

PLAN COMPARISON CHART

<u>Topic</u>	<u>Joint Plan</u>	<u>Transparency Plan</u>
<u>PLAN PROPONENTS</u>		
Parties	<ul style="list-style-type: none"> • Chapter 11 Trustee – Court appointed fiduciary with duty to represent the best interests of the Estates • Committee of Unsecured Creditors – Appointed by United States Trustee. Fiduciary duty to represent best interests of all Investors and unsecured creditors 	<ul style="list-style-type: none"> • Transparency Alliance LLC (“Transparency”); affiliate of BroadRiver Asset Management, L.P. (“BroadRiver”). • Investing own time, resources, and expertise to provide investors with an alternative to the Joint Plan.
Expertise	<ul style="list-style-type: none"> • Chapter 11 Trustee – Intimate knowledge of the Debtors, including institutional knowledge, and knowledge of systems and records used by the Debtors. • Committee Members – The Committee Members are all current Investors with varied backgrounds selected by the U.S. Trustee 	<ul style="list-style-type: none"> • Globally-recognized leader in life settlement portfolio management dedicated to life settlements. • Robust asset management systems, compliance controls, risk management, and operational depth in life settlement investment management. • Together with affiliates has (i) invested more than \$700 million of capital in life settlements; (ii) analyzed over 50,000 policies with over \$80 billion in face value; (iii) built finely-tuned portfolios for pension funds and other institutional investors, stressing realistic mortality assumptions and steady cash flow; and (iv) designed robust, proprietary information-technology platforms for analysis and management of life settlements. • Dedicated solely to managing assets to maximize revenue for its institutional clients, allowing it engage third-party policy servicers in arms’-length transactions.
<u>SUCCESSOR TRUSTS</u>		
Entities	<ul style="list-style-type: none"> • Position Holder Trust • Creditors’ Trust • IRA Partnership 	<ul style="list-style-type: none"> • Policy Recovery Trust • Position Holder Trust • Creditors’ Trust
Post-Confirmation Governance	<ul style="list-style-type: none"> • Asset Servicer: Vida Capital, Inc. • Escrow Agent: Will be identified in Plan Supplement 	<ul style="list-style-type: none"> • Asset Managers: Affiliates of Transparency and BroadRiver (Transparency PRT Trustees LP,

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	<ul style="list-style-type: none"> • Custodian: Will be identified in Plan Supplement 	<p>Transparency PHT Trustees LP)</p> <ul style="list-style-type: none"> • Asset Servicers: Please see “Servicers” section below. • Creditors’ Trustee
Trustees	<ul style="list-style-type: none"> • Position Holder Trustee: Eduardo Espinosa • Creditors’ Trustee: Alan Jacobs 	<ul style="list-style-type: none"> • Policy Recovery Trustee: Transparency PRT Trustees LP • Position Holder Trustee: Transparency PHT Trustees LP • Creditors’ Trustee: Judge Michael A. McConnell (Ret.)
Experience of Trustees	<ul style="list-style-type: none"> • Position Holder Trustee and Creditors’ Trustee are both independent third parties. • Eduardo Espinosa, the Position Holder Trustee, has extensive experience in regulatory compliance, including reorganization experience in the fractionalized life settlements industry. <i>See Exhibit A.</i> • Alan Jacobs, the Creditors’ Trustee, has over thirty-five years of experience in dispute resolution and corporate restructuring, including serving as the Plan Administrator, Disbursing Agent, and sole member of Debtor’s post-effective date management in the Texas Rangers bankruptcy case. <i>See Exhibit B.</i> 	<ul style="list-style-type: none"> • Policy Recovery Trustee and Position Holder Trustee are both affiliates of Transparency Alliance, globally-recognized life settlement investment management. <i>See “Expertise” section above for additional detail.</i> • Judge Michael A. McConnell (Ret.), the Creditors’ Trustee, is a former United States Bankruptcy Judge for the Northern District of Texas, and current Chairman of the Bankruptcy and Business Reorganization Practice Group for Kelly Hart & Hellman. <i>See Exhibit D.</i>
Compensation of Trustees	<ul style="list-style-type: none"> • Policy Holder Trustee: Eduardo Espinosa (\$400/hr) • Creditors’ Trustee: Alan Jacobs <ul style="list-style-type: none"> ○ (i) Retainer: \$40K for first month; (ii) \$20K monthly for next 11 months; (iii) \$15K monthly for next 12 months; (iv) \$10K monthly for next 24 months; (v) subsequent months to be agreed upon by Creditors’ Trustee and oversight board ○ Success Fee from distributions: (i) 2.25% of first \$20 million; (ii) 3.00% of distributions \$20 million-40 million; (iii) 4.00% of distributions \$40 million-100 million, subject to credit of 40% retainer fees; (iv) 3.00% of distributions over \$100 	<ul style="list-style-type: none"> • Policy Recovery Trustee and Position Holder Trustee: 0.2% per year of the face value of the outstanding Polices. Permanently capped at this amount. • Creditors’ Trustee: (i) \$25K for first month; (ii) monthly amount declining by \$5K each month to minimum of \$5K; and (iii) right to seek alternative arrangement with Advisory Board as circumstances warrant.

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	<p align="center">million</p> <ul style="list-style-type: none"> ○ Reimbursement of reasonable expenses ● Compensation may be modified on court approval 	
Control / Advisory Board	<p>Plan to be implemented and monitored by an independent oversight board that includes fellow investors:</p> <ul style="list-style-type: none"> ● Bert Scalzo* ● Skip Trimble* ● Mark Reddus* ● Jose Montemayor (former Texas Insurance Commissioner) [Phil Loy is proposed replacement if Vida Plan Collaboration Agreement is not approved by the Bankruptcy Court] ● [fifth member to be named pursuant to Trust Agreements] <p>*Current Investor / Member of Unsecured Creditors' Committee</p>	<p>Advisory Board with specialized expertise in workouts, bankruptcy, investment oversight, insurance regulation, asset servicing, and actuarial underwriting. <i>See Exhibit E.</i></p> <p>Members include:</p> <ul style="list-style-type: none"> ● Eleanor Kitzman ● Philip R. Loy ● Robert Vowler ● Bettina M. Whyte ● A representative of the Fractional Interest Holders ● Nate Evans (serving as an observer of Advisory Board)
<u>SERVICERS HIRED BY SUCCESSOR TRUSTS</u>		
Entities / Role	<p>Vida Capital, Inc., through its affiliates, will act as servicer:</p> <ul style="list-style-type: none"> ● Institutional asset manager focused exclusively on providing longevity-contingent investment solutions to institutions and individual investors. ● Specializes in the structuring, servicing, financing and management of life settlements, synthetic products, annuities, notes, and structured settlements. ● Senior management team has over 100 years of life settlements and life insurance experience, and extensive knowledge of alternative investing. 	<p>Rigorous system of checks and balances using multiple parties; platform that separates asset management from independent, third party asset servicing. Servicing providers are:</p> <ul style="list-style-type: none"> ● <u>Fractional Interest and Trust Units Administrator</u>: Archway Finance and Operations – fund administrator for hedge funds, fund of funds, private equity funds, managed account managers, and private banks; more than \$26 billion in assets under administration. ● <u>Custodian/Escrow Agent</u>: TVPX Life Settlement Services – highly experienced team that provides customized

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	<ul style="list-style-type: none"> • Vertically-integrated with a leading life settlement provider allowing for sourcing, diligence, closing, servicing and tracking responsibilities to be completed in-house by dedicated investment professionals. • Currently manages over \$1.1 billion of equity capital which corresponds to over 1,500 policies and \$2.3 billion of face value assets. <p>Vida will be subject to oversight by the Position Holder Trustee and independent board described above.</p>	<p>fiduciary, securities intermediary and payment services to the life settlement marketplace.</p> <ul style="list-style-type: none"> • <u>Policy Servicer</u>: MLF LexServ, L.P. – highly-regarded and largest independent portfolio servicer in the insurance market; clients represent life settlement assets in excess of \$50 billion <p>Servicers will be subject to oversight by the Policy Recovery Trustee and/or Position Holder Trustee, each of which will be subject to oversight by the Advisory Board described above.</p>
Experience	<i>See Exhibit C</i>	<i>See Exhibit F</i>
Compensation	<ul style="list-style-type: none"> • One time fee of 2.8% of maturity proceeds (paid at maturity) • Payment is tied to maturities, so Vida is taking same risk of non-payment as investors 	<ul style="list-style-type: none"> • For policies subject to pooling via the Position Holder Trust Election: not to exceed 0.10% per year of the policies’ outstanding face value. • For policies subject to the Continuing Interest Election or the Note Election: not to exceed 0.12% per year of the outstanding face value of the Policies. • These amounts are permanently capped at these percentages. To the extent the actual fees charge are less than the capped percentages, the savings are passed on to the investors. • One-time startup fee of \$500,000.
Control	The servicer has contractual duties of competence and care and can be terminated after notice by the Position Holder Trust for failing to perform those duties.	All service providers have contractual duties of competence, diligence, and independence, and can be fired and replaced by the Policy Recovery Trustee at any time for failing to perform those duties.

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<u>ELECTION RIGHTS (Non-IRA Investors)</u>		
Options	Option 1 – Fractional Interest Option 2 – Pool Option 3 - Rescission (for Rescission Settlement Subclass Members)	Option 1 – 100% of Fractional Interest (not 95% certificate of ownership/ 5% beneficial interest as in Joint Plan) Option 2 – Pool Option 3 – Rescission (for Rescission Settlement Subclass Members)
Default Election	Option 1	Option 1
<u>ELECTION RIGHTS (IRA Investors)</u>		
Options	Option 1 - New IRA Note: ¹ a. No premium obligation; b. Set face amount, recourse to IRA Partnership; c. Interest paid; d. Maturity date tied to due date; not tied to single Policy e. A “true note” that addresses the risks attendant to the pre-bankruptcy “sham” note issued by LPI Option 2 – Pool Option 3 – Rescission (for Rescission Settlement Subclass Members) Option 4 – Convert to Fractional Interest	Option 1 – 100% of Fractional Interest Option 2 – Pool Option 3 – Class B3 Note a. Payable from the same maturities that secured the individual investor’s pre-bankruptcy note b. Secured by the same maturities that secured the individual investor’s pre-bankruptcy note c. Premiums not deducted from maturity proceeds; payable by investor during the term of Class B3 Note; d. Subject to approval by Bankruptcy Court due to tax risk. Option 4 – Rescission (for Rescission Settlement Subclass Members)
Default Election	Option 2	Option 2

¹ As to positions related to policies that are noted as matured in the policy list filed with plan supplement, this option results in payout of maturity funds.

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<u>PRE-EFFECTIVE DATE MATURITIES</u>		
	[Option 1 Election] – 95% paid in cash as soon as reasonably possible following the Effective Date; subject to the terms of the Plan (including obligation to pay Catch-Up Payment and Pre-Petition Default Amount, and deduction for withholding taxes); 5% distributed as interest in the pool on the Effective Date.	Irrespective of Election, 100% paid in cash on the Effective Date subject to the terms of the Plan (including deductions for unpaid Prepetition Default Amount, unpaid Catch-Up Payments, and withholding taxes).
<u>EXIT FINANCING</u>		
Provided by:	Vida Capital, Inc.	Transparency PRT Trustees LP, as administrative agent for lenders
Amount	<ul style="list-style-type: none"> • Exit Loan in an amount not to exceed \$55 million • Standby Line of Credit not to exceed \$25 million • Backstopped by the existing Maturity Funds Facility 	Exit Financing Facility providing \$75 million revolving credit facility
Interest / Fee	<ul style="list-style-type: none"> • Commitment fee of \$300,000 (Exit Loan); unused line fee each year the line of credit is outstanding in the amount the lesser of \$100,000 or 0.0075 (0.75 percent) of the undrawn amount on reserve • 13% per annum, payable (by pool) quarterly in arrears 	<ul style="list-style-type: none"> • No commitment fee • No interest • Exit Financing Fee of 5% of gross maturity proceeds of fractional interests held in pool • Fee not payable from investors who retain interest by way of Continuing Interest Election or Note Election. • Because payment is tied to maturities, Lenders are taking same risk of non-payment as pooling investors
Term	<ul style="list-style-type: none"> • Outstanding balance of the Exit Loan will become due and payable on the second anniversary of the Effective Date • Outstanding balance of the Standby Line of Credit will become due and payable on the third anniversary of the Effective Date 	<ul style="list-style-type: none"> • Available for the duration of Transparency Plan (10-12 years) to ensure that portfolio does not return to bankruptcy

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	<ul style="list-style-type: none"> • Maturity Funds Facility provides further backstop 	
Used for:	<ul style="list-style-type: none"> • Funding premiums and other ongoing expenses of the Position Holder Trust, and • Replenishing its premium reserves 	<ul style="list-style-type: none"> • Funding \$15 million premium reserve • Any other needed purpose, including operating costs of Policy Recovery Trust
Repayable from:	Position Holder Trust	<ul style="list-style-type: none"> • Principal repaid from pooled maturities in Position Holder Trust; • Continuing Interest Holders and Class B3 Note Holders pay their share of principal over 2 years following Effective Date of Transparency Plan
Lender Protections/Security	The Exit Loan and Standby Line of Credit shall be secured by all assets of Position Holder Trust, other than the New IRA Note Collateral. Post-Effective Date advances under the Maturity Funds Facility, if made, will be secured by a first lien on death benefits related to Beneficial Ownership in the Policies held by the Position Holder Trust; provided, however, that after the Effective Date draws on the Maturity Funds Facility may not be made unless (i) all sums owing to Vida then-outstanding under the exit loan and the Standby Line of Credit (described below) have been paid in full or (ii) Vida otherwise agrees.	The Exit Financing Facility shall be secured by perfected liens in all assets of the Policy Recovery Trust with respect to which liens in favor of the Administrative Agent, for the benefit of the Lenders, are granted pursuant to and in accordance with the terms of the collateral documents. The collateral shall in no event include any portion of the Policies or proceeds thereof held by any Continuing Interest Holder or Class B3 Note Holder in accordance with the terms of the Transparency Plan.
<u>LITIGATION TRUST</u>		
Funding	\$12mm	<ul style="list-style-type: none"> • \$2 million on Effective Date; • Additional \$10 million available to the extent that recoveries are less than \$10 million.
Identify and Experience of Litigation Trustee	<ul style="list-style-type: none"> • Alan Jacobs • Experience: over thirty-five years of experience in 	<ul style="list-style-type: none"> • Judge Michael A. McConnell (Ret.). • Experience: former United States Bankruptcy Judge for

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	dispute resolution and corporate restructuring, including serving as the Plan Administrator, Disbursing Agent, and sole member of Debtor’s post-effective date management in the Texas Rangers bankruptcy case. <i>See</i> Exhibit B.	the Northern District of Texas, and current Chairman of the Bankruptcy and Business Reorganization Practice Group for Kelly Hart & Hellman. <i>See</i> Exhibit D.
Causes of Action	<ul style="list-style-type: none"> • Debtors’ pending litigation and claims • Claims assigned by Settlement Class members 	<ul style="list-style-type: none"> • Debtors’ pending litigation and claims • Claims assigned by Settlement Class members
Beneficiaries	Holders of Allowed General Unsecured Claims (includes Rescission Settlement Subclass Members who assign Additional Assigned Causes of Action, MDL Plaintiffs, and SEC); Rescinding Position Holders; Former Position Holders	Holders of Allowed General Unsecured Claims (includes Rescission Settlement Subclass Members who assign Additional Assigned Causes of Action, MDL Plaintiffs, and SEC); Investors who make Rescission Election
<u>SEC CLAIM</u>		
Treatment	<ul style="list-style-type: none"> • SEC to receive Creditors’ Trust Interest; distributions to be reallocated to Investors in Creditors’ Trust, then to Position Holder Trust • Treatment has been approved by SEC 	<ul style="list-style-type: none"> • SEC to receive a Creditors’ Trust Interest, which will be transferred to the Policy Recovery Trust for the benefit of Policy Recovery Trust Beneficiaries. • Treatment has not yet been formally approved by SEC, although treatment of SEC Claim under Transparency Plan is highly similar to treatment of SEC Claim under Joint Plan.
<u>BANKRUPTCY COSTS & PROFESSIONALS’ FEES</u>		
Treatment	Court will determine final amount of allowed fees, which will be paid pursuant to the Joint Plan.	<ul style="list-style-type: none"> • Seeking appointment of Fee Examiner to review all professional fees and costs. • Court will determine final amount of allowed fees, which

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		will be paid pursuant to Transparency Plan.
Chapter 11 Trustee's Fees	Are not approved or paid pursuant to the Plan, but are subject to Court approval	<ul style="list-style-type: none"> • Seeking appointment of Fee Examiner to review all professional fees and costs. • Court will determine final amount of allowed fees, which will be paid pursuant to Transparency Plan.
<u>OWNERSHIP ISSUE</u>		
Resolution / Timing	<ul style="list-style-type: none"> • Class Action Settlement: <ul style="list-style-type: none"> ○ has been preliminarily approved by the District Court ○ has been approved by the Bankruptcy Court • Final approval (subject only to Plan confirmation) is expected to be obtained <u>prior to</u> confirmation 	<ul style="list-style-type: none"> • Class Action Settlement: <ul style="list-style-type: none"> ○ has been finalized and signed by the parties; ○ subject to approval by Bankruptcy Court and District Court • Final approval estimated to take anywhere from six weeks to four months after confirmation.
Terms	<ul style="list-style-type: none"> • Settle beneficial ownership claim and the Joint Plan election options for Investors • Investors electing ownership provide 5% contribution to the pool (in exchange for an interest in and distributions from the pool) • No obligation for Investors to make out-of-pocket payments (up front or otherwise) to cover exit financing, bankruptcy costs, or financing fees • The Policy Holder Trust retains flexibility to sell portfolio at the appropriate time, subject to strong advisory board oversight 	<ul style="list-style-type: none"> • Settle beneficial ownership claim in return for Transparency Plan election options for Investors • No 5% contribution required; Investors who do not wish to pool or rescind keep 100% of policy death benefit, subject to terms of Transparency Plan. • Accelerates distributions for investors by selling remaining policies in 10-12 years, reducing uncertainty for all investors, and de-risking policy portfolio. • Regardless of sale, investors who desire to maintain their individual investments after sale have option to do so under Transparency Plan, under which Transparency is obligated to establish new servicer for investors.
Implementation / Effective Date	Effective Date expected to be within 30 days of confirmation (i.e. by late September or early October 2016) (Class Settlement approval required prior to Effective Date).	Effective Date expected to be approximately sixty days from confirmation (i.e., November 1, 2016). (Class Settlement approval required prior to Effective Date).

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<u>TERM OF PLAN</u>		
Term	Up to 30 years	Ten years, subject to two separate one-year extensions.