

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
(MIAMI DIVISION)

CASE NO. 06-20975-CIV-HUCK/BANDSTRA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JACK P. UTSICK, ROBERT YEAGER,
DONNA YEAGER, WORLDWIDE
ENTERTAINMENT, INC., THE
ENTERTAINMENT GROUP FUND, INC.,
AMERICAN ENTERPRISES, INC.,
AND ENTERTAINMENT FUNDS, INC.,

Defendants.

**RECEIVER'S MOTION FOR AUTHORITY TO SELL REMAINING LIFE
INSURANCE POLICIES AND INCORPORATED MEMORANDUM OF LAW**

Michael I. Goldberg (the "Receiver"), in his capacity as the court-appointed Receiver for Worldwide Entertainment, Inc., The Entertainment Group Fund, Inc., American Enterprises, Inc., and Entertainment Funds, Inc. (collectively, the "Receivership Entities"), by and through undersigned counsel, hereby files this *Motion for Authority to Sell Remaining Life Insurance Policies and Incorporated Memorandum of Law* (the "Motion"). In support, the Receiver states as follows:

Preliminary Statement

1. Through this Motion, the Receiver seeks authority to enter into the Agreement (defined below), transferring the receivership estate's right, title, and interest in and to (i) the John Hancock Universal Life Insurance Policy No. ending in 2683 and (ii) the Brighthouse Financial f/k/a MetLife Universal Life Insurance Policy No. ending in 7253. The Receiver seeks

to transfer and assign 100% of the receivership estate's ownership interest in both of the policies, and in exchange, the estate will retain a Retained Death Benefit (defined herein) in policy no. 7253—valued anywhere from 2 million to 7 million depending on the date of maturity—over the next 9 years. The Receiver believes the sale of the policies to be in the best interests of the receivership estate, as the Agreement relieves the estate from the burden of escalating and cost prohibitive premiums and prevents the abandonment of the policies, while preserving the possibility of additional recovery for the investors and creditors of the Receivership Entities. Importantly, the Receiver lacks sufficient funds to continue to pay the required premiums for more than another few months and, absent the sale, will be forced to abandon these remaining insurance policies. Therefore, entering into the Agreement contemplated hereunder allows the receivership estate to preserve some significant value for the benefit of creditors.

Background

2. On April 18, 2006, the Securities and Exchange Commission (“SEC”) commenced this case in the United States District Court for the Southern District of Florida against the Receivership Entities, and against their principals, John P. Utsick (“Utsick”) and Robert and Donna Yeager (the “Yeagers”). The SEC alleged that Utsick and the Yeagers, through the Receivership Entities, sold unregistered securities in the form of loan agreements or units in special purpose limited liability companies to raise funds for a variety of entertainment ventures, thereby violating various sections of the Securities Act of 1933 and the Securities Exchange Act of 1934.

3. On April 20, 2006, this Court entered the *Order Appointing Receiver* [ECF No. 12] (the “Receivership Order”) whereby Michael I. Goldberg was appointed Receiver over the assets, liabilities and business interests of the Receivership Entities.

4. On September 28, 2010, the Court entered an *Order Closing Case* [ECF No. 662] (the “Case Closing Order”), wherein the Clerk of the Court was instructed to administratively close the case. The Case Closing Order provided that the Receiver shall continue to liquidate assets, settle claims, collect on judgments, and carry out his duties under the terms of the Receivership Order, subject to further Court approval. Case Closing Order, ¶ 1.

The Life Insurance Policies

5. During his administration of the receivership assets, the Receiver learned that Utsick was insured under nine separate life insurance policies. At the time the Receiver learned of the existence of the policies, three of the nine policies had already lapsed.

6. The remaining six policies consisted of the following:

| Company Name | Policy Type | Face Amount | Historical Monthly Premium |
|---------------------|--------------------|---------------------|-----------------------------------|
| John Hancock | Universal Life | \$ 2,000,000 | \$ 3,650.00 |
| TransAmerica | Term | \$10,000,000 | \$11,751.16 |
| TransAmerica | Term | \$ 2,000,000 | \$ 3,473.92 |
| MetLife | Universal Life | \$15,000,000 | \$10,548.54 |
| MetLife | Universal Life | \$15,000,000 | \$23,087.78 |
| MetLife | Universal Life | \$10,000,000 | \$ 5,882.46 |
| Total | | \$54,000,000 | \$58,393.86 |

7. The Receiver, relying upon the guidance and advice of the Investor Advisory Panel, as well as the facts available to him at the time—including Utsick’s age, general health, and incarceration—decided to continue to pay insurance premiums on the six policies. It was thought that this approach would afford the best opportunity for an additional significant recovery to the defrauded investors versus the minimal distribution that would otherwise be made to the investors from the then remaining funds on hand.

8. Over the past two years, the premiums for four of the policies increased to amounts which were prohibitively expensive to maintain, forcing the Receiver to abandon those policies. As of 2021, only the following two policies remain active:

| Insurer | Policy Type | Face Amount | Current Monthly Premium | Status |
|--|--------------------|--------------------|--------------------------------|---------------|
| John Hancock | Universal Life | \$ 2,000,000 | \$ 4,010.00 | Active |
| Brighthouse f/k/a MetLife | Universal Life | \$15,000,000 | \$50,871.00* | Active |
| Total | | \$17,000,000 | \$58,393.86 | |
| <i>*The monthly premiums for this policy increased from \$23,087.78 to \$50,871.00 in May 2019 as the cash accumulation in the policy previously used to reduce the monthly cost of insurance was exhausted.</i> | | | | |

9. The current owner and beneficiary of the John Hancock Universal Life Insurance Policy No. ending in 2683 (“Policy No. 2683”) is The Entertainment Group Fund, Inc. (“TEGFI”), one of the Receivership Entities. The insured under Policy No. 2683 is John P. Utsick. The face amount of Policy No. 2683 is 2 million dollars and the yearly premium amount for Policy No. 2683 currently totals \$48,120.

10. The owner of the Brighthouse Financial f/k/a MetLife Universal Life Insurance (the “Insurance Company”) Policy No. ending in 7253 (“Policy No. 7253” and together with Policy No. 2683, the “Policies”) is currently Michael Goldberg, in his capacity as Receiver.¹ The insured under Policy No. 7253 is John P. Utsick (the “Insured”); Insured is currently 78 years old. The current beneficiaries of Policy No. 7253 are the Trust beneficiaries, which are defined in the Trust agreement as the creditors and investors of Receivership Entities, TEGFI and American Enterprises, Inc. The face amount of Policy No. 7253 is 15 million dollars and the yearly premium amount for Policy No. 7253 currently totals \$610,452.

11. The face amount of the Policies total 17 million and the premiums for the Policies

¹ Prior to its transfer, the record owner of Policy No. 7253 was John Paul Utsick Irrevocable Trust (the “Trust”).

are approximately \$658,572 per year. The Receiver has paid approximately 5 million to maintain the Policies to date. Mindful of the considerable amount spent to maintain the Policies, and in light of the limited amount of remaining funds on hand, as well as the escalating amount of the current monthly premiums, the Receiver has been exploring the possibility of a structured sale of the Policies with numerous interested purchasers. The Receiver entered into comprehensive arms-length negotiations with the two parties who offered the most competitive terms, and after several weeks of negotiation has come to terms with a potential purchaser.

The Life Settlement Purchase Agreement

12. The Receiver, in an exercise of his business judgment, and with input and approval from the Investor Advisory Panel, seeks to transfer the receivership estate's right, title, and interest in and to the Policies to LifeFactor II, LLC, a Nevada limited liability company, with a mailing address of 6009 Welch Ave., Fort Worth, TX 76133 (the "Purchaser") on the terms set forth in the Life Settlement Purchase Agreement (the "Agreement"). A true and correct copy of the Agreement is attached hereto and incorporated herein as **Exhibit A**.

13. Pursuant to the Agreement, the Receiver will transfer and assign 100% of the receivership estate's ownership interest in both of the Policies, and in exchange, will retain the following benefits under Policy No. 7253 only (the "Retained Death Benefit"):

- (a) \$7,000,000.00 of the death benefits under Policy No. 7253 if the Insured dies within the first one year period, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date");
- (b) \$6,500,000.00 of the death benefits payable under Policy No. 7253 if the Insured dies within second one year period, beginning on the Closing Date;
- (c) \$6,000,000.00 of the death benefits payable under Policy No. 7253 if the Insured dies within third one year period, beginning on the Closing Date;

- (d) \$5,500,000.00 of the death benefits payable under Policy No. 7253 if the Insured dies within the fourth one year period, beginning on the Closing Date;
- (e) \$5,000,000.00 of the death benefits payable under Policy No. 7253 if the Insured dies within the fifth one year period, beginning on the Closing Date;
- (f) \$4,000,000.00 of the death benefits payable under Policy No. 7253 if the Insured dies within the sixth one year period, beginning on the Closing Date;
- (g) \$3,000,000.00 of the death benefits payable under Policy No. 7253 if the Insured dies within the seventh one year period, beginning on the Closing Date;
- (h) \$2,000,000.00 of the death benefits payable under Policy No. 7253 if the Insured dies within the eighth one year period through the ninth one year period, beginning on the Closing Date; and
- (i) \$0.00 of the death benefits payable under Policy No. 7253 if the Insured dies within the tenth one year period and through policy maturity, beginning on the Closing Date.

14. Pursuant to the Agreement, the Insurance Company will be served a copy of the Court's order requiring it to list the Receiver as a beneficiary entitled to the Retained Death Benefit. The Insurance Company shall be required to pay the Retained Death Benefit under Policy No. 7253 directly to the Receiver and the balance to the Purchaser.

15. The Agreement, as contemplated, relieves the receivership estate from the burden of escalating and cost prohibitive premiums, while maintaining the Policies and preserving a Retained Death Benefit in Policy No. 7253—valued from 2 million to 7 million depending on the date of maturity—for the benefit of creditors and investors over the next 9 years.² This is extremely important because the Receivership Estate only has enough funds left to pay a few more months of premiums.

² The Purchaser may, at any time and in its sole and absolute discretion, discontinue making the premium payments due under Policy No. 7253 and allow Policy No. 7253 to lapse and terminate; provided, however, that if Purchaser determines that it is in its own best interest to allow Policy No. 7253 to lapse and terminate, no later than sixty (60) calendar days prior to the date Policy No. 7253 is scheduled to lapse and terminate, Purchaser shall deliver to the Receiver a written offer to obtain from Purchaser ownership of, and full responsibility, including the payment of all future premiums due, for Policy No. 7253 until its maturity.

16. The Purchaser is an independent party, who, upon information and belief, has no relationship with any of the Receivership Entities, the Receiver, or any of the Receivers professionals.

17. Accordingly, the Receiver believes the proposed Agreement with the Purchaser to be in the best interest of the receivership estate, its creditors, and investors.

Relief Requested

18. Based on the foregoing, the Receiver requests that this Court enter an Order: (i) authorizing the Receiver to sell the Policies subject to the terms set forth herein to the Purchaser; (ii) authorizing the Receiver to enter into the Agreement; and (iii) authorizing the Receiver to execute any documents and take any actions reasonably necessary to consummate the transactions contemplated herein.

Incorporated Memorandum of Law

19. The district court has broad powers and wide discretion to determine relief in an equity receivership. *SEC v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992). Here, pursuant to the Receivership Order, the District Court has “authorized, empowered, and directed” the Receiver to take possession of all of the property, assets and estates of the Receivership Defendants of every kind whatsoever and wheresoever located and administer such assets as required to comply with the Receivership Order and hold all other assets pending further order of the court. *See* Receivership Order, ¶ 1. The Receiver has taken possession of the Policies and maintained the Policies by paying the premiums with funds recovered from the sale of other receivership property or funds recovered from resolution of disputes with third parties.

20. 28 U.S.C. § 2004 provides that personalty sold under any order of any court of the United States shall be sold in accordance with Section 2001 of Title 28, unless the court orders

otherwise. Pursuant to 28 U.S.C. § 2001(a), realty shall be sold at public sale within the district where the receiver was first appointed. However, after notice and hearing, the court may order the sale of realty at private sale upon terms and conditions approved by the court, if the court finds that the best interests of the estate will be conserved thereby. 28 U.S.C. § 2001(b). *See also Tanzer v. Huffiness*, 412 F.2d 221, 222 (3rd Cir. 1969).

21. The Receiver has paid over 5 million in premiums to maintain the Policies to date. The Receiver, however, is winding down the receivership and the amount of remaining cash on hand is *di minimis*. Currently, the Receiver holds approximately \$324,643.57 in trust. The Receiver estimates that approximately \$217,060.53 in winddown expenses exist, leaving only around \$107,583.04 in net cash available to further fund the payment of the Policies' premiums. In light of the forgoing, the Receiver has negotiated the Agreement with the Purchaser, which relieves the receivership estate from the burden of escalating and cost prohibitive premiums, while maintaining the Policies and preserving the possibility of additional recovery for the investors and creditors of the Receivership Entities for a period of 9 years. The Receiver believes that it is in the best interest of the receivership estate to sell the Policies to the Purchaser in exchange for the Retained Death Benefit on Policy No. 7253, under the terms and conditions described herein.

22. The Receiver has been exploring the structured sale of the Policies with numerous interested and independent purchasers in order to achieve the highest and best price for the benefit of the creditors and investors of the receivership estate. The Receiver entered into comprehensive arms-length negotiations with the two parties who offered the most competitive terms, and after several weeks of negotiation has come to terms with a potential purchaser.

Accordingly, the Receiver submits that the requirement under 28 U.S.C. § 2001(a) for three independent appraisals imposes an unnecessary financial burden on the receivership estate.

23. To the extent 28 U.S.C. § 2001(a) requires further publication of notice, appraisals or other procedures, such provisions should be waived. See *SEC v. Kirkland*, 2009 WL 1439087, *2 (M.D. Fla. May 22, 2009) (waving certain requirements of 28 U.S.C. § 2001 where the Court believes the receiver had substantially complied with the requirements of the statute for the sale of property).

24. Based on the foregoing, the Receiver respectfully requests the authority to enter into the Agreement with the Purchaser to sell the Policies on the terms set forth herein.

WHEREFORE, the Receiver respectfully requests the Court to enter an Order in the form attached hereto as **Exhibit B**, approving the relief requested in this motion and to grant such further relief as is just and proper.

LOCAL RULE 7.1 CERTIFICATION OF COUNSEL

Pursuant to Local Rule 7.1, undersigned counsel hereby certifies that the Receiver has conferred with counsel for the United States Securities and Exchange Commission, who has no objection to the relief requested.

Dated: April 29, 2021

Respectfully submitted,

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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing was served via CM/ECF and/or U.S. Mail to all parties as indicated on the attached Service List below this 29th day of April, 2021.

By: /s/ Catherine D. Kretzschmar

Catherine D. Kretzschmar, Esq.

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EXHIBIT “A”

LIFE SETTLEMENT PURCHASE AGREEMENT

This Life Settlement Purchase Agreement (hereinafter the "Agreement") is entered into on April 29, 2021 (the "Effective Date") by and between LifeFactor II, LLC, which is a wholly owned subsidiary of The Genesis LS Fund, LLC, a Nevada limited liability company, with a mailing address of 6009 Welch Ave., Fort Worth, TX 76133 (hereafter known as the "Purchaser") and Michael I. Goldberg, in his capacity as receiver for Worldwide Entertainment Group, Inc. et al. which receivership case is pending in the United States District Court for the Southern District of Florida, Case No. 1:06-cv-20975-PCH (the "Receivership Court") (hereafter known as the "Seller"). Purchaser and Seller are sometimes singularly referred to herein as "Party" and collectively referred to in this Agreement as the "Parties".

WHEREAS, the Seller is the owner, has control of, or at the time of Closing shall be the owner, have control of or have the requisite legal authority to control and sell that certain Life Insurance Policy or Policies as listed on Exhibit "A" attached hereto and made a part hereof, (hereinafter the "Policy" or "Policies"), and;

WHEREAS, the Seller wishes to sell the Policy to Purchaser and Purchaser desires to purchase the Policy from the Seller but only upon the certain terms and conditions as set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and representations, warranties and covenants contained in this Agreement the Parties hereto agree as follows:

1. Assignment and Transfer.

Upon satisfaction of the conditions set forth in Section 2 hereunder, the Seller agrees to sell and transfer ownership to Purchaser, all of Seller's rights, title and interests in and to the Policy as listed on Exhibit "A" attached hereto and made a part hereof and the Policy documents as listed on Exhibit "B". The rights and interests hereby conveyed shall include, but not be limited to and the right to change the beneficiary designations under the Policy..

2. Closing Conditions.

2.1. Execution and Closing of Transaction. Upon the receipt by the Purchaser of the Policy Documents listed on Exhibit "B", Purchaser shall deliver to the Insurer, fully executed forms or written authorizations necessary to effect a change in the Policy's ownership (the "Ownership Change Forms"). Within three (3) business days after: (1) the Seller's delivery of the executed Ownership Change Forms, and (2) the acceptance, recognition, and execution of the Ownership Change Forms by the insurer (the "Closing Date") the Purchaser and Seller shall consider the transaction closed (the "Closing").

2.2. Maintenance of Policy. Between the Effective Date of this Agreement and the Closing Date, Seller, with respect to the Policy, shall: (a) operate and maintain the Policy in the ordinary course of business, (b) not sell, offer to sell, lease, or otherwise transfer or dispose of the Policy, or any interest therein, (c) shall not permit or allow the Policy to become subject to any additional lien or encumbrance, and (d) shall not permit or allow the Policy to enter into a grace period or lapse status.

2.3. Premium Payment. Seller understands and agrees that it shall be solely responsible for payment of any and all premium payments which may become due, or are required to be paid, on the Policy from the Effective Date to the Closing Date, including an advancement of premiums to the Insurance Carrier for premiums due through May 7, 2021. Seller shall not be responsible for any premiums after this date.

2.4. Death of Insured Prior to Closing Date. If the Insured dies prior to the Closing Date, then the applicable Death Benefits shall be for the account of Seller; if the Insured dies after the Closing Date, then the applicable Death Benefit shall be paid to Purchaser.

3. Representations and Warranties of Seller.

3.1. Seller Representations, Warranties and Acknowledgements. The Seller hereby, to the best of his knowledge, represents, warrants, and acknowledges to Purchaser as follows:¹

3.1.1. To the best of Seller's knowledge after due diligence, Seller has provided Purchaser a complete, true and correct copy of the Policy, life insurance application and the Policy Documents. To the best of Seller's knowledge after due diligence, no statement, representation or warranty made by or on behalf of the insured in the life insurance application to the insurer for the Policy, or otherwise made by or for the benefit of the insured to the insurer or representative of the insurer in connection with the Policy, contained, at and as of the date the life insurance application was submitted, at and as of the date the Policy was issued, or at and as of the date the Policy became effective, any untrue statement of fact, or omitted to state any fact necessary to make such statement, representation or warranty not misleading, true, correct, accurate and complete in all respects;

3.1.2. To the best of Seller's knowledge all information provided by the Seller or the insured in the life settlement application or during the life settlement application and life settlement transaction process and other documents relating to this Agreement, including but not limited to the Policy Documents, are, to the best of Seller's information, true, accurate, correct and complete in all respects at and as of the date the life settlement application was submitted to Purchaser, at and as of the date this Agreement was executed and delivered to Purchaser and will be true, accurate, complete and correct in all respects as of the Closing Date, and that all of the signatures affixed upon all of those documents are genuine, original, and that neither such information nor the signatures have been altered, manipulated or tampered with in any fashion. Seller has the power, legal competence, capacity and authority to execute, deliver and perform Seller's obligations under this Agreement and the closing documents to which Seller is a party, subject to the approval of the Receivership Court. The execution, delivery and performance by Seller of this Agreement and the closing documents to which Seller is a party, and the consummation of the life settlement transaction contemplated hereby and thereby, have been duly authorized by all required action on Seller's part. Each of this Agreement and the closing documents to which Seller is a party is, or will be when executed and delivered by Seller, the legal, valid and binding obligations of Seller, enforceable against Seller by Purchaser and Purchaser's successors and assignees in accordance with their respective terms. Seller has not made any statements in this Agreement, and no written or oral statement furnished or to be furnished by Seller or on Seller's behalf to Purchaser pursuant to or in connection with this Agreement, contains or will contain any untrue statement of a fact or omits or will omit any fact necessary to make the statements not misleading, true, correct and complete in all respects

3.1.3. Seller owns, or will own as of the Closing Date, good, valid and marketable title to the Policy free and clear of any and all charges, liens, pledges, security interests, encumbrances, judgments or claims by any person, other than a loan against the Policy from the insurer as disclosed to Purchaser by Seller in writing. There are no liens, judgments or claims pending against the Policy and no decrees, orders, litigation at law or in equity, arbitration proceedings or proceedings (other than the Receivership Court) before or by any commission, agency or other administrative or regulatory body or authority pending, or

¹ All representations contained in this agreement are "to the best of Seller's knowledge," except those representations related to Seller's ownership of the Policies and authority to convey an interest in the Policies free and clear of claims.

to Seller's knowledge threatened, to which Seller is a party or to which Seller or the Policy are subject or which could have an adverse effect on the Policy, and there is no basis for any such claim, litigation or proceeding. There is no investigation by any commission, agency or other administrative or regulatory body or authority pending, or to Seller's knowledge threatened, which is related to the Policy, nor is there any basis for any such investigation;

3.1.4. Seller has the right to sell, convey, deliver, assign and transfer good, valid and marketable title to the Policy and all rights relating thereto, including but not limited to the Policy documents, and has the power and authority to execute, deliver and perform all of Seller's obligations under this Agreement. Notwithstanding anything else in this Agreement, Purchaser understands that the transaction contemplated herein shall be subject to the approval of the Receivership Court and the entry of an order authorizing the Seller to consummate the transaction contemplated hereunder;

3.1.5. The Seller has obtained and maintains in good standing all licenses, permits, authorizations, registrations, approvals and consents of governmental authorities ("Licenses") required of the Seller to perform its agreements, covenants, duties, obligations and services under this Agreement, and to effect the life settlement transaction(s) referenced herein.

3.1.6. Seller has provided the Policy to Purchaser, and to the best of Seller's information, after due inquiry, such Policy, the Policy application and the Policy Documents have not been altered, manipulated or tampered with in any way.

3.1.7. The Policy, since its issuance, has been and is in full force and effect, and all premiums and other amounts owed to insurer for the Policy or any other person have been paid in full as of the Effective Date.

3.1.8. To the best of Seller's information, neither the Policy nor any of its proceeds have ever been used as security for a loan made to the original owner of the Policy or any other person, except as otherwise disclosed to Purchaser by Seller in writing, and neither the original owner nor any other person has borrowed (on a non-recourse basis or otherwise) any of the amounts used to pay, directly or indirectly, all or any portion of the premiums or other charges due under the Policy, except as otherwise disclosed to Purchaser by Seller in writing;

3.1.9. To the best of Seller's information, as of the dates of the life insurance application, the issuance of the Policy, and the effective date of the Policy, the original owner of the Policy had a valid and enforceable insurable interest in the life of the insured;

3.1.10. To the best of Seller's information, the Policy was not issued by the insurer as part of or in connection with a practice or plan to initiate a life insurance policy, in whole or in part, for the benefit of a third party investor who, at the time the Policy was issued, lacked a valid insurable interest in the life of the insured. Seller acknowledges that such practice or plan includes but is not limited to the case where such life insurance policy is purchased with resources or guarantees or other credit support (including but not limited to the assurance, understanding or agreement that all or any portion of the initial premiums paid for a policy would be reimbursed) from or through any person who, at the time an application is made for such life insurance policy or at the time such life insurance policy is issued, lawfully could not initiate such life insurance policy itself and/or where, at such time, there is an intent, agreement, arrangement or understanding, whether oral or written and whether enforceable or not, to transfer the ownership of such life insurance policy and/or the benefits thereunder to a third party, directly or indirectly;

3.1.11. The Policy Documents listed in Exhibit "B" are true, complete and correct in all respects, and Seller agrees that Seller will in no way modify or alter the Policy. Seller has not received any notice from

the insurer, nor does Seller have any knowledge of, any inaccurate statement or misrepresentation, or violation of a term or condition, contained in the life insurance application, or any violation of any term, condition or provision of the Policy Documents or the Policy, including without limitation, any notice of a rescission or cancellation of the Policy, or a lapse of the Policy. No default, breach or violation under the terms of the Policy exists, and no condition that with notice or lapse of time, or both, would constitute a default, breach, or violation under the terms of the Policy has arisen;

3.1.12. Seller is solvent and has no outstanding liens, suits, claims, garnishments, bankruptcies or other court judgments which could render Seller insolvent or bankrupt, and no bankruptcy, pending lien, judgment, claim, administrative action or insolvency proceedings are pending or contemplated to be commenced by or against Seller. Seller has valid and legitimate reasons for selling the Policy, and the sale of the Policy to Purchaser is made by Seller in good faith and without the intent to hinder, delay or defraud any of Seller's present or future creditors or the insurer;

3.1.13. Seller understands that once this sale is completed, Seller will have no rights, of any kind, to the Policy or any of its benefits, including but not limited to any death benefit proceeds, cash value, dividends, guaranteed insurability options, advantages, policy loan or other benefit provided under the Policy payable thereunder; with the exclusion of the retained death benefits listed under section 6 and in Exhibit "A", attached hereto. Seller and Purchaser agree that the Receivership Court's order approving this Agreement shall contain a provision specifically setting forth the death benefit being retained by the Seller and the parties shall serve such order on the insurance companies and work together to ensure that the insurance companies' records reflect that Seller is retaining death benefits and that any such retained death benefits shall be paid directly to the Seller and the Purchaser, in accordance with this Agreement.

3.1.14. Seller shall execute all documents and instruments necessary to complete the transfer of ownership and change of designation of the beneficiary of the Policy as contemplated by this Agreement; Purchaser shall not be permitted to assign this Agreement or any obligations hereunder without the written consent of Seller.

3.1.16. To the best of Seller's information, the Policy was procured on insured's own initiative; the Policy was not procured by the insured for the purpose of selling the Policy, directly or indirectly at a later date. Seller acknowledges that, to its knowledge after due inquiry, neither insured nor any other Person received any payment or anything of value at the time of issuance of the Policy (or the promise, understanding Seller or any other Person would receive anything of value in the future) that was related to the issuance of the Policy. The Policy was not purchased with the intent to subsequently sell the Policy, or all or any portion of the death benefits thereof;

3.1.17. Seller understands Purchaser and its successors and assignees is relying or will be relying on the completeness, truth and accuracy of the representations, warranties, acknowledgments and covenants Seller makes in this Agreement, including the closing and Policy Documents, and all of the information Seller and the insured have provided to Purchaser concerning the Seller, the insured, the life insurance application, the life settlement application and the Policy;

3.1.18. Seller's representations and warranties set forth in this Agreement shall be true, accurate, complete, and correct on and as of the Closing Date, as though such representations and warranties were made on and as of such time.

3.1.19. To the best of Seller's information, prior to and as a condition to the issuance of the Policy, the insured underwent a standard life applicant medical examination by a physician or other medical professional;

3.1.20. To the best of Seller's information, the insured (i) does not have a catastrophic, life-threatening, or terminal illness, (ii) does not require substantial supervision to protect him/her from threats to health and safety due to severe cognitive impairment, and (iii) is able to perform all of the following activities of daily living: eating, toileting, transferring, bathing, dressing and continence and has not been determined by any state health agency or official to have any disability related to these activities of daily living. Purchaser is aware that the insured is currently incarcerated in the United States Prison located in Miami, Florida and no representations are being made as to the expected date of the insured's release. Moreover, Purchaser is aware that the Seller is a federally appointed receiver who was not appointed until after the Policies were purchased and Seller has no knowledge whatsoever of the insured's health condition at the time of purchase or at any time and Seller makes no representations with respect thereto.;

3.1.21. To the best of Seller's information, the insured has complied with all obligations of furnishing the insurer with such true, correct and complete information as shall have been required by the insurer, including, but not limited to, such information requested on the life insurance application for insurance delivered to the insurer by Seller or on Seller's behalf;

3.1.22. To the best of Seller's information, the insured has not engaged in any conduct, omissions, or acts, nor made any representations or misrepresentations, which could preclude Purchaser's or its assignee's recovery of the benefits payable under the Policy; and

3.1.23. Seller acknowledges and understands that Purchaser is relying on the truth and accuracy of the representations and warranties Seller has given herein and that Purchaser is justified in so relying and that Purchaser would not consummate the transactions contemplated hereby but for the representations and warranties of Seller herein contained.

3.2. Limitations on Seller's Representations and Warranties.

3.2.1. Life Expectancy and Premium Payments. Seller does not warrant, guarantee or provide any other type or form of assurances regarding the health or life expectancy of the insured(s) under the Policy and the Purchaser acknowledges for itself, its successors and assignees that the insured(s) may live beyond his or her projected life expectancies. Purchaser agrees to indemnify, save and hold Seller harmless from and against any and all claims of Purchaser, or of any other third party or parties, regarding any and all claims arising as a result of the insured under the Policy living beyond his or her expected or projected life expectancy;

3.2.2. Tax Consequences. As a result of the transfer as contemplated by this Agreement, there may be certain tax and accounting consequences to the Purchaser. Seller makes no representations or warranties of any kind or nature regarding the expected economic return or the tax consequences of this transaction, nor are any intended by Seller nor should any be inferred by Purchaser. Purchaser acknowledges that it will consult with its own attorneys, accountants, and financial advisors about the legal and tax consequences and the financial risks and merits of the structure of this transaction or the structure of the entity which held the Policy prior to the Closing.

3.2.3. No Further Representations or Warranties. Except as specifically set forth in this Section 3, the Seller makes no representations or warranties of any sort or nature with respect to the Policy.

3.3. No Undue Influence. Seller represents and warrants that it has entered into and executed this Agreement freely and voluntarily and that Seller is not subject to any constraint or undue influences.

4. Representations and Warranties of Purchaser.

4.1. Organization and Good Standing. Purchaser is a corporation, named LifeFactor II, limited liability company, formed, validly existing and in good standing under the laws of the state of Nevada.

4.2. Authority; Enforceability. This Agreement constitutes the legal, valid, and binding obligation of Purchaser, enforceable against Purchaser in accordance with the terms herein. Purchaser has full corporate power, authority, and capacity to execute and deliver this Agreement and to perform its obligations hereunder. Without limiting the generality of the foregoing, the board of directors, and shareholders, if the board of directors deems it necessary, of Purchaser has approved this Agreement and the transactions contemplated hereby.

4.3. No Conflict. Neither the execution and delivery of this Agreement, nor the performance of any of Purchaser's obligations hereunder, nor the consummation of the transactions contemplated by this Agreement will, directly or indirectly (with or without notice, lapse of time, or both) contravene, conflict with, or result in a violation of, or give any governmental authority or other person the right to challenge this transaction or to exercise any remedy or obtain any relief under, any legal requirement or any order to which Purchaser is subject, nor will they contravene, conflict with, or result in a violation of any of the terms or requirements of any governmental authorization, or result in the imposition or creation of any lien upon or with respect to the Policy.

4.4. No Consents. Purchaser represents and warrants that it is not and will not be required to give any notice to, make any filing with, or obtain any material consent from any person in connection with the execution and delivery of this Agreement, the performance of its obligations hereunder, or the consummation of this transaction.

4.5. No Proceedings. No legal proceeding is pending or, to Purchaser's knowledge, has been threatened against Purchaser that challenges, or could reasonably be expected to have the effect of preventing, making illegal, or otherwise materially interfering with the transactions contemplated in this Agreement.

4.6. Intermediary Involvement. Purchaser warrants and represents that any Purchaser agent or broker involved with respect to this transaction will be compensated from Purchaser and there is no commission or any other fees due and owing to any third party.

4.7. Sophisticated Investor. Purchaser represents and warrants that it is a sophisticated investor, and Purchaser acknowledges and agrees that it has sufficient knowledge and expertise in business and financial matters to enter into this transaction and to evaluate and examine the merits and risks of this transaction. The Purchaser is capable of bearing the economic risks of this transaction.

4.8. Limitations on Representations and Warranties. As a result of the transfer of the Policy to the Purchaser, in accordance with the terms and conditions set forth in this Agreement, there may be certain tax and accounting consequences to the Seller. Purchaser makes no representations or warranties of any kind, nor are any intended or should any be inferred, regarding the economic return or the tax consequences to the Seller. Seller acknowledges that it will consult with its own attorneys, accountants, and financial advisors about the legal and tax consequences and the financial risks and merits of this transaction.

4.9. No Undue Influence. Purchaser represents and warrants that it has entered into and executed this Agreement freely and voluntarily and that Purchaser is not subject to any constraint or undue influences.

5. Covenants of Purchaser and Seller.

5.1. Cooperation. Purchaser and Seller shall cooperate with each other in every reasonable way in

carrying out the transactions contemplated herein, and in delivering all documents and instruments deemed reasonably necessary or useful by counsel for each Party hereto and in obtaining the consent and affirmance of the insurance companies to pay the Purchaser and Seller their portion of the death benefits of the Policies as set forth in this Agreement.

5.2. Expenses. Except as otherwise provided in this Agreement all costs and expenses incurred in connection with this Agreement, and the transactions contemplated hereby, shall be paid by the Party incurring such costs or expenses.

5.3. Confidentiality. Purchaser covenants and agrees that it will maintain all medical information concerning the insured in confidence.

5.4. Documentation deficiency. Purchaser and Seller acknowledge that the Seller does not have meaningful access to the Insured to obtain HIPAA forms, medical releases, death certificate authorizations, medical records or life expectancy certificates, as such, none will be provided as part of the transaction.

6. Retained Death Benefit.

6.1. This contract shall cause the Seller to transfer and assign 100% of the ownership interest in both of the Policies described under Exhibit "A" and retain the following benefits under policy 7447253 only, with the Seller's Irrevocable Beneficiary right to receive;

(i) \$7,000,000.00 of the death benefits under Policy 7447253 if the Insured dies within the first one year period, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

(ii) \$6,500,000.00 of the death benefits payable under Policy 7447253 if the Insured dies within second one year period, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

(iii) \$6,000,000.00 of the death benefits payable under Policy 7447253 if the Insured dies within third one year period, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

(iv) \$5,500,000.00 of the death benefits payable under Policy 7447253 if the Insured dies within the fourth one year period, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

(v) \$5,000,000.00 of the death benefits payable under Policy 7447253 if the Insured dies within the fifth one year period, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

(vi) \$4,000,000.00 of the death benefits payable under Policy 7447253 if the Insured dies within the sixth one year period, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

(vii) \$3,000,000.00 of the death benefits payable under Policy 7447253 if the Insured dies within the seventh one year period, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

(viii) \$2,000,000.00 of the death benefits payable under Policy 7447253 if the Insured dies within the eighth one year period through the ninth one year period, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

(ix) \$0.00 of the death benefits payable under Policy 7447253 if the Insured dies within the tenth one year period and through policy maturity, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

6.2. Seller shall retain the right under the Policy to name up to, but no more than, 2 (two) co-beneficiaries (each, a "Seller Beneficiary") to receive directly from the Insurance Company an amount equal to, but not more than, the Seller's Retained Death Benefit. Seller shall exercise its right to name an Irrevocable Seller Beneficiary by delivering to the Purchaser a completed beneficiary designation form in the form required by the Insurance Company (the "Seller's Beneficiary Designation Form"), which the Purchaser, in turn, will file with the Insurance Company. Purchaser shall provide the Seller with a copy of the acknowledgement from the insurer stating that the designation of the Seller's Beneficiary has been filed.

6.3. Subject to the premiums required of the Seller prior to close listed under Section 2.3, Purchaser accepts full responsibility for the payment in full when due of all future premium payments required to be made in connection with the Policy through the date of its maturity. In the event that the Purchaser transfers or assigns the Policy and the Life Settlement Purchase Agreement to a successor and assignee of the Purchaser (the "Purchaser Transferee"), the Seller agrees that upon such a sale and assignment (a) Purchaser will no longer have any obligation or responsibility for making such future premium payments, and (b) subject to Section 2.3, except as otherwise provided herein, the Purchaser or the Purchaser Transferee will have the sole obligation and responsibility for making all future premium payments required to be made in connection with the Policy through the date of its maturity. Assignment or transfer of the policy shall be subject to written permission of the Receiver.

6.4. Purchaser and the Seller further acknowledge and agree that Purchaser or the Purchaser Transferee, as applicable, may, at any time and in its sole and absolute discretion, discontinue making the premium payments due under the Policy and allow the Policy to lapse and terminate; provided, however, that if Purchaser or the Purchaser Transferee, as applicable, determines that it is in its own best interest to allow the Policy to lapse and terminate, no later than sixty (60) calendar days prior to the date such Policy is scheduled to lapse and terminate, Purchaser or the Purchaser Transferee, as applicable, shall deliver to the Seller a written offer to the Seller to obtain from Purchaser or the Purchaser Transferee, as applicable, ownership of, and full responsibility, including the payment of all future premiums due, for the Policy until its maturity (the "Assignment Offer"). The Seller shall have fifteen (15) calendar days from the date Purchaser or the Purchaser Transferee, as applicable, delivers the Assignment Offer to the Seller (the "Assignment Offer Period") to accept or reject in writing the Assignment Offer delivered to the Seller by the Purchaser or the Purchaser Transferee, as applicable. If the Seller fails to respond in writing to the Purchaser or the Purchaser Transferee, as applicable, before the end of the Assignment Offer Period, then the Seller shall be deemed to have irrevocably rejected the Assignment Offer. If the Insured dies during the Assignment Offer Period, this Assignment Offer shall be deemed to have been rescinded by Purchaser or the Purchaser Transferee, as applicable, and shall be null and void and of no force or effect.

6.5. In the event that the Seller accepts the Assignment Offer and the Purchaser or the Purchaser Transferee, as applicable, assigns and transfers ownership of the Policy back to the Seller, the Purchaser and the Seller acknowledge and agree as follows:

6.5.1 Purchaser or the Purchaser Transferee, as applicable, shall remain responsible for the payment to the Insurance Company of any Policy loans obtained by Purchaser or the Purchaser Transferee, as applicable, that have an outstanding balance at the time of assignment and transfer of ownership of the Policy back to the Seller;

6.5.2 Except as described in Section 2.3.1 above, Seller shall have full responsibility for all obligations related to such Policy, including the payment of any premiums due at the time of assignment and due in the future to keep the Policy in force;

6.5.3 Purchaser or the Purchaser Transferee, as applicable, shall provide to the Seller all documentation necessary to change the owner and beneficiary of the Policy to a designee of the Seller; and

6.5.4 After such assignment from Purchaser or the Purchaser Transferee, as applicable, to Seller, the Seller acknowledges and agrees that Purchaser or the Purchaser Transferee, as applicable, shall have no responsibility or liability whatsoever with respect to the Policy except as stated in Section 6.5.1 above.

6.6 Upon assignment by Purchaser of the Policy to a Purchaser Transferee, such Purchaser Transferee, and not Purchaser, shall be solely responsible for performance of all covenants and obligations section 6 of the Life Settlement Purchase Agreement, and Purchaser shall cease to have any liability to the Seller or any other person for the performance of the covenants and obligations contained in this Amendment.

7. Term.

7.1. Termination by Mutual Agreement. Except as otherwise provided for, this Agreement may, by notice given prior to or at the Closing (which notice shall specify the grounds for termination), be terminated by mutual written agreement of both Purchaser and Seller.

7.2. Termination for Material Breach. If a notice of breach is given but not cured within the cure period, the non-breaching Party shall have the right to terminate this Agreement immediately.

7.3. Effect of Termination. If this Agreement is terminated, all further obligations of the Parties under this Agreement shall thereupon terminate; provided, however, that if this Agreement is terminated by a Party because of a material breach of this Agreement by any of the Parties or because one or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of any Party's failure to comply with its obligations under this Agreement, the terminating Party's right to pursue all legal remedies shall survive such termination unimpaired.

8. Breach.

8.1. By Purchaser. In the event the Purchaser (i) breaches or is deemed to have breached any of the representations and warranties contained in this Agreement or (ii) fails to perform or comply with any of the covenants and agreements set forth in this Agreement, then the Purchaser shall hold harmless, indemnify and defend Seller, and each of its directors, officers, shareholders, attorneys, representatives and agents, from and against any damages incurred or paid by Seller to the extent such damages arise or result from a breach by the Purchaser of any such representations and warranties or a violation of any

covenant in this Agreement.

8.2. By Seller. In the event Seller (i) breaches or is deemed to have breached any of the representations and warranties contained in this Agreement or (ii) fails to perform or comply with any of the covenants and agreements set forth in this Agreement, Seller shall hold harmless, indemnify and defend Purchaser, and each of its directors, officers, shareholders, attorneys, representatives and agents, from and against any damages incurred or paid by the Purchaser to the extent such damages arise or result from a breach by Seller of any such representations or warranties or a violation of any covenant in this Agreement. Purchaser understands that Seller is a federal court receiver with limited assets. Therefore, any indemnification owed by Seller to Purchaser under this Agreement shall solely be recovered from the Seller's Retained Death Benefit.

9. Remedies.

If either Party fails to perform its obligations under this Agreement, the other Party shall be entitled to pursue all remedies available at law or in equity, including, in the case of a failure to consummate this transaction following satisfaction (or waiver) of the conditions set forth herein, as applicable, the remedy of specific performance; provided, however, that except with respect to a failure to close this transaction as provided herein, a Party shall not be in default hereunder unless (i) the non-breaching Party has given the breaching Party notice specifying the nature of the breach in reasonable detail, and (ii) the breaching Party either (a) has failed to cure such breach within ten (10) business days after such notice is given, or (b) if such breach cannot be cured solely by the payment of money and cannot reasonably be cured within ten (10) business days despite the exercise of best efforts, has failed to commence curative action within ten (10) business days after such notice is given or thereafter fails to complete the cure of such breach as soon as practicable.

10. Miscellaneous.

10.1. Construction and Interpretation. The headings or titles of the sections of this Agreement are intended for ease of reference only and shall have no effect whatsoever on the construction or interpretation of any provision of this Agreement. References herein to sections are to sections of this Agreement unless otherwise specified.

10.2. Gender and Meanings. Meanings of defined terms used in this Agreement are equally applicable to singular and plural forms of the defined terms. The masculine gender shall also include the feminine and neutral genders and vice versa.

10.3. Definitions. As used herein, (i) the term "party" refers to a party to this Agreement, unless otherwise specified, (ii) the terms "hereof," "herein," "hereunder," and similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement, (iii) the term "this transaction" refers to the transaction contemplated by this Agreement, (iv) the term "including" is not limiting and means "including without limitation," (v) the term "documents" includes all instruments, documents, agreements, certificates, indentures, notices, and other writings, however evidenced, and (vi) the term "property" includes any kind of property or asset, real, personal, or mixed, tangible or intangible.

10.4. Computation of Time. In the event any period of time specified in this Agreement ends on a day other than a business day, such period shall be extended to the next following business day. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each mean "to but excluding," and the word "through" means "to and including."

10.5. Arm's Length Transaction. This Agreement is the product of arm's length negotiations among, and has been reviewed by counsel to the Parties and is the product of both Parties. Accordingly, this Agreement shall not be construed for or against any Party by reason of the authorship or alleged authorship of any provision hereof.

10.6. Survival of Covenants. Each covenant or agreement of the Parties set forth in this Agreement which by its terms expressly provides for performance after the Closing Date shall survive the Closing and be fully enforceable thereafter.

10.7. Governing Law. This Agreement shall be interpreted, governed by, and construed and enforced in accordance with, the laws of the State of California (without regard to its conflicts or choice of laws principles that could or would cause the application of any other laws).

10.8. Each of the Parties hereby irrevocably consents and submits to the exclusive jurisdiction of the Receivership Court, which the Parties hereto agree, shall be the exclusive courts of adjudication in connection with any suit, action or other proceeding arising out of the terms of this Agreement (the "Agreed Courts"). The Parties hereto hereby irrevocably consent and submit to the personal jurisdiction thereof and venue therein. Each of the Parties hereby unconditionally and irrevocably waives any objection to personal jurisdiction and venue in the Agreed Courts, and no Party will urge in any such proceeding that such courts present an inconvenient forum.

10.9. Entire Agreement. This Agreement constitutes the entire Agreement between the Parties and supersedes any prior understandings, agreements or representations by or between the Parties, written or oral, to the extent that they relate to the subject matter of this Agreement.

10.10. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, successors, permitted assigns and personal representatives. The Purchaser may assign this Agreement, after the Closing, including but not limited to an assignment of all of Purchaser's rights and remedies hereunder for any breaches of any covenant, agreement, representation or warranty of the Seller herein contained.

10.11. Amendments. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by each of the Parties.

10.12. Notices. All notices under this Agreement shall be in writing. Notices may be (i) delivered personally, (ii) transmitted by facsimile, (iii) delivered by a recognized national overnight delivery service, or (iv) mailed by certified United States mail, postage prepaid and return receipt requested. Notices to any Party shall be directed to its address set forth below, or to such other or additional address as any Party may specify by notice to the other Party. Any notice delivered in accordance with this section shall be deemed given when actually received or, if earlier, (a) in the case of any notice transmitted by facsimile, on the date on which the transmitting Party receives confirmation of receipt by facsimile transmission, telephone, or otherwise, if sent during the recipient's normal business hours or, if not, on the next Business Day, (b) in the case of any notice delivered by a recognized national overnight delivery service, on the next Business Day after delivery to the service or, if different, on the day designated for delivery, or (c) in the case of any notice mailed by certified U.S. mail, two (2) Business Days after deposit therein.

If to Seller: Michael I. Goldberg, Receiver
201 East Last Olas Blvd., Suite 1800
Fort Lauderdale, FL 33301

If to Purchaser: LifeFactor II, LLC
Attn: Stefan Leer, Manager
6009 Welch Avenue
Fort Worth, TX 76133

10.13. Waiver. Any Party's failure to exercise any right or remedy under this Agreement, delay in exercising any such right or remedy, or partial exercise of any such right or remedy shall not constitute a waiver of that or any other right or remedy hereunder. A waiver of any breach of any provision of this Agreement shall not constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself. No waiver of any provision of this Agreement shall be binding on a Party unless it is set forth in writing and signed by such Party.

10.14. Severability. If any provision of this Agreement is held invalid, illegal, or unenforceable, then (i) such provision shall be enforceable to the fullest extent permitted by applicable law, and (ii) the validity and enforceability of the other provisions of this Agreement shall not be affected and all such provisions shall remain in full force and effect.

10.15. Integration. This Agreement, including the Exhibits and Schedules hereto, contains the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements with respect thereto. The Parties acknowledge and agree that there are no agreements or representations relating to the subject matter of this Agreement, either, written or oral, express or implied, that is not set forth in this Agreement, in the Exhibits and Schedules to this Agreement.

10.16. Execution. This Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same agreement. Each Party may rely upon the signature of each other Party on this Agreement that is transmitted by facsimile as constituting a duly authorized, irrevocable, actual, current delivery of this Agreement with the original ink signature of the transmitting Party.

10.17. Incorporation of Recitals, Exhibits, and Schedules. The Recitals to this Agreement and all Exhibits and Schedules to this Agreement are incorporated herein by this reference.

10.18. Both Parties waive and release any and all claims and hold any Seller representatives, Purchaser representative or advisors to and in the transaction harmless and indemnify them following from any damages or losses.

[SIGNATURES FOUND ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, this Agreement has been duly executed by the Purchaser and the Seller as of the date first written above.

SELLER:

U.S. District Court Southern District of Florida,
Miami Division

Michael I. Goldberg of Akerman, LLP
Receiver for the U.S. District Court Southern
District of Florida, Miami Division

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of: _____
County of: _____

On _____ before me, _____,
Date Here Insert Name and Title of the Officer
Personally appeared _____
Name(s) of Signer(s)

_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

PURCHASER:

LifeFactor II,
a Nevada Limited Liability Company

Stefan Leer, Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of: _____
County of: _____

On _____ before me, _____,
Date Here Insert Name and Title of the Officer
Personally appeared _____
Name(s) of Signer(s)

_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

EXHIBIT "A"

SCHEDULE OF POLICIES BEING SOLD

POLICY #1

Insured Name: John P. Utsick
Insurance Carrier: Brighthouse Financial Life Insurance Company
Policy Number: 7447253
Policy Issue Date: December 15, 2004
Policy Death Benefit: \$15,000,000.00
Purchase Price: **No cash offer – the policy is being purchased subject to the following Seller retained benefit schedule:**

Seller's Irrevocable Beneficiary shall retain the following;

(i) \$7,000,000.00 of the death benefits under Policy 7447253 if the Insured dies within the first one year period, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

(ii) \$6,500,000.00 of the death benefits payable under Policy 7447253 if the Insured dies within second one year period, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

(iii) \$6,000,000.00 of the death benefits payable under Policy 7447253 if the Insured dies within third one year period, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

(iv) \$5,500,000.00 of the death benefits payable under Policy 7447253 if the Insured dies within the fourth one year period, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

(v) \$5,000,000.00 of the death benefits payable under Policy 7447253 if the Insured dies within the fifth one year period, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

(vi) \$4,000,000.00 of the death benefits payable under Policy 7447253 if the Insured dies within the sixth one year period, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

(vii) \$3,000,000.00 of the death benefits payable under Policy 7447253 if the Insured dies within the seventh one year period, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

(viii) \$2,000,000.00 of the death benefits payable under Policy 7447253 if the Insured dies within the eighth one year period through the ninth one year period, beginning on the date that both the change of

ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

(ix) \$0.00 of the death benefits payable under Policy 7447253 if the Insured dies within the tenth one year period and through policy maturity, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the "Closing Date").

POLICY #2

| | |
|-----------------------|--|
| Insured Name: | John P. Utsick |
| Insurance Carrier: | John Hancock Life Insurance Company |
| Policy Number: | 59592683 |
| Policy Issue Date: | April 5, 2005 |
| Policy Death Benefit: | \$2,000,000.00 |
| Purchase Price: | No cash offer – the policy is being purchased as part of a multi-policy purchase. |

EXHIBIT "B"

POLICY DOCUMENTS

- 1. Policy Application**
- 2. Policy**
- 3. NAIC Verification of Coverage dated within 30 days of sale**
- 4. In Force Illustration to age 100 or Maturity**
- 5. The Policy's Last Annual Statement**
- 6. Premium Payment History**
- 7. Life Settlement Purchase Agreement**
- 8. Insurance Carrier's change of ownership and beneficiary forms**
- 9. Insurance Carrier's Authorization to Release Policy Information**
- 10. Seller's W-9**
- 11. Any organizational documents necessary to validate that the Seller's organization is in good standing, validate policy title or validate signatory authority.**
- 12. Any court documentation associated with the Asset transfer or receivership, upon request.**
- 13. Confirmation of premium advancement for policy #7447253 and #59592683 through May 7, 2021.**

EXHIBIT “B”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

CASE NO.: 06-20975-CIV-HUCK / OTAZO-REYES

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

JOHN P. UTSICK, *et al.*

Defendants.

**ORDER GRANTING RECEIVER'S MOTION FOR AUTHORITY
TO SELL REMAINING LIFE INSURANCE POLICIES
AND INCORPORATED MEMORANDUM OF LAW**

This matter came before the Court without hearing upon the *Motion for Authority to Sell Remaining Life Insurance Policies and Incorporated Memorandum of Law* (the "Motion") [ECF No. ---] filed by Michael I. Goldberg, the Court-appointed receiver¹ (the "Receiver"). The Court, having reviewed the Motion, being advised that counsel for the Securities and Exchange Commission has no objection to the relief requested in the Motion, and finding that the Receiver has made a sufficient and proper showing in support of the relief sought, does hereby

ORDERED, ADJUDGED AND DECREED, as follows:

1. The Motion is **GRANTED**.
2. The Receiver is authorized to sell the receivership estate's rights, title, and interest in and to the John Hancock Universal Life Insurance Policy No. ending in 2683 ("Policy No. 2683") and the Brighthouse Financial f/k/a MetLife Universal Life Insurance (the "Insurance Company") Policy No. ending in 7253 ("Policy No. 7253" and together with Policy No. 2683,

¹ The Court-appointed Receiver over Worldwide Entertainment, Inc., The Entertainment Group Fund, Inc., American Enterprises, Inc., and Entertainment Funds, Inc. (collectively, the "Receivership Entities").

the “Policies”) pursuant to the Life Settlement Purchase Agreement (the “Agreement”). A copy of the Agreement is attached to the Motion as Exhibit A.

3. Pursuant to the Agreement, the Receiver will transfer and assign 100% of the receivership estate’s ownership interest in both Policies, and in exchange, will retain the following benefits under Policy No. 7253 only (the “Retained Death Benefit”):

- (a) \$7,000,000.00 of the death benefits under Policy No. 7253 if the John P. Utsick (the “Insured”) dies within the first one year period, beginning on the date that both the change of ownership and change of beneficiary confirmations are successfully completed on the record books of the Insurance Company (the “Closing Date”);
- (b) \$6,500,000.00 of the death benefits payable under Policy No. 7253 if the Insured dies within second one year period, beginning on the Closing Date;
- (c) \$6,000,000.00 of the death benefits payable under Policy No. 7253 if the Insured dies within third one year period, beginning on the Closing Date;
- (d) \$5,500,000.00 of the death benefits payable under Policy No. 7253 if the Insured dies within the fourth one year period, beginning on the Closing Date;
- (e) \$5,000,000.00 of the death benefits payable under Policy No. 7253 if the Insured dies within the fifth one year period, beginning on the Closing Date;
- (f) \$4,000,000.00 of the death benefits payable under Policy No. 7253 if the Insured dies within the sixth one year period, beginning on the Closing Date;
- (g) \$3,000,000.00 of the death benefits payable under Policy No. 7253 if the Insured dies within the seventh one year period, beginning on the Closing Date;
- (h) \$2,000,000.00 of the death benefits payable under Policy No. 7253 if the Insured dies within the eighth one year period through the ninth one year period, beginning on the Closing Date; and
- (i) \$0.00 of the death benefits payable under Policy No. 7253 if the Insured dies within the tenth one year period and through policy maturity, beginning on the Closing Date.

4. The Insurance Company will list the Retained Death Benefit in its records and will remit payment to the Receiver (and/or any co-beneficiary named by the Receiver) in

accordance with the above schedule in the event the Insured passes during the time frame set forth herein. The Insurance Company will remit the balance to the Purchaser.

5. The Receiver is further authorized to execute any documents and take any actions reasonably necessary to consummate the transactions contemplated therein.

6. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

DONE AND ORDERED in Chambers at Miami, Florida this ____ day of _____, 2021.

PAUL C. HUCK
UNITED STATES DISTRICT JUDGE

Copies furnished to:
All counsel of record