(5,384.65)	(93,750,000.00)			(93,755,384.65)	27,965,870.97
CASH - END OF MONTH	\$632,326.23	\$27,700,856.88			\$28,333,183.11	\$28,333,183.11

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)	
TOTAL DISBURSEMENTS	\$ 93,755,384.65
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS	\$ -
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	\$ 93,755,384.65

CASH DISBURSEMENTS JOURNALS

Bank	Type	Date	Num	Payee	Amount
JP Morgan Chase A/C 8693					
	Bill Pmt -Check	08/15/2011	1030	Barfield Murphy Shank & Smith	610.00
	Bill Pmt -Check	08/15/2011	1031	Green Light Limo (Car Service T/F Airport Re: Northstar)	382.70
	General Journal	08/15/2011	EFT	JP Morgan Chase	1,440.11
	Bill Pmt -Check	08/16/2011	EFT	Chase Card Services	1,975.84
	Bill Pmt -Check	08/31/2011	1032	Faegre & Benson, LLP	741.00
	Bill Pmt -Check	08/31/2011	1033	The Company Corporation	235.00
Total JP Morgan Chase A/C 8693					<u>5,384.65</u>
JP Morgan Chase A/C 9147					
	General Journal	08/04/2011	EFT	Payment of secured claim - Class C	54,225,000.00
	General Journal	08/04/2011	EFT	Payment of secured claim - Class F	22,284,375.00
	General Journal	08/04/2011	EFT	Payment of secured claim - Class I	17,240,625.00
Total JP Morgan Chase A/C 9147					<u>93,750,000.00</u>
TOTAL					<u><u>93,755,384.65</u></u>

New Stream Insurance
Profit & Loss

	<u>Aug 2011</u>	<u>Post Petition Period Mar 14 - Aug 31, 2011</u>
Ordinary Income/Expense		
Income		
B400150 · Realized Gains		
B400060 · Realized Gains - SPAR	0.00	6,017,000.00
B400150 · Realized Gains - Other	0.00	57,074,933.97
Total B400150 · Realized Gains	0.00	63,091,933.97
B400100 · Unrealized Appreciation Income		
B400123 · Unrealized Gain - UNF	0.00	-3,269,271.91
B400125 · Unrealized Gain - Cambridge	0.00	-8,155,438.02
B400127 · Unrealized Gain - PFG	0.00	-4,347,204.49
B400128 · Unrealized Gain - National Life	0.00	-314,034.45
B400129 · Unrealized Gain - Vantage I	0.00	-2,455,973.79
B400130 · Unrealized Gain - Vantage II	0.00	-519,053.37
B400135 · Unrealized Gain - PFII	0.00	-930,291.35
B400155 · Unrealized Gain - GPFC I	0.00	-994,462.76
B400157 · Unrealized Gain - GPFCII	0.00	-77,849.52
B400159 · Unrealized Gain - SLCM	0.00	-1,806,836.08
B400160 · Unrealized Gain - SPAR	0.00	-1,841,621.24
B400100 · Unrealized Appreciation Income - Other	0.00	2,704,551.21
Total B400100 · Unrealized Appreciation Income	0.00	-22,007,485.77
B400300 · Other Interest Income	0.00	13,270.96
Total Income	0.00	41,097,719.16
Expense		
B501950 · Professional Fees Expense	0.00	188,710.00
B500600 · Fees - McKinsey	0.00	529,172.97
B500100 · Accounting Expense	940.00	5,817.00
B500200 · Administrative Costs	235.00	2,466.44
B500400 · Operations Expense - Corporate		
B500411 · Operating Expenses from NSCS	0.00	120,000.00
Total B500400 · Operations Expense - Corporate	0.00	120,000.00
B500500 · Consulting Fees		
B500505 · Consulting - Corporate	0.00	84,008.50
B500500 · Consulting Fees - Other	0.00	3,254,017.28
Total B500500 · Consulting Fees	0.00	3,338,025.78
B500800 · Due Diligence Costs		
B500855 · Due Diligence - PFG	0.00	21,791.34
B500850 · Due Diligence - UNF	0.00	6,544.27
B500805 · Due Diligence - SLCM	0.00	370.50
B500810 · Due Diligence - SPAR	890.96	2,438.07
B500815 · Due Diligence - Corporate	0.00	18,008.95
B500820 · Due Diligence - CFC	741.00	102,091.73
B500822 · Due Diligence - National Life	0.00	3,483.00
B500824 · Due Diligence - Vantage II	0.00	10,735.44
B500825 · Due Diligence - PF II	1,310.00	3,842.10
B500835 · Due Diligence - GPFCI	0.00	2,322.75
B500836 · Due Diligence - GPFCII	0.00	160.50
B500840 · Due Diligence - Vantagel	0.00	28,831.72
B500800 · Due Diligence Costs - Other	0.00	7,169.96
Total B500800 · Due Diligence Costs	2,941.96	207,790.33

In re NEW STREAM INSURANCE, LLC
Debtor

Case No. 11-10754
Reporting Period: August 31, 2011

New Stream Insurance
Profit & Loss

	<u>Aug 2011</u>	<u>Post Petition Period</u> <u>Mar 14 - Aug 31, 2011</u>
B500900 · Office Supplies	0.00	66.74
B501000 · Legal - Other		
B501005 · Legal - Corporate	0.00	79,190.94
B501000 · Legal - Other - Other	0.00	1,669,686.09
Total B501000 · Legal - Other	0.00	1,748,877.03
B501200 · Loan Loss Reserve	0.00	-1,058,697.29
B501500 · Bank Service Charges	1,440.11	5,657.11
B502100 · Interest Expense		
B502101 · Investor Interest Expense		
B502110 · Interest Expense-NSC Fund Ltd.	0.00	469,228.10
B502101 · Investor Interest Expense - Other	11,468,434.23	11,468,434.23
Total B502101 · Investor Interest Expense	11,468,434.23	11,937,662.33
B502124 · Other Interest Expense		
B502130 · Interest Expense - McKinsey	0.00	986,236.36
Total B502124 · Other Interest Expense	0.00	986,236.36
Total B502100 · Interest Expense	11,468,434.23	12,923,898.69
B503000 · Telephone	0.00	92.51
B503100 · Meals	36.06	624.73
B503200 · Travel	1,939.78	2,883.76
B503500 · Tax Expense	0.00	1,000.00
Total Expense	11,475,967.14	18,016,385.80
Net Ordinary Income	-11,475,967.14	23,081,333.36
Other Income/Expense		
Other Income		
B510100 · Other Income	0.00	200,000.00
Total Other Income	0.00	200,000.00
Other Expense		
B510300 · Other Expenses	0.00	70,000.00
Total Other Expense	0.00	70,000.00
Net Other Income	0.00	130,000.00
Net Income	-11,475,967.14	23,211,333.36

New Stream Insurance
Balance Sheet

	<u>August 31, 2011</u>	<u>Petition Date Mar 13, 2011</u>
ASSETS		
Current Assets		
Checking/Savings		
B110130 · Chase 976479147	27,700,856.88	
B110120 · Chase-NSI 8693	632,326.23	
B110115 · BoU-NSI MIO Escrow 0697		4,333,001.24
B110100 · BoU-NSI Premium Acct 563-1		4,527.37
B110020 · Citibank-CFC of Delaware 0083		350.00
B110060 · Citibank-NSI 0346		118,763.96
B110090 · Citibank-NSI IMMA 0354		248,548.18
Total Checking/Savings	<u>28,333,183.11</u>	<u>4,705,190.75</u>
Other Current Assets		
B112555 · Prepaid Consulting		15,000.00
B112550 · Prepaid Legal	45,000.00	82,500.00
B112080 · Receivable from Vantage	130,000.00	200,000.00
Total Other Current Assets	<u>175,000.00</u>	<u>297,500.00</u>
Total Current Assets	<u>28,508,183.11</u>	<u>5,002,690.75</u>
Other Assets		
B117000 · General Reserve for Loan Losses	-1,052,991.09	-14,430,178.02
B113000 · Investments		
B113009 · Investment - Northstar		
B113010 · Investment-Northstar Common		
B113011 · Northstar Common	40,341,187.02	40,341,187.02
Total B113010 · Investment-Northstar Common	<u>40,341,187.02</u>	<u>40,341,187.02</u>
Total B113009 · Investment - Northstar	<u>40,341,187.02</u>	<u>40,341,187.02</u>
B113030 · Investment - United Nat'l		
B118113 · United National PPA		
		-516,627.61
B113031 · United Nat'l - Principal		543,549.11
B113032 · United Nat'l - Accrued Interest		67,679.04
B113037 · United Nat'l - Non-Accrual		0.00
B118010 · United Nat'l - Life Settlements		15,002,789.78
Total B113030 · Investment - United Nat'l		<u>15,097,390.32</u>
B113040 · Investment - Cambridge		
B118013 · Cambridge - PPA		
		-1,251,577.30
B113041 · Cambridge - Principal	1,747,436.05	7,530,805.83
B113042 · Cambridge - Accrued Interest	69,862.82	1,189,357.15
B113047 · Cambridge - Non-Accrual	-464,307.78	-687,039.81
B113048 · Cambridge - Indem Dep max \$100k		69,594.71
B118015 · Cambridge - Life Settlements		34,627,596.59
Total B113040 · Investment - Cambridge	<u>1,352,991.09</u>	<u>41,478,737.17</u>
B113050 · Investment - PFG		
B118028 · PFG -PPA		
		-573,636.50
B113051 · PFG - Principal		11,626,562.00
B113052 · PFG - Accrued Interest		1,896,477.54
B113057 · PFG - Non-Accrual		-793,110.75
B118021 · PFG - Life Settlements		12,887,439.73
Total B113050 · Investment - PFG		<u>25,043,732.02</u>
Total B113000 · Investments	<u>41,694,178.11</u>	<u>121,961,046.53</u>

**New Stream Insurance
Balance Sheet**

	<u>August 31, 2011</u>	<u>Petition Date Mar 13, 2011</u>
B114000 · Investments in LLCs		
B114050 · Investment - Natl Life		
B118053 · Nat'l Life - PPA		-50,289.08
B118050 · Nat'l Life - Life Settlements		1,479,772.94
Total B114050 · Investment - Natl Life		<u>1,429,483.86</u>
B114060 · Investment - Vantage I		
B114068 · Vantage I - PPA		-572,287.60
B114066 · Vantage I - Cash Collateral		-16,159.52
B118060 · Vantage I - Life Settlements		16,839,752.58
Total B114060 · Investment - Vantage I		<u>16,251,305.46</u>
B114070 · Investment - Vantage Funding II		
B118073 · Vantage II - PPA		-150,023.52
B118070 · Vantage II - Life Settlements		4,414,492.01
Total B114070 · Investment - Vantage Funding II		<u>4,264,468.49</u>
B114080 · Investment - Premium Funding II		
B118083 · PFII - PPA		-109,964.98
B118080 · Prem Fund II - Life Settlements		3,235,756.13
Total B114080 · Investment - Premium Funding II		<u>3,125,791.15</u>
B114090 · Investment - GPFC I		
B118093 · GPFC I - PPA		-213,949.17
B118090 · GPFC I - Life Settlements		6,295,525.23
Total B114090 · Investment - GPFC I		<u>6,081,576.06</u>
B114100 · Investment - GPFC II		
B118103 · GPFC II - PPA		-12,649.33
B118102 · GPFC II - Life Settlements		372,210.61
Total B114100 · Investment - GPFC II		<u>359,561.28</u>
Total B114000 · Investments in LLCs		<u>31,512,186.30</u>
B118000 · Life Settlements		
B118001 · Investment - SLCM		
B118008 · SLCM - PPA		-366,400.70
B118002 · SLCM - Life Settlements		10,781,462.16
Total B118001 · Investment - SLCM		<u>10,415,061.46</u>
B118020 · Investment - SPAR		
B118029 · SPAR - PPA		-515,595.45
B118022 · SPAR - Life Settlements		15,171,567.34
Total B118020 · Investment - SPAR		<u>14,655,971.89</u>
Total B118000 · Life Settlements		<u>25,071,033.35</u>
Total Other Assets	40,641,187.02	164,114,088.16
TOTAL ASSETS	<u><u>69,149,370.13</u></u>	<u><u>169,116,778.91</u></u>

**New Stream Insurance
Balance Sheet**

	<u>August 31, 2011</u>	<u>Petition Date Mar 13, 2011</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
B200000 · Accounts Payable	49,563.25	
Total Accounts Payable	<u>49,563.25</u>	
Other Current Liabilities		
B222520 · Accrued Restructuring Professional	188,710.00	
B222550 · Accrued Taxes and Fees Vantage		200,000.00
B222500 · Accrd Consult/Professional Fee	420,267.28	
B227500 · SPAR-Accrued Fees		
B227510 · SPAR-Management Fee Payable	1.00	1.00
Total B227500 · SPAR-Accrued Fees	<u>1.00</u>	<u>1.00</u>
B801300 · Due to New Stream Secured LP	5,432,340.00	5,432,340.00
B272000 · Notes Payable		
B272200 · DIP Financing		
272201 · Accrued Interest - DIP		
272202 · Principal - DIP		
Total B272200 · DIP Financing		
B272100 · Notes Payable - McKinsey		
B272103 · Fees - McKinsey		
B272102 · Principal - McKinsey		
B272101 · Interest Payable - McKinsey		3,324,945.00
B272100 · Notes Payable - McKinsey - Other		38,500,000.00
Total B272100 · Notes Payable - McKinsey		<u>41,824,945.00</u>
Total B272000 · Notes Payable		<u>41,824,945.00</u>
B274010 · Pending Capital Redemptions		
B274011 · Pending BERMUDA Redemptions		79,566,647.20
B274012 · BERMUDA Redemptions Interest		2,245,690.47
Total B274010 · Pending Capital Redemptions		<u>81,812,337.67</u>
Total Other Current Liabilities	<u>6,041,318.28</u>	<u>129,269,623.67</u>
Total Current Liabilities	<u>6,090,881.53</u>	<u>129,269,623.67</u>
Total Liabilities	<u>6,090,881.53</u>	<u>129,269,623.67</u>
Total Equity	<u>63,058,488.60</u>	<u>39,847,155.24</u>
TOTAL LIABILITIES & EQUITY	<u><u>69,149,370.13</u></u>	<u><u>169,116,778.91</u></u>

STATUS OF POSTPETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.
Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.
Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
Federal						
Withholding	None					
FICA-Employee						
FICA-Employer						
Unemployment						
Income						
Other: _____						
Total Federal Taxes						
State and Local						
Withholding						
Sales						
Excise						
Unemployment						
Real Property						
Personal Property						
Other: _____						
Total State and Local						
Total Taxes						

SUMMARY OF UNPAID POSTPETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 90	
Accounts Payable	1,830.96	1,310.00	3,108.85	8,531.09	34,782.35	49,563.25
Wages Payable						
Taxes Payable						
Rent/Leases-Building						
Rent/Leases-Equipment						
Secured Debt/Adequate Protection Payments						
Professional Fees						
Amounts Due to Insiders*						
Other: _____						
Other: _____						
Total Postpetition Debts						

Explain how and when the Debtor intends to pay any past-due postpetition debts.

Amounts due to certain professionals may require approval from the secured lender and/or the bankruptcy court before payments of such obligations can be paid.

*"Insider" is defined in 11 U.S.C. Section 101(31).

In re NEW STREAM INSURANCE, LLC
 Debtor

Case No. 11-10754
 Reporting Period: August 31, 2011

New Stream Insurance
Accounts Payable Aging Schedule

Type	Date	Name	Due Date	Aging	Open Balance
Current					
Bill	08/31/2011	Barfield Murphy Shank & Smith	08/31/2011		940.00
Bill	08/31/2011	Bart C. Gutekunst	08/31/2011		890.96
Total Current					1,830.96
1 - 30					
Bill	08/22/2011	Potter Anderson & Corroon LLP	08/22/2011	9	290.00
Bill	08/22/2011	Potter Anderson & Corroon LLP	08/22/2011	9	1,020.00
Total 1 - 30					1,310.00
31 - 60					
Bill	07/19/2011	O'Melveny & Myers, LLP	07/19/2011	43	3,108.85
Total 31 - 60					3,108.85
61 - 90					
Bill	06/15/2011	O'Melveny & Myers, LLP	06/15/2011	77	8,531.09
Total 61 - 90					8,531.09
> 90					
Bill	04/01/2011	O'Melveny & Myers, LLP	04/01/2011	152	27,435.50
Bill	05/17/2011	O'Melveny & Myers, LLP	05/17/2011	106	7,346.85
Total > 90					34,782.35
TOTAL					49,563.25

Amounts due to certain professionals may require approval from the secured lender and/or the bankruptcy court before payments of such obligations can be paid.

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount	
Total Accounts Receivable at the beginning of the reporting period	None	
+ Amounts billed during the period		
- Amounts collected during the period		
Total Accounts Receivable at the end of the reporting period		
Accounts Receivable Aging	Amount	
0 - 30 days old	None	
31 - 60 days old		
61 - 90 days old		
91+ days old		
Total Accounts Receivable		
Amount considered uncollectible (Bad Debt)		
Accounts Receivable (Net)		

DEBTOR QUESTIONNAIRE

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below. Partnership Tax Returns for tax year ending December 31, 2010 are on extension.		X
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X
6. All Cash accounts have been reconciled with statements provided by Banks.	X	

In re NEW STREAM INSURANCE, LLC
Debtor

Case No. 11-10754
Reporting Period: August 31, 2011

INTERCOMPANY PAYABLES

New Stream Secured Capital, L.P.	Date	Check/Wire	Accrual/Cash	Description	Amount
Beginning Balance				Prepetition Balance	5,432,340.00
Activity March 14- August 31, 2011:	None				-
Ending Balance				Prepetition Balance	<u>5,432,340.00</u>