

Statement of Assets - Explanatory Notes

August 31, 2008

NOTE 1: BACKGROUND INFORMATION

National Prearranged Services, Inc. (NPS) was placed into receivership, for purposes of rehabilitation, on May 14, 2008 through an Agreed Permanent Injunction (API) by the 250th Judicial District Court of Travis County, Texas.

The receivership statement of assets is prepared based upon company books and records, that were available immediately prior to the Special Deputy Receiver (SDR) taking control of NPS and using generally accepted accounting principals (GAAP) with adjustments made to convert to a liquidation basis of accounting where appropriate. Estimates and assumptions are utilized to report asset amounts. Under the liquidation basis of accounting, assets are generally shown at their estimated net realizable value.

NOTE 2: CASH AND CASH EQUIVALENTS

Cash and Cash equivalents consist of the following:

<u>Financial Institution Name</u>	<u>Account #</u>	<u>Amount</u>
Bank of America	0995	\$ 8,346.54
Pulaski Bank - Regular	5148	13,157.95
Pulaski Bank - Iowa	5156	1,125.53
Pulaski Bank - Texas	5164	10,940.96
Pulaski Bank - Travel Plan	6984	483.15
Pulaski Bank - Out State	5172	4,227.15
First National Bank	3446	2,936.69
JP Morgan Chase	5706	2,688.51
JP Morgan Chase	6360	365,896.70
Texas Treasury and Safekeeping		<u>1,800,411.68</u>
Total Cash and Equivalents		<u>\$ 2,210,214.86</u>

NOTE 3: PRE-NEED CONTRACT RECEIVABLES - FBO TRUST ACCOUNTS

Balance represents the Pre-Need Contract Receivable amounts for the different trusts (Trust I - V and Iowa). The receivable amount is the total expected payment amount from the individual's pre-need contract less any deposits or payments that have already been made. The difference between what is due to the trust from the pre-need contract and what has been received by the trust is the balance of the pre-need receivable. The amounts due are from active contracts only, contracts where a payment has been received within the last 60 days.

The balances below are as of the receivership date and do not reflect any collection or activity subsequent to May 14, 2008 due to the limitations in properly identifying deposits. The SDR currently has a project underway in which all deposits received after May 14, 2008 will be traced and identified to the proper entity and account. Upon completion of this project these accounts will be updated to the current and correct amounts.

Preneed Receivables I	\$	120,488.00
Preneed Receivables II		-
Preneed Receivables III		1,196.00
Preneed Receivables IV		<u>23,406,011.00</u>
Preneed Receivables V		78,316.00
Preneed Receivables Iowa		<u>34,540.00</u>
	\$	<u>23,640,551.00</u>