

LSX has agreements with retail marketers of fractional life settlements to purchase resales for their clients. It is not LSX's business plan to hold fractional life settlements, but to remarket them.

LSX does not change the structure of any fractional life settlement. LSX only aids in placing the asset with another investor at a mutually agreed price.

LSX reserves the right to decline to offer purchase of any fractional life settlement or fractional viatical settlement.

LSX reserves the right to change its criteria for purchase and formula for valuation at any time.

LSX provides no underwriting evaluation, analysis, or opinion to either buyers or sellers.

Life Settlement Exchange, LLC (LSX) is an independent entity, organized in accordance with the Texas Limited Liability Company Act. Although LSX helps arrange the repurchase and resale of Life Partners, Inc. structured fractional life settlements, LSX is not an agent or representative of Life Partners, Inc. (LPI) or Life Partners Holdings, Inc. (LPHI). LSX does not act on behalf of or for the benefit of LPI or LPHI. All statements made herein or by LSX are those of LSX alone and not those of LPI or LPHI.

"Life Settlement Exchange" is a registered Service Mark of Life Settlement Exchange, LLC. All Rights Reserved.

LSX

Life Settlement Exchange, LLC

3215 Carlisle St.
Bedford, TX 76021

Points of Contact:

Dave Yelken
(972) 965-7030

E-mail:

daveyelken@lifeselement-exchange.com

Terry Niedecken
(817) 966-5071

E-mail:

terryniecken@lifeselement-exchange.com

www.lifeselement-exchange.com

LSX

Life Settlement Exchange,SM
LLC

**Independent
Secondary Market Provider
For Life Settlements**

*"Adding Liquidity to
Life Settlements"*

1) The chart on the right is not to be considered either a promise to purchase or an offer of purchase. It is only to be construed as an illustration of possible value for a fractional life settlement.

2) Purchase valuations are based on returning to the seller the original amount invested in the fractional life settlement by 1 year prior to the original maximum projected life expectancy. Payouts are capped at that amount to mitigate premium call risk to the new buyer. You may contact us at any time for further clarification.

3) Sellers will incur a \$100 retitling fee with Sterling Trust Company in conjunction with these transactions. This \$100 fee is not included in the example on the right, and therefore is an additional transaction cost to the seller.

4) To obtain an offer of purchase, prospective sellers or their duly authorized representatives should provide Life Settlement Exchange, LLC (LSX) with the following information for each fractional life settlement:

Confidential Case History Number
 Date Placed
 Date Funded
 Dollar Amount Placed
 Dollar Amount of Projected Return

5) Prospective sellers can expect (although not guaranteed) either a declination to purchase or a binding offer of purchase from LSX within 1-7 calendar days. That offer will be null and void after 7 calendar days, if not accepted by then.

2 – 4 Year Life Expectancy Example

Original Amount Placed: \$10,000

| Months Since Placement | Possible Repurchase Value* |
|-------------------------------|-----------------------------------|
| 0 | \$8,500 |
| 3 | \$8,625 |
| 6 | \$8,750 |
| 9 | \$8,875 |
| 12 | \$9,000 |
| 15 | \$9,125 |
| 18 | \$9,250 |
| 21 | \$9,375 |
| 24 | \$9,500 |
| 27 | \$9,625 |
| 30 | \$9,750 |
| 33 | \$9,875 |
| 36 | \$10,000 |
| 39 | \$10,000 |
| 42 | \$10,000 |
| 45 | \$10,000 |
| 48 | \$10,000 |

Repurchase price matches the original purchase price 1 year prior to maximum projected life expectancy.

**Effective as of 09/15/2007*

Frequently Asked Questions:

1) Why would an investor sell a fractional life settlement prior to maturity?

Change of investment timeline, financial distress, or the choice to not pay premium calls on “long” policies.

2) Why do sellers realize a penalty for repurchases soon after the original purchase?

LSX must offset administrative and remarketing costs associated with placing the fractional life settlement with a new investor, regardless of the time that has elapsed since original purchase.

3) Ok, I understand that, but why does the seller not receive at least some interest paid in the latter part of the projected life expectancy?

The original purchaser bought the fractional life settlement with premiums escrowed to the maximum projected life expectancy. The new buyer will be facing “premium calls” soon (or perhaps immediately) after purchase. If the repurchase price were more, the new investor could end up upside-down in the transaction relatively quickly. Reasoning: A life settlor with a 2-4 year life expectancy 3 years later doesn’t have a 1 year life expectancy; it is something more than that, (for illustration purposes) perhaps 2-3 years. The new purchaser’s price should reflect that and give him/her a reasonable expectation of profit.

Bottom Line: What other investment could someone get their money back 3 years later if things change or they’re not satisfied?