

VIRGINIA:

IN THE CIRCUIT COURT FOR THE CITY OF HAMPTON

**COMMONWEALTH OF VIRGINIA
EX REL. MARK R. HERRING,
ATTORNEY GENERAL,**

Plaintiff,

v.

**FUTURE INCOME PAYMENTS, LLC
f/k/a PENSIONS, ANNUITIES, AND
SETTLEMENTS, LLC,
a Delaware limited liability company,**

**FIP, LLC,
a Nevada limited liability company,**

and

**SCOTT KOHN,
an individual,**

Defendants.

Civil Action No. _____

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FILED

COMPLAINT

The Plaintiff, Commonwealth of Virginia, by, through, and at the relation of the Attorney General of Virginia, Mark R. Herring ("Plaintiff" or "Commonwealth"), petitions this Court to declare that the activities in which the Defendants, Future Income Payments, LLC f/k/a Pensions, Annuities, and Settlements, LLC; FIP, LLC (collectively, "FIP"); and Scott Kohn ("Kohn") (collectively, "Defendants") have engaged constitute violations of § 59.1-200(A)(5) and (14) of the Virginia Consumer Protection Act ("VCPA"); to enjoin Defendants from violating the VCPA; to order Defendants to restore to Virginia consumers the sums acquired from them in violation of the VCPA; and to grant such other relief requested in this Complaint.

PRELIMINARY STATEMENT

The Commonwealth seeks relief for approximately 650 Virginia consumers, many of them elderly and veteran pensioners, deceived by Defendants' unlawful "pension sale" scheme. Defendants' scheme begins with a single, principal deception—that FIP's agreements are *sales* and not *loans*. But, "O, what a tangled web" Defendants weave to fabricate that deception.¹ They relabel common loan terms with "sales" terminology. They title FIP a "buyer" rather than a lender. They misstate the effect of entering into a consumer loan, as though it were a sale. And they use this web of misrepresentations for two reasons: to try to exempt FIP's loans from consumer lending laws and regulations, and to collect interest on loans at deliberately high, illegal rates.

Cutting away the web of "sales" misrepresentations from any FIP agreement reveals an illegal, usurious loan.² The attached FIP agreement:

- Labels itself a "Purchase and Sale Agreement," despite the fact that the consumer was receiving a sum of money that he was obligated to repay, i.e., *receiving a loan*;
- Refers to a "Purchase Price" paid to the consumer, although that phrase actually means the *principal amount of the consumer's loan*;
- Claims that FIP is paying the Purchase Price to receive certain portions of the consumer's future pension payments (the "Payment Amounts"), but those payments actually constitute a *repayment schedule for a loan*;
- Refers to a "Discount" of the Purchase Price, which is actually *interest on the loan*—approximately 137% APR for five years in the case of the attached loan;
- Requires the payment of a "Set-up Fee," which is an *origination fee common on many consumer loans*; and

¹ Sir Walter Scott, *Marmion*, Canto VI, Stanza 17 (1808).

² A true and accurate copy of a redacted version of a FIP "Purchase and Sale Agreement" with a Virginia consumer is attached as Exhibit A. This document was provided by FIP during the course of the Attorney General's investigation.

- Informs the consumer that the “sale” requires the filing of an IRS Form 1099 to report income, which was not actually required *because the agreement was a loan.*

Worse still, FIP specifically advertised this product to some of the most vulnerable Virginia consumers—elderly and military pensioners forced by financial distress to take out a loan.

The Commonwealth’s Complaint continues a line of private and public actions that expose FIP’s agreements for what they are. Class action litigants in California assert that Defendants “are engaged in the business of entering into loan transactions, which they call ‘Purchase and Sale Agreements’”³ A plaintiff in Florida claims that the “Illegal Contract, which FIP labeled ‘Future Income Payment and Sale Agreement,’ [was] a loan”⁴ A veteran in Alabama alleges that the “document, which FIP labeled ‘Future Income Payment Purchase and Sale Agreement,’ is, in substance, clearly a loan”⁵ And, a veteran in Massachusetts alleges that the “consumer credit agreement executed by [him] and FIP is a loan”⁶

In addition to nationwide private actions, numerous consumer financial regulators have investigated, brought, and settled enforcement actions against Defendants. For example, on March 24, 2016, the Commonwealth of Massachusetts filed an Assurance of Discontinuance (“AOD”) alleging that FIP’s transactions are “loans with annual percentage rates that far exceed the caps set under Massachusetts law.”⁷ And, on October 20, 2016, the New York Department of Financial Services entered into a Consent Order with FIP and Scott Kohn in which it alleged,

³ Class Action Complaint at ¶ 3, *Underwood v. Future Income Payments, LLC et al.*, No. 8:17-cv-01570-DOC-DFM (C.D. Cal. Sept. 11, 2017), ECF No. 1.

⁴ Complaint at ¶ 14, *Lewis v. Future Income Payments, LLC*, No. 6:16-cv-00551-CEM-TBS (M.D. Fla. Mar. 31, 2016), ECF No. 1.

⁵ Complaint at ¶ 18, *Friley v. Future Income Payments, LLC, et al.*, No. 1:16-cv-00013-CG-B (S.D. Ala. Jan. 11, 2016), ECF No. 1.

⁶ Complaint at ¶ 53, *Meehan v. Future Income Payments, LLC*, No. 1:16-cv-10483-IT (D. Mass. Mar. 8, 2016), ECF No. 1.

⁷ Assurance of Discontinuance at p. 2, *In re Future Income Payments, LLC f/k/a Pensions, Annuities, and Settlements, LLC*, No. 16-0977A (Suffolk Sup. Ct. Mar. 24, 2016). In the AOD, FIP agreed to provide relief totaling approximately \$2 million for 85 veterans and other pensioners residing in Massachusetts. See <http://www.mass.gov/ago/news-and-updates/press-releases/2016/2016-03-28-veterans-pensions.html>.

“Although FIP’s agreement referred to the transaction as a sale[,]” the agreement “had all the indicia of a loan”⁸

The Consumer Financial Protection Bureau (“CFPB”) served FIP with a Civil Investigative Demand (“CID”) on November 23, 2016.⁹ Ordering that FIP comply with the CID, the United States District Court for the Central District of California observed, “In the past few years, the income stream market has come under sharp scrutiny for allegedly marketing loans at undisclosed, exorbitant interest rates to vulnerable populations, including veterans and the elderly.”¹⁰ And most recently, the State of Minnesota filed an enforcement action alleging that “FIP unlawfully makes loans to Minnesota residents, many of whom are veterans or spouses of veterans, secured by their future pension or military benefit payments”¹¹

Accordingly, Virginia consumers affected by Defendants’ willful VCPA violations are entitled to considerable relief. The Commonwealth therefore prays that this Court grant the relief requested in its Complaint and states the following in support thereof:

JURISDICTION AND VENUE

1. The Commonwealth brings this action pursuant to its authority in Virginia Code § 59.1-203, which provides, *inter alia*, that the Attorney General may bring an action to enjoin any violation of the VCPA.

⁸ Consent Order at ¶ 26, *In re Future Income Payments, LLC* (N.Y. Dept. Fin. Serv. Oct. 20, 2016), available at <http://www.dfs.ny.gov/about/ca/ca161020.pdf>. FIP agreed to pay a \$500,000.00 civil penalty and to provide approximately \$6.35 million in relief based upon 292 transactions with New York consumers. *Id.* at ¶¶ 28, 49, and 68.

⁹ Order at p. 2, *Consumer Fin. Prot. Bureau v. Future Income Payments, LLC*, No. SACV 17-00303-JLS (SSx) (C.D. Cal. May 17, 2017), ECF No. 47.

¹⁰ *Id.* The District Court’s Order is currently stayed pending FIP’s appeal regarding the constitutionality of the CFPB’s structure. Order, *Consumer Fin. Prot. Bureau v. Future Income Payments, LLC*, No. 17-55721 (9th Cir. June 1, 2017), ECF No. 10.

¹¹ First Amended Complaint at ¶ 1, *State of Minn. v. Future Income Payments, LLC et al.*, No. 27-CV-17-12579 (Cty. of Hennepin Dist. Ct. Sep. 26, 2017).

2. The Circuit Court for the City of Hampton has authority to entertain this action and to grant the relief requested pursuant to Virginia Code §§ 8.01-620, 17.1-513, 59.1-203, 59.1-205, and 59.1-206.

3. Venue is preferred in this Court pursuant to Virginia Code § 8.01-261(15)(c), because some or all of the acts to be enjoined are, or were, being done in Hampton, Virginia. Venue is permissible in this Court pursuant to Virginia Code § 8.01-262(4) because portions of the Commonwealth's causes of action arose in Hampton, Virginia.

4. Prior to the commencement of this action, the Commonwealth gave the Defendants Future Income Payments, LLC and Kohn written notice that its VCPA claims were contemplated. In that written notice, Defendants Future Income Payments, LLC and Kohn were afforded a reasonable opportunity either to appear before the Office of the Attorney General of Virginia (the "Attorney General") to demonstrate that they had not violated the VCPA, or to execute an Assurance of Voluntary Compliance ("AVC") pursuant to Virginia Code § 59.1-203(B). Defendants Future Income Payments, LLC and Kohn were not able to demonstrate that they did not violate the VCPA, and did not agree to execute an Assurance of Voluntary Compliance.

5. Prior to the commencement of this action, Defendant FIP, LLC waived its rights under Virginia Code § 59.1-203(B) to appear before the Attorney General either to demonstrate that it did not violate the VCPA or to execute an AVC.

6. This Court has personal jurisdiction over all Defendants pursuant to Virginia Code § 8.01-328.1(A)(1) because Defendants transacted business in the Commonwealth by entering into approximately 950 loan agreements with approximately 650 Virginia residents, and

pursuant to Virginia Code § 8.01-328.1(A)(3) because Defendants caused tortious injuries to approximately 650 Virginia consumers by violating the VCPA as alleged in this Complaint.

PARTIES

7. The Plaintiff is the Commonwealth of Virginia, by, through, and at the relation of Mark R. Herring, Attorney General of Virginia.

8. Defendant Future Income Payments, LLC is a Delaware limited liability company with a registered agent, Agents and Corporations, Inc., located at 1201 Orange Street, Suite 600, One Commerce Center, Wilmington, Delaware 19801. As of this date, Future Income Payments, LLC has not registered to transact business in the Commonwealth of Virginia.

9. Defendant FIP, LLC is a Nevada limited liability company with a registered agent, ISL, Inc., located at 321 West Winnie Lane, Suite 104, Carson City, Nevada 89703. As of this date, FIP, LLC has not registered to transact business in the Commonwealth of Virginia.

10. Defendants Future Income Payments, LLC and FIP, LLC are collectively referred to as "FIP" in the Commonwealth's Complaint, unless otherwise expressly stated.

11. Upon information and belief, Defendant Scott Kohn ("Kohn") is a resident of the State of Nevada. During all relevant times, Kohn has been, and continues to be, the sole owner and manager of Defendant Future Income Payments, LLC. During all relevant times, Kohn had the complete authority, power, and discretion to make any and all decisions regarding Defendant Future Income Payments, LLC's business operations in Virginia and nationwide.

12. Upon information and belief, during all relevant times, Kohn has been, and continues to be, the sole owner and director of Cash Flow Outsourcing Services, Inc. ("CFOS"), a corporation based in the Philippines. CFOS is the managing member of Defendant FIP, LLC. Consequently, during all relevant times, Kohn had the complete authority, power, and discretion

to make any and all decisions regarding Defendant FIP, LLC's business operations in Virginia and nationwide.

13. Whenever any reference is made in this Complaint to any act of the "Defendants" or to the acts of any one of them, such allegations shall be deemed to include FIP and Kohn, acting jointly and severally, as if the act of any one of them were the act of the other, whether as principal, under an express or implied agency, or with actual or apparent authority to perform the acts alleged.

FACTS

Defendants Advertised to and Solicited Virginia Consumers

14. From approximately June 2011 through June 2017, FIP advertised to and solicited approximately 650 pensioners in the Commonwealth of Virginia through various marketing websites, and directly by telephone and e-mail.

15. FIP advertised its product as a way for pensioners to obtain cash to meet their immediate needs or long term goals, referring to the product as a "lump sum," "pension buyout," and "pension advance."

16. Upon information and belief, FIP paid third parties to steer internet traffic to its websites by targeting consumers who searched online for FIP-approved phrases such as "personal loans," "pension loan," "online loan," or "military retirement loan" among others. One such website was <http://www.lumpsum-pensionloans.com>, which is now <http://www.pensionpurchasing.com>. A screenshot of the latter website appears as follows:¹²

¹² <http://www.pensionpurchasing.com> (last visited December 22, 2017).

Lumpsum Pension Purchases

- Get up to \$10,000 in as Soon as 3 Days
- Use the Cash any way You Want
- No Life Insurance Needed
- Free No Obligation Quotes



**Sell Us Part of Your Pension
GET CASH NOW**

First Name _____ Last Name _____
 City Name _____ Select State
 Zip/Postal Code _____ Phone:###-###-####
 your.name@gmail.com

How Much Would You Like? \$5,000

I have read the Privacy Statement, agreement to receive Electronic Documents, and state-specific notices. To read the TCPA statement [click here](#) for our full Privacy Policy [click here](#).

[See How Much I Can Get!](#)

17. After being steered to or contacted by FIP, Virginia pensioners were asked to provide various documents relating to their pension and financial status to begin the loan underwriting process. Virginia pensioners were also required to provide documents evidencing their identity and marital status, to undergo a credit check and bankruptcy review, and to answer certain questions related to their medical history.

18. To complete the loan process, Virginia pensioners were required to execute several documents provided by FIP. For example, one disabled military pensioner (“H.H.”) residing in Virginia was required to execute a “Future Income Payment Purchase and Sale Agreement,” which included an “Authorization for Automatic Payment (Electronic Funds Transfer / EFT).”¹³ In a complaint filed with the Attorney General, H.H. stated the following:

I . . . made a Pension Loan thru [sic] my computer for the sum of \$5,500.00. After receiving the final printed out contract, [I] was informed that I would have to pay the difference of \$35,420.00 and was under stress when the final contract stated that I would have to

¹³ A redacted version of H.H.’s agreement with FIP is attached hereto as Exhibit A, and was provided by FIP during the Attorney General’s investigation.

pay that amount for a \$5,500 loan. I don't think that it is a fair practice to commit a fraudulent contract to pay [well over the amount] of the loan. There should be a law against companies that do this to a disabled veteran.

19. As another example, a Virginia pensioner ("G.B.") retired after 11 years of employment with the United States Department of Defense due to a disabling injury and received a pension. To complete the loan process, G.B. was also required to execute a "Future Income Payment Purchase and Sale Agreement" and an "Authorization for Automatic Payment (Electronic Funds Transfer / EFT)."¹⁴ In a complaint filed with the Attorney General, G.B. stated the following:

I was continually being contacted by [FIP]. I was in a financial situation where I could hardly keep up paying my bills. [FIP] told me they could loan me \$3,071. . . . I didn't understand the extension to me . . . to borrow \$3,071 and pay back \$15,000. Who does that[?]

Defendants' Agreements with Virginia Consumers Are Usurious Loans Disguised as Sales

20. Despite FIP's attempts to hide the true nature of its agreements through various misrepresentations, FIP's agreements with Virginia consumers are illegal, usurious loans.

21. A loan is the "delivery by one party to and receipt by another party of a sum of money upon agreement, express or implied, to repay it with or without interest."¹⁵ All of FIP's approximately 950 agreements with Virginia pensioners meet this definition.

¹⁴ A redacted version of G.B.'s agreement with FIP is attached hereto as Exhibit B, and was provided by FIP during the Attorney General's investigation.

¹⁵ *Commonwealth v. Bar D Fin. Servs.*, 32 Va. Cir. 429, 430 (City of Richmond Cir. Ct. 1994). Virginia Code § 6.2-300 defines a "loan" as a "loan or forbearance of money," and Black's Law Dictionary defines a "loan" as something "lent for the borrower's temporary use; esp., a sum of money lent at interest[.]" Black's Law Dictionary (10th ed. 2014).

22. Using H.H.'s agreement with FIP as an example, the agreement itself is titled "Future Income Payment Purchase and Sale Agreement," and the opening recitals read as follows:

Recitals

1. Seller is entitled under a pension from a government or private enterprise ("Pension Company") to receive an income stream comprised of fixed, monthly payments (the "Purchased Asset").
 2. If Seller were to die, the Purchased Asset will cease.
 3. Seller wants to sell and FIP wants to buy some or all of the monthly payments ("Payment Amounts") comprising the Purchased Asset.
 4. As consideration for the irrevocable and final sale of the Payment Amounts to FIP, the Seller shall accept a one-time, lump sum payment (the "Purchase Price").
 5. Upon payment of the Purchase Price to Seller, Seller shall thereafter remit to FIP the Payment Amounts and all other amounts due under this Agreement.
 6. FIP may re-sell the Payment Amounts and assign its rights under this Agreement to a subsequent purchaser (the "Subsequent Purchaser").
23. The self-serving title of H.H.'s agreement with FIP and words like "seller," "sell," "buy," and "purchase" are mere labels that "are not controlling" under Virginia law as to the true nature of the agreement.¹⁶
24. For instance, the "Purchase Price" is actually the principal loan amount received by H.H.—\$5,500.00 minus a \$300.00 "Set-up fee." Importantly, FIP misrepresented a loan origination fee as a "Set-up fee" to further obscure the true nature of its agreements.
25. The "Purchased Asset" and "Term" actually comprise the loan repayment schedule for H.H, and this excerpt from Exhibit A to H.H.'s agreement with FIP makes that clear:

¹⁶ *Donnelly v. Donatelli & Klein, Inc.*, 258 Va. 171, 180, 519 S.E.2d 133, 138 (1999).

8. PENSION COMPANY: Department of Veterans Affairs
9. PENSION COMPANY ADDRESS: 810 Vermont Ave NW Washington, DC 20420
10. TRACKING NO. OF PENSION: _____
11. AMOUNT OF EACH PENSION PAYMENT SOLD TO FIP ("Payment Amounts"): \$682.00
- NUMBER OF PAYMENT AMOUNTS: 60
- FREQUENCY: Monthly
- TERM: 60 months, ending on May 2, 2020
- AMOUNT OF EACH MONTHLY PENSION PAYMENTS DUE TO FIP OR THE SUBSEQUENT PURCHASER FOR TERM: \$682.00
12. PURCHASE PRICE TO SELLER: \$5,200.00
(including \$300 deduction for Set-up Fee)

By these terms, H.H. agreed to repay a closed-end installment loan with a five-year (60 month) term and with monthly payments to FIP in the amount of \$682.00. This illustrates a key deception underlying FIP's pension sale scheme—it would ascertain the amount of the pensioners' monthly payment and then offer a loan, the repayment of which would be based upon a monthly payment of principal and interest *equal to* the monthly pension payment.

26. Further, Exhibit C to H.H.'s agreement shows how FIP misrepresented the payment of interest on a loan as a "Discount" from the "Purchase Price:"

4) Acknowledgment of Discount

Seller acknowledges that, by accepting the Purchase Price in exchange for the Payment Amounts as set forth in the Agreement, SELLER WILL RECEIVE SUBSTANTIALLY LESS MONEY THAN IF SELLER WERE TO RETAIN THE PERIODIC PAYMENTS COMPRISING THE PURCHASED ASSET. If Seller were to elect to receive the full amount of the Payment Amounts over the Term, Seller would receive the sum of \$ 40,920.00. Because, however, Seller is entering into the Agreement Seller will receive the Purchase Price, of \$ 5,500.00. The difference between the payments comprising the Purchased Asset and the Purchase Price is \$ 35,420.00. Seller understands that the Purchase Price represents a significant discount of the Payment Amounts comprising the Purchased Asset.

SELLER'S INITIALS: X HH

For H.H., this "Discount" actually equates to an approximate APR of 137% over a five-year term.¹⁷ In other words, H.H. agreed to repay FIP \$35,420.00 (plus the \$300 "Set-up" fee) in interest over the course of five years in return for a loan of \$5,500 (less the \$300 "Set-up" fee), resulting in that APR. For G.B., the "Discount" actually equates to an approximate APR of 97% over a five-year term. And, in the case of another veteran ("W.D.") whose information was provided to the Attorney General, the "Discount" actually equates to an approximate APR of 183% over a five-year term.¹⁸

27. H.H.'s agreement with FIP also illustrates how FIP misrepresented the existence of tax liability for the "sale" of pension payments:

- 3.5 **Income Tax Reporting.** Seller acknowledges that: (a) as a result of Seller selling the Purchased Asset to FIP for the Purchase Price, FIP will send an IRS Form 1099 to Seller and to the IRS in connection with this transaction, and (b) Seller is responsible to report properly to all applicable taxing authorities income derived from this sale.

This clause is yet another step taken by FIP to mislead Virginia pensioners into believing that they were "selling" their pension payments and deriving "income" for tax reporting purposes. But because FIP was making loans to Virginia pensioners, and not "buying" their payments, Virginia pensioners never incurred tax liability at all. As the Supreme Court explained:

*Borrowed funds are excluded from income in the first instance because the taxpayer's obligation to repay the funds offsets any increase in the taxpayer's assets; if the taxpayer is thereafter released from his obligation to repay, the taxpayer enjoys a net increase in assets equal to the forgiven portion of the debt, and the basis for the original exclusion thus evaporates.*¹⁹

¹⁷ Interest rates stated in this Complaint are based on calculations of "simple" interest, i.e., dividing the amount of interest paid in an annual period by the amount of the loan proceeds to derive an APR.

¹⁸ A redacted version of W.D.'s agreement with FIP is attached hereto as Exhibit C, and was provided by FIP during the Attorney General's investigation.

¹⁹ *United States v. Centennial Sav. Bank FSB*, 499 U.S. 573, 582 (1991) (emphasis added).

Neither H.H., G.B., W.D., nor any of the approximately 650 Virginia pensioners who took out loans with FIP incurred tax liability by taking out loans with FIP, despite its misrepresentations.

28. In fact, many of FIP's agreements with Virginia pensioners include the *potential* for a discharge of indebtedness, i.e., a forgiveness of their loans, which *could* result in tax liability.²⁰ The following excerpt from H.H.'s agreement with FIP makes this clear:

- 1.3 The Seller promises FIP the full and complete performance of all the provisions, conditions, warranties, covenants, and agreements contained in this Agreement. Specifically, and without limitation, Seller will promptly remit to FIP and any Subsequent Purchaser all Payment Amounts received from the Pension Company and all other amounts set forth in Section 2, below. However, both Seller and FIP recognize that, unless Seller breaches this Agreement, FIP and any Subsequent Purchaser are depending on the Pension Company as the ultimate obligor and if Seller does not, in good faith, receive payments from the Pension Company (because the Pension Company becomes insolvent or for other, similar reasons), Seller is NOT responsible to pay the Payment Amounts to FIP or any Subsequent Purchaser. Notwithstanding this, Seller agrees to fully cooperate with FIP and any Subsequent Purchaser in such a case to file claims in bankruptcy or take such other reasonable steps in order to get the payment obligations of the Pension Company fulfilled, but in no event will Seller have to file suit or bear any unreasonable expense in connection with FIP or any Subsequent Purchaser making such claims on Seller's behalf.

Based on this language, a condition subsequent to the execution of the loan—the insolvency of the “Pension Company”—could potentially discharge H.H.'s obligation to repay FIP. Upon information and belief, no Virginia pensioners' obligations to repay their loans with FIP were discharged based upon the failure or insolvency of their pension providers.

29. Further, based upon information received from FIP, the Attorney General is aware that only 1% of over 650 Virginia pensioners who took out loans with FIP died during the term of their loans. Consequently, 99% of Virginia pensioners remain fully obligated to repay their loans, revealing the illusory nature of the payment discharge provision in the second recital

²⁰ I.R.C. § 61(a)(12).

found in Paragraph 22 of this Complaint.²¹ And, some of the 1% of pensioners who died actually repaid their principal prior to their death due to high monthly installment payments. This is presumably why FIP also requested health information from those Virginia pensioners it solicited.

30. On the other hand, agreements entered into with Virginia pensioners by Pensions, Annuities, and Settlements, LLC ("PAS") (the f/k/a of Defendant Future Income Payments, LLC) specifically stated that the death of the borrower would not discharge the obligation to repay.²²

8.3. Additional Guarantees. The guarantees set forth in this Section 8 shall be in addition to, and not in lieu of, any other guarantees which the Seller may now or hereafter make in respect of Seller's obligations under the terms of this Agreement. The guarantees in this Section 8 shall not be discharged or otherwise released by the Seller's death. PAS and any Subsequent Purchaser shall have a guarantee binding upon the Beneficiary, Seller's heirs, executors, administrators, successors, or assigns.

Consequently, PAS obligated not only the Virginia pensioner to repay, but also, in the case of the attached agreement, the pensioner's spouse and heirs as well. PAS went so far as to require the pensioner to purchase a life insurance policy to secure the repayment obligation:

3.1. Life Insurance Policy.

3.1.1. Obligation to Obtain Policy. In order to secure the Seller's obligations under the terms of this Agreement in the event of the Seller's death prior to the end of the Term, Seller shall obtain a life insurance policy with a face amount of no less than \$30,000 which shall remain in effect for a period of no less than the Term (the "Policy").

31. In sum, although FIP's loan agreements with Virginia pensioners have some variations, FIP has always been virtually guaranteed repayment by the Virginia pensioners, or

²¹ Like the condition subsequent of the pension company's insolvency, the second recital, i.e., the death of the borrower, simply discharges the borrower's obligation to repay.

²² A redacted version of a borrower's agreement with PAS (again, the f/k/a of Defendant Future Income Payments, LLC) is attached hereto as Exhibit D, and was provided by FIP during the Attorney General's investigation.

FIP built-in potential events that would discharge the pensioners' obligations to repay, knowing those events were unlikely to occur.

***FIP Disguised its Loans as Sales to Avoid
State and Federal Consumer Protection Laws***

32. Noted above, in addition to the execution of FIP's "Purchase and Sale Agreement," Virginia pensioners were required to execute an "Authorization for Automatic Payment (Electronic Funds Transfer / EFT)." In H.H.'s agreement with FIP, this requirement reads as follows:

- 4.3 Authorization for Electronic Funds Transfers. By completing and signing Exhibit B hereto, Seller hereby agrees to cause Seller's Bank to initiate an electronic funds transfer (each, an "EFT") from Seller's Bank account as set forth in Exhibit B, to the FIP Payment Account as set forth in Exhibit B, in an amount equal to the Amount of Each Monthly Pension Payment to FIP or the Subsequent Purchaser for Term, as set forth in Exhibit A. During the Term, Seller shall notify FIP prior to any change in Seller's Bank and shall execute another EFT form satisfactory to FIP, or any Subsequent Purchaser, in order to facilitate the transfer of the Amount of Each Monthly Pension Payment to FIP or the Subsequent Purchaser for Term without interruption. If any EFT is rejected for non-sufficient funds ("NSF"), FIP may: i) resubmit the EFT for the same amount; ii) require the Seller to pay the costs set forth in Section 2.2, above, plus FIP's actual additional costs associated with collecting such delinquent amount, and/or iii) declare the Seller in material breach of this Agreement, subject to the provisions of Section 8.

This paragraph was a covenant made by H.H., i.e., H.H. was obligated to execute an electronic funds transfer agreement ("EFT agreement") to receive his loan proceeds. And, H.H.'s EFT agreement with FIP reads, in part, as follows:

**AUTHORIZATION FOR AUTOMATIC PAYMENT
(ELECTRONIC FUNDS TRANSFER / EFT)**

I/we authorize the Future Income Payments, LLC (and its successors and assignees) and the bank named below to initiate debit entries to my/our checking/savings account as payment for sale of an asset as follows:

33. Based on Paragraph 4.3 of H.H.'s agreement and the EFT agreement, H.H. was required to allow FIP to access his bank account for repayment as a condition of receiving his

loan proceeds. Upon information and belief, each of the approximately 650 Virginia pensioners who took out loans with FIP were required to execute similar EFT agreements as a condition of receiving their loan proceeds. FIP's requirement that Virginia pensioners execute EFT agreements as a condition of receiving their loan proceeds violated § 1693k of the Federal Electronic Funds Transfer Act ("EFTA"), 15 U.S.C. §§ 1693 to 1693r, and its implementing regulation, Regulation E, 12 C.F.R. §§ 1005.1 to 1005.36.

34. Despite violating the EFTA, FIP nonetheless required the execution of EFT agreements by Virginia pensioners to avoid any anti-assignment laws that could render its loan agreements void.²³ Thus, to avoid potential illegal assignments, each of the Virginia pensioners would receive pension payments from their provider in his or her own bank accounts, and FIP would then exercise its right under the EFT agreements to debit the amount of the pension payment from the pensioners' bank accounts. This process underlies FIP's pension sale scheme—there was never a "sale," "conveyance," or assignment of any pension payments. The fact that the pensioners' loan repayment amounts are the same amounts as their monthly payments to FIP is a subterfuge allowing FIP to claim that it is "buying" the pension payments and to claim that its "purchase" is not subject to consumer lending laws.

35. By labeling its closed-end installment loans as "sales," FIP also sought to avoid the requirement of providing closed-end credit disclosures required by the Federal Truth in Lending Act ("TILA"), 15 U.S.C. §§ 1601 to 1693r, and its implementing regulation, Regulation Z, 12 C.F.R. §§ 1026.1 to 1026.60. No Virginia pensioners received closed-end credit disclosures as required by TILA and Regulation Z—disclosures that would have benefitted pensioners like H.H. and G.B. who expressed shock at the exorbitant amount of interest they were required to repay FIP.

²³ See 38 U.S.C. 5301(a).

36. Further, FIP never registered to conduct business in the Commonwealth and never applied for any lending licenses through the Virginia State Corporation Commission's Bureau of Financial Institutions ("BFI"). Because FIP never received any form of consumer lending license from BFI, FIP's loans were and are subject to Virginia's general usury cap—12% annual interest pursuant to Virginia Code § 6.2-303(A).

37. Finally, because FIP's loans were and are subject to Virginia's general usury cap, and because the APR on each of FIP's loans with Virginia pensioners far exceeded that cap, the affected Virginia pensioners could have sought redress under Virginia's usury statutes, Virginia Code §§ 6.2-300 to 329. For instance, the affected pensioners could have brought private actions under Virginia Code § 6.2-305 to recover not only the usurious interest paid, but an additional sum equal to *twice* the amount of usurious interest paid in the two years preceding the filing of their actions. But because FIP took unreasonable advantage of Virginia pensioners by misrepresenting its loans as "sales," it avoided potential private actions under Virginia's usury laws.

CAUSES OF ACTION

COUNT I – Virginia Consumer Protection Act

38. The Commonwealth re-alleges and incorporates by reference the allegations of Paragraphs 1 through 37, including any subparts or footnotes thereto, of this Complaint.

39. Pursuant to Virginia Code § 59.1-197, the VCPA is to be applied as remedial legislation to promote fair and ethical standards of dealing between suppliers and the consuming public.

40. In connection with consumer transactions, the VCPA prohibits suppliers from, among other things:

- a. Misrepresenting that goods or services have certain quantities, characteristics, ingredients, uses, or benefits pursuant to Virginia Code § 59.1-200(A)(5); and
- b. Using any other deception, fraud, false pretense, false promise, or misrepresentation in connection with a consumer transaction pursuant to Virginia Code § 59.1-200(A)(14).

41. During all relevant times, FIP was a “supplier” of “goods” or “services” in connection with “consumer transactions” as those terms are defined in Virginia Code § 59.1-198.

42. FIP violated the VCPA through the acts and practices described in this Complaint, including without limitation:

- a. Misrepresenting that its “Purchase and Sale Agreement[s]” or similarly-titled agreements were sales and not loans in violation of Virginia Code §§ 59.1-200(A)(5) and (14);
- b. Misrepresenting that the “Purchase Price” or a similar phrase was an amount FIP would pay to Virginia consumers as part of a “sale,” rather than the principal amount of the loans extended by FIP to Virginia consumers, in violation of Virginia Code §§ 59.1-200(A)(5) and (14);
- c. Misrepresenting that the phrases “Purchased Asset,” “Payment Amounts,” or similar phrases referred to FIP’s “purchase” of pension payments from Virginia consumers, rather than the amount to be repaid by Virginia consumers on their loans with FIP, in violation of Virginia Code §§ 59.1-200(A)(5) and (14);
- d. Misrepresenting the payment of interest on Virginia consumers’ loans with FIP as a “Discount” of the “Purchase Price” in violation of Virginia Code §§ 59.1-200(A)(5) and (14);

- e. Misrepresenting the payment of loan origination fees on Virginia consumers' loans with FIP as "Set-up fee[s]" in violation of Virginia Code §§ 59.1-200(A)(5) and (14); and
- f. Misrepresenting that Virginia consumers would incur tax liability by "selling" their pension payments, despite the fact they did not incur any tax liability by taking out loans with FIP, in violation of Virginia Code §§ 59.1-200(A)(5) and (14).

43. FIP willfully engaged in the acts and practices described in this Complaint in violation of the VCPA.

44. Individual consumers have suffered losses as a result of the aforesaid willful violations of the VCPA by FIP.

**Count II – Individual Liability of Kohn
under the Virginia Consumer Protection Act for His Active Participation**

45. The Commonwealth re-alleges and incorporates by reference the allegations of Paragraphs 1 through 44, including any subparts or footnotes thereto, of this Complaint.

46. A corporation can act only through its officers and agents, and where the business itself involves a violation of the law, all who participate in it are liable.

47. During all relevant times, Kohn, individually or together with others, directed, controlled, approved, or participated in the acts and practices of FIP, including those acts and practices that are the subject of this Complaint.

48. By virtue of his active participation in the wrongful and willful acts of FIP, Kohn should be held personally liable for all violations of the VCPA committed by or through FIP.

49. Individual consumers suffered losses as a result of Kohn's use and control of FIP and his implementation of a fraudulent pension sale scheme.

PRAYER FOR RELIEF

WHEREFORE, the Plaintiff, Commonwealth of Virginia, prays that this Court:


- A. Preliminarily and permanently enjoin Defendants and their members, managers, officers, employees, agents, successors and assigns from violating § 59.1-200 of the VCPA pursuant to Virginia Code § 59.1-203;
- B. Grant judgment against the Defendants, jointly and severally, and award to the Commonwealth all sums necessary to restore to any Virginia consumers the money or property acquired from them by Defendants in connection with their violations of § 59.1-200 of the VCPA pursuant to Virginia Code § 59.1-205;
- C. Enter any additional orders or decrees as may be necessary to restore to any Virginia consumers the money or property acquired from them by Defendants in connection with their violations of § 59.1-200 of the VCPA pursuant to Virginia Code § 59.1-205;
- D. Grant judgment against the Defendants, jointly and severally, and award to the Commonwealth civil penalties of up to \$2,500.00 per violation for each willful violation of § 59.1-200 of the VCPA pursuant to Virginia Code § 59.1-206(A), the exact number of violations to be proven at trial;
- E. Grant judgment against the Defendants, jointly and severally, and award to the Commonwealth its costs, reasonable expenses incurred in investigating and preparing the case up to \$1,000.00 per violation of § 59.1-200 of the VCPA, and attorneys' fees pursuant to Virginia Code § 59.1-206(C); and
- F. Grant such other and further relief as this Court deems equitable and proper.

Dated: March 6, 2018

Respectfully submitted,

COMMONWEALTH OF VIRGINIA,
EX REL. MARK R. HERRING,
ATTORNEY GENERAL

By:


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FUTURE INCOME PAYMENT PURCHASE AND SALE AGREEMENT

This Future Income Payment Purchase and Sale Agreement dated as of 4/17/2015 (the "Agreement") is by and between Future Income Payments, LLC, a Delaware limited liability company, located at the address listed on the signature page below ("FIP") and _____ an individual resident at the address listed on Exhibit A hereto (the "Seller").

Recitals

1. Seller is entitled under a pension from a government or private enterprise ("Pension Company") to receive an income stream comprised of fixed, monthly payments (the "Purchased Asset").
2. If Seller were to die, the Purchased Asset will cease.
3. Seller wants to sell and FIP wants to buy some or all of the monthly payments ("Payment Amounts") comprising the Purchased Asset.
4. As consideration for the irrevocable and final sale of the Payment Amounts to FIP, the Seller shall accept a one-time, lump sum payment (the "Purchase Price").
5. Upon payment of the Purchase Price to Seller, Seller shall thereafter remit to FIP the Payment Amounts and all other amounts due under this Agreement.
6. FIP may re-sell the Payment Amounts and assign its rights under this Agreement to a subsequent purchaser (the "Subsequent Purchaser").

Agreement

NOW, THEREFORE, in consideration of the foregoing recitals, and terms, conditions and covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Sale of Purchased Asset; Payment of Purchase Price.**
 - 1.1 Pursuant to the terms and conditions of this Agreement, and for the Term (as set forth on Exhibit A, attached hereto and made a part hereof), Seller does hereby irrevocably sell, transfer and convey to FIP all right, title and interest in and to the number of Payment Amounts as set forth in Exhibit A in return for the Purchase Price as set forth on Exhibit A.
 - 1.2 Upon receipt of the Purchase Price, and thereafter for the Term, the Seller shall instruct the bank or financial institution to which the payments comprising the

Form No. FIS001-(Rev. 9/14)
Married Seller - Non-Survivor Benefit



Purchased Asset are paid (the "Seller's Bank", as set forth in Exhibit B, attached hereto and made a part hereof) to forward all such payments and the additional amounts provided for in Section 2, below, to an account established by FIP (the "FIP Payment Account"), identified on Exhibit A.

- 1.3 The Seller promises FIP the full and complete performance of all the provisions, conditions, warranties, covenants, and agreements contained in this Agreement. Specifically, and without limitation, Seller will promptly remit to FIP and any Subsequent Purchaser all Payment Amounts received from the Pension Company and all other amounts set forth in Section 2, below. However, both Seller and FIP recognize that, unless Seller breaches this Agreement, FIP and any Subsequent Purchaser are depending on the Pension Company as the ultimate obligor and if Seller does not, in good faith, receive payments from the Pension Company (because the Pension Company becomes insolvent or for other, similar reasons), Seller is NOT responsible to pay the Payment Amounts to FIP or any Subsequent Purchaser. Notwithstanding this, Seller agrees to fully cooperate with FIP and any Subsequent Purchaser in such a case to file claims in bankruptcy or take such other reasonable steps in order to get the payment obligations of the Pension Company fulfilled, but in no event will Seller have to file suit or bear any unreasonable expense in connection with FIP or any Subsequent Purchaser making such claims on Seller's behalf.

2. Additional Amounts Payable. Included in the amounts set forth in Exhibit A are the following, which Seller agrees to pay FIP:

- 2.1 Set-up Fee. A one-time setup fee to establish and setup this program and to service this Agreement during its term ("Set-up Fee"). The Set-Up fee is \$300.00 and will be deducted from the Purchase Price.
- 2.2 Late Payment Fee and NSF Charges. In the event Seller fails to remit to FIP any Payment Amounts set forth in this Agreement within five (5) days of their receipt by Seller, whether as the result of insufficient funds in the Seller's account or otherwise, Seller shall, in addition to the amount of the delinquent payment, pay a late payment fee equal to 1.5% of the delinquent payment, but in no event more than the amount allowed by applicable law (the "Late Payment Fee"). Should any form of payment be returned to FIP, or any Subsequent Purchaser, as the case may be, for not sufficient funds ("NSF") or otherwise, the Seller will be charged \$25, in addition to the Late Payment Fee.

3. **Representations and Warranties of Seller.** Seller hereby makes the following representations, warranties and acknowledgments to and for the benefit of FIP and any Subsequent Purchaser, and Seller acknowledges that FIP and any Subsequent Purchaser are specifically relying on the accuracy of each such representation, warranty and acknowledgment in their decision to purchase the Payment Amounts.
- 3.1 **Entitlement to Purchased Asset.** Seller represents and warrants that Seller is irrevocably and unconditionally entitled to receive the payments comprising the Payment Amounts at the times, in the amounts, and from the source described on Exhibit A. Except as otherwise disclosed to FIP in writing, the Purchased Asset is not subject to, and will not at any time, be subject to tax withholding, liens, security interests, or offsets of any kinds or amounts.
- 3.2 **Seller's Financial Condition and Other Disclosures.**
- 3.2.1 Seller has delivered accurate financial, marital and other documentary information for such time periods and of such dates as requested by FIP. All such financial and other information provided by Seller is true and complete, and does not fail to state any material fact which would render the information false or materially inaccurate. Seller is not aware of any information not already disclosed that could materially affect the Seller's financial or marital status, and Seller has no liabilities, contingent or otherwise, which have not previously been disclosed.
- 3.2.2 As of the date of this Agreement, the Seller is solvent, and the fair values of Seller's assets are and will be in excess of all of the Seller's debts. Further, the consummation of the transactions contemplated herein, and the sale of the Payment Amounts, will not prevent the Seller from satisfying the Seller's financial obligations as they come due, and will not unduly burden the Seller, his or her spouse, children or dependents.
- 3.3 **Bankruptcy Matters.** Unless otherwise disclosed in writing to FIP, neither Seller nor any business enterprise of which Seller was a principal owner has ever declared bankruptcy or otherwise sought protection from creditors under any federal or state law. In addition, Seller is not in the process of or contemplating bankruptcy or seeking protection from creditors under any federal or state law.
- 3.4 **No Intent to Defraud Creditors.** The execution and delivery of this Agreement and the other documents delivered by Seller in connection with this Agreement, and the consummation of the transactions contemplated herein, have not been intentionally concealed from, and will not hinder, delay, or defraud, any creditor of the Seller.

- 3.5 **Income Tax Reporting.** Seller acknowledges that: (a) as a result of Seller selling the Purchased Asset to FIP for the Purchase Price, FIP will send an IRS Form 1099 to Seller and to the IRS in connection with this transaction, and (b) Seller is responsible to report properly to all applicable taxing authorities income derived from this sale.
- 3.6 **No Prior or Pending Sale or Assignment.** Seller has not, prior to the date hereof, sold, assigned, promised, pledged or transferred Seller's right to receive any of the payments comprising the Purchased Asset or the Payment Amounts being sold under the terms of this Agreement to any party other than FIP, and Seller is not party to any agreement which could result in the attachment or creation of an encumbrance on the Purchased Asset. Further, Seller acknowledges, subsequent to the date of this Agreement and payment of the Purchase Price, and as further described in Section 4.1, below, that Seller shall have no further right or interest in the payments comprising the Purchased Asset until the expiration of the Term.
- 3.7 **No Encumbrances.** Other than as created under the terms of this Agreement in favor of FIP, the right of FIP or any Subsequent Purchaser to receive the Payment Amounts is not subject to any mortgage, lien, pledge, charge, security interest, encumbrance, restriction, or adverse claim of any nature whatsoever.
- 3.8 **Valid Sale.** Seller understands and agrees that this Agreement constitutes a valid sale, transfer and conveyance of the Payment Amounts as further described in Section 4.1, below, and is not a loan or other financing transaction or intended to be regarded as a loan or other financing transaction.
- 3.9 **Purchase Price Less than Value of Payment Amounts: Fair Consideration.** Seller understands and acknowledges that the Purchase Price is significantly less than the sum the Seller would receive during the Term if the Seller chose not to sell the Payment Amounts under the terms of this Agreement. Seller has carefully considered the pros and cons of selling the Payment Amounts, and has determined that the Purchase Price is fair consideration for the sale of the Payment Amounts.
- 3.10 **Competency and Consent.** Seller is competent to enter into this Agreement and has voluntarily entered into this Agreement as an act of free will and with full capacity to understand the terms and conditions contained herein.
- 3.11 **Complete Understanding.** Seller has received and, prior to signing, has read a complete copy of this Agreement, including all exhibits and any documents incorporated by reference into this Agreement, and has carefully considered the advantages and disadvantages of a sale of the Payment Amounts. The Seller has a full and complete understanding of: (i) this Agreement; and (ii) the value of the Payment Amounts Seller is selling to FIP pursuant to the terms of this Agreement. **Seller acknowledges that FIP has strongly recommended that Seller obtain**

the advice of family members and professional advisors prior to entering into this Agreement. Seller, prior to signing this Agreement, has been advised or has had the opportunity to consult with and to obtain advice and assistance from legal, financial and tax professionals, and to be represented by counsel in the negotiation and execution of this Agreement. And, prior to signing this Agreement, Seller has reviewed, or had the opportunity to review, this Agreement with independent financial and legal counsel of his or her own choosing. Seller has not relied on FIP or FIP's counsel, employees, agents or representatives for any review or interpretation of the terms of this Agreement.

4. Seller's Covenants.

4.1 Seller's Fiduciary Duties. Seller acknowledges that the Payment Amounts are the property of FIP or the Subsequent Purchaser, and that all such payments shall be held by Seller in trust and in a fiduciary capacity for the sole benefit of FIP or such Subsequent Purchaser. If the Pension Company cannot or does not send the Payment Amounts directly to FIP or Subsequent Purchaser, as the case may be, then Seller, under its obligation as trustee, shall promptly forward, pursuant to Section 4.3 or otherwise, all Payment Amounts held by Seller to the FIP Payment Account or as otherwise directed by FIP. Such payments shall remain the property of FIP or the designated Subsequent Purchaser, as the case may be, and in no event shall be part of the estate of Seller once they are received by Seller. Any failure to transmit the Payment Amounts promptly to FIP or the designated Subsequent Purchaser shall be a material breach of this Agreement, subject to the provisions of Section 8, below.

4.2 No Changes. Except with the prior written consent of FIP, Seller shall not amend or alter:

- (i) The payment instructions to the Seller's bank or financial institution requiring that all amounts due under this Agreement, including the Payment Amounts, shall, after receipt by Seller's Bank, be transferred to the account designated by FIP; or
- (ii) The levels at which taxes or other amounts are withheld from the gross amount of the Payment Amounts otherwise payable to Seller.

Any attempt to make any changes as set forth in this Section 4.2 without the consent of FIP shall be a material breach of this Agreement, subject to the provisions of Section 8.

4.3 Authorization for Electronic Funds Transfers. By completing and signing Exhibit B hereto, Seller hereby agrees to cause Seller's Bank to initiate an

electronic funds transfer (each, an "EFT") from Seller's Bank account as set forth in Exhibit B, to the FIP Payment Account as set forth in Exhibit B, in an amount equal to the Amount of Each Monthly Pension Payment to FIP or the Subsequent Purchaser for Term, as set forth in Exhibit A. During the Term, Seller shall notify FIP prior to any change in Seller's Bank and shall execute another EFT form satisfactory to FIP, or any Subsequent Purchaser, in order to facilitate the transfer of the Amount of Each Monthly Pension Payment to FIP or the Subsequent Purchaser for Term without interruption. If any EFT is rejected for non-sufficient funds ("NSF"), FIP may: i) resubmit the EFT for the same amount; ii) require the Seller to pay the costs set forth in Section 2.2, above, plus FIP's actual additional costs associated with collecting such delinquent amount, and/or iii) declare the Seller in material breach of this Agreement, subject to the provisions of Section 8.

- 4.4 Delivery of Documents. Seller shall provide FIP with copies of all information and documents concerning Seller's right to receive the payments comprising the Purchased Asset. This obligation includes all documentation concerning the Purchased Asset which Seller receives after the date of this Agreement, including, but not limited to, any correspondence relating to claims of others to garnish or otherwise place a lien on such payments and any correspondence relating to any change in the amount, frequency, or manner of payments comprising the Purchased Asset.
- 4.5 No Conflicting Agreements. Seller shall not enter into any agreement, or incur any obligation, which is in any way inconsistent with Seller's obligations hereunder. Seller shall not take any action, or fail to take any action, which will or may cause a breach of Seller's obligation to allocate the payments comprising the Purchased Asset to FIP or a Subsequent Purchaser, as contemplated herein.
- 4.6 Payment of Taxes. During the term of this Agreement, Seller shall timely pay all federal and state income taxes, and any and all other taxes, which Seller is required to pay, both in connection with all payments contemplated by this Agreement and otherwise.
- 4.7 Liens and Encumbrances. Seller will not take any action which could result in the creation of a lien or other encumbrance with respect to the Purchased Asset, or which could in any way adversely affect Seller's ability to allocate the payments comprising the Purchased Asset to FIP or a Subsequent Purchaser as required by this Agreement.
- 4.8 Further Assurances; Cooperation. Seller agrees to execute and deliver any and all other documents that may be required for the Purchaser to secure its rights under this Agreement. Seller further agrees to take any and all other actions as may be necessary or appropriate to fully give effect to the intentions of the parties under this Agreement.

5. **Authorization to Undertake Background and Credit Reports.** Seller hereby authorizes and gives FIP permission, from time-to-time, to conduct a comprehensive review of Seller's background, including but not limited to obtaining consumer credit reports and information broker reports about Seller. Seller understands that the reports may include information, such as: credit ratings, verification of social security number; current and previous residences; employment history; education; any law suits or criminal history; birth records; motor vehicle records; and information from public records.

6. **Closing Conditions.** The payment of the Purchase Price to the Seller is contingent upon the occurrence of all of the following conditions:
 - 6.1 **Accuracy of Representations and Warranties.** The accuracy of Seller's representations and warranties contained herein, including the representation and warranty that Seller is entitled to receive the payments comprising the Purchased Assets from the income source described on Exhibit A attached hereto.
 - 6.2 **Documents.** Seller, and Seller's spouse, must provide complete and executed originals of all documents requested by FIP, including the Spousal Consent Form as set forth in Exhibit D, attached hereto and made a part hereof.
 - 6.3 **Disclosures and Acknowledgments.** Seller shall have individually reviewed and initialed each of the disclosures set forth in Exhibit C attached hereto and made a part hereof.

7. **Indemnification: Survival.**
 - 7.1 **Indemnification.** Seller hereby agrees to indemnify FIP and any Subsequent Purchaser and their respective officers, directors, managers, partners, members, employees and agents, and any assignees, designees or successors of same (the "Indemnified Parties") against, and agree to hold the Indemnified Parties harmless from, any and all damages, losses, liabilities and expenses (including, without limitation, reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding), incurred or suffered by the Indemnified Parties arising out of, resulting from, or related to: (i) any misrepresentation or breach of any representation or warranty made by Seller pursuant to this Agreement or any document executed in connection with the transactions contemplated by this Agreement; (ii) any breach of a covenant, agreement or promise made or to be performed by Seller pursuant to this Agreement; and (iii) any breach or violation of any applicable federal or state law by Seller in connection with this Agreement.

7.2 **Survival.** Seller's obligation to indemnify the Indemnified Parties shall survive the termination of this Agreement.

8. **Breach and Remedies**

8.1 **Disruption of Purchased Asset Payments.** If there is any disruption, interruption, decrease or elimination of the payments due under this Agreement, including the Payment Amounts, *caused by the Seller during the Term, or by Seller's failure to take reasonable steps to ensure the delivery of such payments*, such interruption or disruption shall be deemed to be a material breach of this Agreement by the Seller. (For the avoidance of doubt, the failure of the Seller to pay for any reason stated in Section 1.3 above (namely the failure of the Pension Company to make payments to Seller) shall **NOT** constitute a Seller breach under this Section 8.1.)

8.2 **Contacts After Breach.** If there is any disruption, interruption or decrease of payments due under this Agreement, Seller agrees that FIP or any Subsequent Purchaser has the right to contact the Seller by any and all of the following means: i) Currently known landline phone number(s); ii) Currently known cellphone number(s); iii) Later discovered landline phone number(s); iv) Later discovered cellphone number(s); v) Text messages both at known cellphone numbers and later discovered cellphone number(s); and, vi) E-mails both at e-mail addresses known now and later discovered. Specifically, Seller authorizes FIP and any Subsequent Purchaser to contact the Seller by any reasonable method and at any reasonable time for the express purpose of obtaining such portion of the amounts due under this Agreement that has not yet been delivered to FIP or the Subsequent Purchaser.

8.3 **Attempts to Locate and Collect FIP Due Amounts.** If the Seller is in breach of this Agreement, FIP and any Subsequent Purchaser is expressly authorized by the Seller to search various databases for information relating to the Seller's location for the purpose of locating and collecting delinquent payments due under this Agreement, including, but not limited to, public records, credit reports, and other databases as needed to locate and collect such delinquent payments.

8.4 **Attorney's Fees.** In the event that the payments due under this Agreement are decreased or cease to be received by FIP or the Subsequent Purchaser as a result of a breach under Section 8.1, Seller agrees to be responsible for, and to pay on demand, all of FIP's and the Subsequent Purchaser's collection and legal costs.

9. **Miscellaneous Provisions.**

9.1 **Refund of Excess Payments.** FIP is entering into the transactions contemplated by this Agreement based on information provided by the Seller with respect to the Purchased Asset. In the event the aggregate amounts received by FIP or any

Subsequent Purchaser exceed the amount calculated to be due to FIP or such Subsequent Purchaser, the parties have agreed that there was a mutual mistake of fact, and that this Agreement shall require FIP or the Subsequent Purchaser to promptly refund such excess funds to Seller.

- 9.2 **Severability.** If any one or more of the covenants, agreements, provisions or terms of this Agreement shall for any reason whatsoever be held invalid or unenforceable, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions and terms of this Agreement, and shall in no way affect the validity or enforceability of the other provisions of this Agreement. If this Agreement relates to periodic payments received from the Department of Defense or the Department of Veterans Affairs, and in the event any term or provision of this Agreement is determined to be void, voidable, invalid or unenforceable for any reason by one of these Departments, or by codes or regulations related to one of the Departments, such determination shall not affect the validity or enforceability of terms or provisions with respect to the remainder of this Agreement.
- 9.3 **Notices.** All notices hereunder shall be in writing and shall be given in person, or sent by registered or certified mail (return receipt requested). Notices that are properly delivered shall be deemed to have been given upon actual delivery. Notices shall be given to Seller at the respective addresses set forth in Exhibit A attached hereto. Notices shall be given to FIP at the address indicated for FIP on the signature page hereof. Any party to this Agreement may direct notices to any other address as that party may designate by advance written notice. A copy of any notice to any party shall also be sent to that party's legal counsel, if such party is represented.
- 9.4 **Entire Agreement.** This Agreement, and the Exhibits hereto, constitute the entire and final agreement between parties with respect to the subject matter hereof. No party is entering into this Agreement in reliance on, and this Agreement shall not be contradicted or supplemented by, any prior or contemporaneous condition, discussion, promise, statement, understanding, or undertaking, commitment or other agreement or document.
- 9.5 **Assignment.** Without the consent of the Seller, FIP shall be entitled to assign and transfer freely all rights granted to it under the terms of this Agreement, including the right of a Subsequent Purchaser to proceed directly against Seller for any breach of the terms of this Agreement. Except as otherwise provided in this Agreement, FIP shall have no obligation to notify the Seller of any assignment or transfer of FIP's rights under the terms of this Agreement.
- 9.6 **Amendments/Modifications Binding: No Beneficiaries.** All amendments to, or modifications of, this Agreement shall be binding upon the parties, despite any

lack of separate or additional consideration therefore, so long as such amendments or modifications shall be in writing and signed by Seller and FIP. The parties acknowledge and agree that, except for Subsequent Purchasers, which are specifically intended to be third-party beneficiaries under the terms of this Agreement, there are no other third-party beneficiaries of any promises, obligations or representations made herein.

- 9.7 **Governing Law: Jurisdiction and Venue.** In all respects, including all matters of construction, validity and performance, this agreement and the obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of California applicable to contracts made and performed in such state (without regard to the principles thereof regarding conflict of laws). Seller hereby consents and agrees that the state or federal courts located in California shall have non-exclusive jurisdiction to hear and determine any claims or disputes pertaining to this Agreement and/or any related agreement, to any matter arising out of, or related to, this Agreement and/or any related agreements; and further provided, that nothing in this Agreement shall be deemed or operate to preclude FIP from bringing suit or taking other legal action in any other jurisdictions to enforce its right under this Agreement, or to enforce a judgment or other court order in favor of FIP. Seller expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Seller hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue or forum non convenience, and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court.
- 9.8 **Waiver.** Any party's failure to insist, in any one or more instances, upon strict performance by another party of any of the terms of this Agreement shall not be construed as a waiver of any continuing or subsequent failure to perform or a delay in performance of any term hereof.
- 9.9 **No Construction Against Drafter.** Seller has been or has had the opportunity to be represented by counsel throughout the negotiation and signing of this Agreement and all ancillary documents to this Agreement and, therefore, while this Agreement is effective or after its termination, Seller shall not claim or assert that any provision of this Agreement or ancillary documents should be construed against the drafter of this Agreement and ancillary documents.
- 9.10 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

ISIGNATURES ON FOLLOWING PAGEI

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first written above.

SELLER:



SELLER'S SIGNATURE MUST BE NOTARIZED

State of Virginia

County of Campbell

I hereby certify that the [redacted] of April, 2015, by [redacted] who produced appropriate identification.

[redacted] was acknowledged before me this 20th day (Seller) who is personally known to me or

Name of Notary Public: Melissa B. Gills


Notary Public Signature

434 832-1500

Notary Public Telephone Number

7168407
April 30, 2016 Expiry Date of Commission



MELISSA B GILLS
NOTARY PUBLIC 7168407
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES APRIL 30, 2016

FUTURE INCOME PAYMENTS, LLC

Name:
Title:

Future Income Payments, LLC
18300 Von Karman Ave, Suite 410
Irvine, CA 92612

Form No. FIS001-(Rev. 9/14)
Married Seller - Non-Survivor Benefit

EXHIBIT A

TRANSACTION DETAILS

- 1. NAME OF SELLER: _____
- 2. SELLER'S SOCIAL SECURITY NO.: _____
- 3. ADDRESS OF SELLER: _____

- 4. PHONE NUMBER OF SELLER: _____
- 5. EMAIL ADDRESS OF SELLER: _____
- 6. NAME OF SELLER'S SPOUSE: N/A
(Please note: Spouse is understood to be a legally married husband or wife, domestic partner, or co-habitant as defined under applicable Family Law. If this field is applicable, then the Participant must fill out EXHIBIT D).
- 7. SELLER'S SPOUSE'S SOCIAL SECURITY NO.: N/A
- 8. PENSION COMPANY: Department of Veterans Affairs
- 9. PENSION COMPANY ADDRESS: 810 Vermont Ave NW Washington, DC 20420
- 10. TRACKING NO. OF PENSION: _____
- 11. AMOUNT OF EACH PENSION PAYMENT SOLD TO FIP ("Payment Amounts"):
\$682.00
- NUMBER OF PAYMENT AMOUNTS: 60
- FREQUENCY: Monthly
- TERM: 60 months, ending on May 2, 2020
- AMOUNT OF EACH MONTHLY PENSION PAYMENTS DUE TO FIP OR THE
SUBSEQUENT PURCHASER FOR TERM: \$682.00
- 12. PURCHASE PRICE TO SELLER: \$5,200.00
(including \$300 deduction for Set-up Fee)

13. SELLER INDICATED HE OR SHE INTENDS TO USE PURCHASE PRICE FOR THE FOLLOWING PURPOSE: home improvement

The undersigned Seller certifies that (other than concerning Section 13, above, concerning FIP) the above is complete and accurate from his or her personal knowledge.

SELLER:

Date Signed: 4/17/2015

[REDACTED]
Full Name
[REDACTED]

EXHIBIT B

**AUTHORIZATION FOR AUTOMATIC PAYMENT
(ELECTRONIC FUNDS TRANSFER / EFT)**

I/we authorize the Future Income Payments, LLC (and its successors and assignees) and the bank named below to initiate debit entries to my/our checking/savings account as payment for sale of an asset as follows:

SELLER'S NAME: 

SELLER'S BANK: Bank of America

SELLER'S BANK ACCOUNT NUMBER: 

ABA NUMBER: 

ACCOUNT TYPE: checking

[FIP/PR TRANSACTION NUMBERS: _____]

PAYMENT DUE DATES/FREQUENCY: every 2nd of the month

PAYMENT AMOUNTS: \$682.00

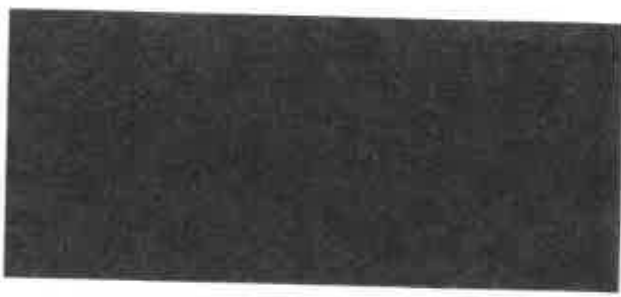
EFFECTIVE DATE (Payments start): 06/02/2015

TERMINATION DATE (Last Payment Due): 05/02/2020

This authorization will remain in effect until the Termination Date above or as otherwise provided by law.

SELLER:

Date Signed: 4/17/2015



SELLER: IF THIS ACCOUNT IS DIFFERENT FROM THE ONE FOR WHICH YOU SENT FIP A VOIDED CHECK WITH YOUR APPLICATION, PLEASE INCLUDE A VOIDED CHECK FROM THIS BANK ACCOUNT

EXHIBIT C

FIP DISCLOSURES AND SELLER'S ACKNOWLEDGMENTS

1) Damages Seller May Have to Pay in Event of Breach.

Seller understands and acknowledges that in event Seller breaches the Agreement, including by failure to transmit Payment Amounts he or she receives from the Pension Company to FIP or the Subsequent Purchaser, Seller could be liable for liquidated damages in an amount equal to all remaining and unpaid future periodic payments due under the Agreement (including all unpaid Payment Amounts and Management Fees), which shall be payable in full upon demand, plus fees and costs including the legal fees of FIP or any Subsequent Purchaser in pursuing a claim against the Seller.

SELLER'S INITIALS: X HtH

2) Representation by Counsel.

Seller acknowledges that Seller has obtained, or has had the opportunity to obtain, independent legal and financial advisors to provide legal advice and financial advice with respect to the appropriateness of the Seller entering into this transaction. Seller is not relying on FIP's legal or financial advisors for legal or financial advice in connection with the advisability or appropriateness of the sale of the Purchased Asset by the Seller to the Seller to FIP.

SELLER'S INITIALS: X HtH

3) Acknowledgment of Tax Consequences.

Seller has obtained, or had the opportunity to obtain, independent professional advice concerning the tax consequences of this agreement. SELLER UNDERSTANDS THAT AS A RESULT OF THE SALE OF THE PURCHASED ASSET, IT IS LIKELY THAT THE SELLER WILL HAVE TO PAY TAXES ON THE PROCEEDS OF THE SALE. SELLER ALSO ACKNOWLEDGES THAT HE OR SHE AND THE IRS WILL RECEIVE A 1099 IN THE AMOUNT OF THE PROCEEDS OF SUCH SALE.

SELLER'S INITIALS: X HtH

4) **Acknowledgment of Discount.**

Seller acknowledges that, by accepting the Purchase Price in exchange for the Payment Amounts as set forth in the Agreement, SELLER WILL RECEIVE SUBSTANTIALLY LESS MONEY THAN IF SELLER WERE TO RETAIN THE PERIODIC PAYMENTS COMPRISING THE PURCHASED ASSET. If Seller were to elect to receive the full amount of the Payment Amounts over the Term, Seller would receive the sum of \$ 40,920.00 . Because, however, Seller is entering into the Agreement Seller will receive the Purchase Price, of \$ 5,500.00 . The difference between the payments comprising the Purchased Asset and the Purchase Price is \$ 35,420.00 . Seller understands that the Purchase Price represents a significant discount of the Payment Amounts comprising the Purchased Asset.

SELLER'S INITIALS: X

DS
HH

5) **No Coercion.**

Seller is entering into the Agreement freely and without coercion, undue influence or duress of any kind. Seller's decision to enter into the Agreement is based on Seller's independent determination that immediate access to the Purchase Price is of equal or greater value to Seller than retaining the Payment Amounts comprising the Purchased Asset for the Term.

SELLER'S INITIALS: X

HH

Virginia DRIVER'S LICENSE

FIP-VA0006123

Form **W-9**
(Rev. October 2007)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (r) [Redacted]

Business name, if different from above [Redacted]

Check appropriate box: Individual/sole proprietor Corporation Partnership
 Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) Exempt payee
 Other (see instructions) [Redacted]

City, state, and ZIP code [Redacted]

List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
[Redacted]

Or

Employer identification number
[Redacted]

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
 - I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
 - I am a U.S. citizen or other U.S. person (defined below).
- Certification Instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and marital property, other than interest and dividends, you are not required to sign the Certification, but you must

4/17/2015

Date

otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

unless

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual, who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

• The U.S. grantor or other owner of a grantor trust and not the trust, and

• The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not furnish your TIN when required (see the Part II instructions on page 3 for details)
3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). Check the "Limited liability Company" box only and enter the appropriate code for the tax classification ("D" for disregarded entity, "C" for corporation, and "P" for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

For an LLC classified as a partnership or a corporation, enter the LLC's name on the "Name" line and any business, trade, or DBA name on the "Business name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b) (7) if the account satisfies the requirements of section 401(f) (2).
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 684 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions. However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6945(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorney's fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box if you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under starting a business. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees; see *Exempt Payee* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-368-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or contact them at www.consumer.gov/idtheft or 1-877-IDTHEFT (438-4338).

Visit the IRS website at www.irs.gov to learn more about identity theft and how to reduce your risk.

What Name and Number to Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee
5. Sole proprietorship or disregarded entity owned by an individual	The actual owner
6. Disregarded entity not owned by an individual	The owner
7. A valid trust, estate, or pension trust	The organization
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

Let first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

Circle the minor's name and furnish the minor's SSN.

You must show your individual name and you may if so enter your business or "DBA" name on the second name line. You may also enter your SSN or EIN (if you have one) but if a IRS encourages you to use your SSN.

Let first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) For see Special rules for partnerships on page 1.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 3109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal and state tax laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payors must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

FUTURE INCOME PAYMENT PURCHASE AND SALE AGREEMENT

This Future Income Payment Purchase and Sale Agreement dated 6/30/2016 (the "Agreement") is by and between Future Income Payments, LLC, a Delaware limited liability company, located at the address listed on the signature page below ("FIP"), and [REDACTED], an individual residing at the address identified in Exhibit A hereto (the "Seller").

Recitals

1. Seller is entitled under a pension from a government or private enterprise ("Pension Company") to receive an income stream consisting of fixed, periodic payments ("Pension Payments").
2. Seller wants to sell, and FIP wants to buy, a portion of the funds derived from certain of the Pension Payments (the "Purchased Asset").
3. The "Term" means the period of time, set forth in Exhibit A, during which Seller will deliver the Purchased Asset to FIP.
4. As consideration for the irrevocable and final sale of the Purchased Asset to FIP, the Seller will receive a one-time, lump-sum payment (the "Purchase Price").
5. Upon payment of the Purchase Price to Seller, Seller shall thereafter during the Term, upon receipt, deliver the Purchased Asset to FIP.
6. FIP may resell the Purchased Asset to a subsequent purchaser ("Subsequent Purchaser") and FIP may also assign its rights under this Agreement.

Agreement

In consideration of the foregoing recitals, terms, conditions and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Sale of Purchased Asset; Payment of Purchase Price.**
 - 1.1 Pursuant to the terms and conditions of this Agreement, Seller irrevocably sells to FIP all right, title, and interest in the Purchased Asset in return for the Purchase Price set forth in Exhibit A.
 - 1.2 Upon receipt of the Purchase Price, and thereafter for the Term, Seller shall deliver the Purchased Asset and the additional amounts provided for in Section 2, below, from the Seller's bank (the "Seller's Bank" identified in Exhibit B) to FIP's designated account (the "FIP Payment Account" identified in Exhibit A).

Form No. FIS001- (Rev. Mar. 2016)
Non Married Seller – Non-Survivor Benefit

WEST2669858.1



- 1.3 Seller promises FIP the full performance of all the provisions, conditions and covenants in this Agreement.
 - 1.4 Specifically, and without limitation, upon receipt of the Pension Payments from the Pension Company, Seller will promptly deliver the Purchased Asset and all other amounts set forth in Section 2, below, to FIP or any Subsequent Purchaser.
 - 1.5 **FUNDS DELIVERED TO FIP OR ANY SUBSEQUENT PURCHASER ARE TO BE MADE SOLELY FROM THE PURCHASED ASSET AND NOT FROM SELLER'S OTHER ASSETS OR OTHERWISE.**
 - 1.6 If the Pension Company fails to deliver some or all of the Pension Payments (because the Pension Company becomes insolvent, Seller dies, or for other, similar reasons), Seller and Seller's estate are NOT responsible for delivering to FIP or any Subsequent Purchaser the portions of the Purchased Asset derived from such undelivered Pension Payments.
 - 1.7 Notwithstanding anything else contained in this Agreement, Seller agrees to cooperate fully if FIP or any Subsequent Purchaser must file claims in bankruptcy or take other reasonable steps to ensure that the Pension Company fulfills its obligation to Seller, but in no event will Seller have to file suit or bear any expense in connection with FIP or any Subsequent Purchaser making such claims on Seller's behalf as authorized by this Agreement.
2. **Additional Amounts Payable; Setup Fee.** Included in the amounts set forth in Exhibit A, Seller agrees to pay FIP a one-time setup fee to facilitate the performance of this Agreement during its Term ("Setup Fee"). The Setup Fee is \$300.00 and will be deducted from the Purchase Price before payment of the Purchase Price to Seller.
 3. **Representations of Seller.** Seller hereby makes the following representations and acknowledgments to, and for the benefit of, FIP and any Subsequent Purchaser, and Seller acknowledges that FIP and any Subsequent Purchaser are specifically relying on the accuracy of these representations and acknowledgments in deciding to purchase the Purchased Asset.
 - 3.1 **Entitlement to the Purchased Asset.** Seller represents that Seller owns the Purchased Asset at the times, in the amounts, and from the source described on Exhibit A. Except as otherwise disclosed to FIP in writing, the Purchased Asset is not subject to, and will not at any time, be subject to tax withholding, liens, security interests, or offsets of any kinds or amounts.
 - 3.2 **Income Tax Reporting.** Seller acknowledges that as a result of Seller selling the Purchased Asset to FIP for the Purchase Price, FIP will send an IRS Form 1099 to Seller and to the IRS in connection with this transaction, and Seller is responsible to properly report income derived from this sale to all applicable taxing authorities.

- 3.3 **No Prior or Pending Sale or Assignment.** Seller has not, before the date of this Agreement, sold, assigned, promised, pledged, or transferred Seller's right to the Purchased Asset to any party other than FIP, and Seller is not party to any agreement which could result in the attachment or creation of an encumbrance on the Purchased Asset. Further, Seller acknowledges that, after the date of this Agreement and payment of the Purchase Price, and as further described in Section 4.1, Seller shall have no further right or interest in the Purchased Asset.
- 3.4 **Valid Sale.** Seller understands and agrees that this Agreement constitutes a valid sale, transfer and conveyance of the Purchased Asset as further described in Section 4.1. This agreement is not a loan or other financing transaction, and neither Seller nor FIP intend this agreement to be regarded as a loan or other financing instrument.
- 3.5 **Purchase Price Less Than Value of Pension Payments; Fair Consideration.** Seller understands and acknowledges that the Purchase Price is significantly less than the value the Seller would receive during the Term if the Seller chose not to sell the Purchased Asset under the terms of this Agreement and that No. 11, 12 and 13 in Exhibit A set forth the estimated difference between these values. **SELLER HAS CAREFULLY REVIEWED THE DIFFERENCE BETWEEN THE VALUE OF THE PENSION PAYMENTS SELLER WOULD HAVE KEPT IF SELLER DID NOT ENTER INTO THIS AGREEMENT AND THE PURCHASE PRICE THE SELLER IS RECEIVING UNDER THE TERMS OF THIS AGREEMENT.** After careful consideration, Seller has determined that the Purchase Price is fair consideration for the sale of the Purchased Asset and that Seller wishes to sell the Purchased Asset pursuant to the terms of this Agreement.

4. Seller's Covenants.

- 4.1 **Seller's Fiduciary Duties.** The Purchased Asset, including such portions of the Purchased Asset not yet received by Seller, are the property of FIP or the Subsequent Purchaser, and that the Purchased Asset shall be held by Seller in trust and in a fiduciary capacity for the sole benefit of FIP or such Subsequent Purchaser, and in no event may be treated as part of Seller's estate. Upon receipt of the Purchased Asset, Seller, under its obligation as trustee, shall promptly forward, pursuant to Section 4.3 or otherwise, such portions of the Purchased Asset as are held by Seller's Bank (or other financial institution to which Seller directs such Pension Payments) to the FIP Payment Account or as otherwise directed by FIP. Any failure to transmit any portion of the Purchased Asset promptly to FIP or the designated Subsequent Purchaser will be a material breach of this Agreement, subject to the provisions of Section 6.

- 4.2 **No Changes.** Except with the prior written consent of FIP, Seller shall not amend or alter:
- (i) The payment instructions to the Seller's Bank or financial institution requiring that all portions of the Purchased Asset shall, after receipt by Seller's Bank, be delivered to the FIP Payment Account; or
 - (ii) The levels at which taxes or other amounts are withheld from all Pension Payments from which the Purchased Asset is derived.

Any attempt to make any changes as described in this Section 4.2 without FIP's written consent will be a material breach of this Agreement, subject to the provisions of Section 6.

- 4.3 **Authorization for Electronic Funds Transfers.** By completing and signing Exhibit B, Seller hereby agrees to cause Seller's Bank to initiate an electronic funds transfer ("EFT") from Seller's Bank identified in Exhibit B, to the FIP Payment Account identified in Exhibit B, in an amount equal to the Periodic Payment identified in Exhibit B. During the Term, Seller shall notify FIP before any change in Seller's Bank and shall execute another EFT form satisfactory to FIP, or any Subsequent Purchaser, to facilitate the transfer of the Purchased Asset to FIP or the Subsequent Purchaser for the Term without interruption. Seller may opt out of EFT upon specific request to that effect. If any EFT is rejected for nonsufficient funds ("NSF"), FIP may do any of the following:

- (i) resubmit the EFT for the same amount;
- (ii) require the Seller to pay any actual additional costs associated, with collecting the delinquent amount;
- (iii) declare the Seller in material breach of this Agreement, subject to the provisions of Section 6.
- (iv) change payment mode to bi-weekly anytime.

5. **Closing Conditions.** The payment of the Purchase Price to the Seller is contingent on the accuracy of Seller's representations contained herein, including the representation that Seller is entitled to receive the Pension Payments from the income source identified in Exhibit A.

6. **Breach and Remedies.**

- 6.1 **Purchased Asset Delivery Disrupted.** Any disruption, interruption, decrease, or elimination in delivery of the Purchased Asset caused by Seller or Seller's failure to take reasonable steps to ensure delivery of the Purchased Asset will be a material breach of this Agreement by the Seller. For the avoidance of doubt, Seller's failure to deliver the Purchased Asset for any reason stated in

~~**Section 1.3 above—namely the failure of the Pension Company to deliver Pension Payments to Seller, or any substantially similar reason—shall NOT constitute a Seller breach under this Section 6.1.**~~

6.2 **Costs to Enforce This Agreement.** If the value of the Purchased Asset under this Agreement decreases or ceases to be received by FIP or the Subsequent Purchaser as a result of a breach under Section 6.1, Seller shall be responsible for, and pay on demand, all of FIP's and the Subsequent Purchaser's costs related to enforcement of this Agreement, including any attorneys' fees. Seller's obligations under this section will survive the termination of this Agreement.

7. **Miscellaneous Provisions.**

7.1 **Refund of Value in Excess of the Purchased Asset.** FIP is entering into the purchase transaction contemplated by this Agreement based on information provided by the Seller with respect to the Purchased Asset. If the aggregate funds delivered to FIP or any Subsequent Purchaser exceed the total estimated value of the Purchased Asset, as set forth at No. 11 in Exhibit A, the parties hereby agree that there was a mutual mistake of fact, and FIP or the Subsequent Purchaser shall promptly refund all amounts to Seller in excess of the Purchased Asset's value.

7.2 **Severability.** If any part of this Agreement is for any reason whatsoever held invalid or unenforceable, then such part shall be deemed severable from the remaining terms of this Agreement and will in no way affect the validity or enforceability of those other terms.

7.3 **Notices.** All notices hereunder shall be in writing and shall be given in person, or sent by registered or certified mail (return receipt requested). Notices that are properly delivered shall be deemed to have been given upon actual delivery. Notices shall be given to Seller at the address set forth in Exhibit A attached hereto. Notices shall be given to FIP at the address indicated for FIP on the signature page hereof. Any party to this Agreement may direct notices to any other address as that party may designate by advance written notice. A copy of any notice to any party shall also be sent to that party's legal counsel, if such party is represented.

7.4 **Entire Agreement.** This Agreement, including its Exhibits, constitute the entire and final agreement between parties with respect to the subject matter hereof. No party is entering into this Agreement in reliance on, and this Agreement shall not be contradicted or supplemented by, any prior or contemporaneous condition, discussion, promise, statement, understanding, or undertaking, commitment or other agreement or document.

7.5 **Resale and Assignment.** FIP may resell the Purchased Asset to a Subsequent Purchaser without further notice to Seller. FIP may also assign and transfer freely all rights granted to it under the terms of this Agreement. Except as otherwise provided in this Agreement, FIP shall have no obligation to notify the Seller of any resale or assignment or transfer of FIP's rights under the terms of this Agreement.

- 7.6 **Amendments/Modifications Binding; No Beneficiaries.** All amendments to, or modifications of, this Agreement shall be binding upon the parties, despite any lack of separate or additional consideration therefore, so long as such amendments or modifications are in writing and signed by Seller and FIP. The parties acknowledge and agree that, except for Subsequent Purchasers, which are specifically intended to be third-party beneficiaries under the terms of this Agreement, this Agreement has no other third-party beneficiaries.
- 7.7 **Governing Law.** In all respects, including all matters of construction, validity and performance, this Agreement and the obligations arising hereunder shall be governed by the laws of the State of California (without regard to the principles thereof regarding conflict of laws).
- 7.8 **Arbitration and Class Action Waiver.** Any controversy or claim arising out of or relating to this Agreement, or its breach, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Arbitration shall proceed solely on an individual basis without the right for any Claims to be arbitrated on a class action basis or on bases involving claims brought in a purported representative capacity on behalf of others.
- 7.9 **Waiver.** Any party's failure to insist, in any one or more instances, upon strict performance by another party of any of the terms of this Agreement shall not be construed as a waiver of any continuing or subsequent failure to perform or a delay in performance of any term hereof.
- 7.10 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first written above.

SELLER

Name: 

FUTURE INCOME PAYMENTS, LLC

Name:
Title:

Future Income Payments, LLC
18300 Von Karman Ave, Suite 410
Irvine, CA 92612

EXHIBIT A

TRANSACTION DETAILS

- 1. SELLER'S ADDRESS: [REDACTED]
- 2. SELLER'S PHONE NUMBER: [REDACTED]
- 3. SELLER'S EMAIL ADDRESS: [REDACTED]
- 4. NAME OF SELLER'S SPOUSE: N/A
(Please note: "Spouse" means Seller's legally married husband or wife, domestic partner, or cohabitant as defined under applicable Family Law. If this field is applicable, Seller's Spouse must complete EXHIBIT C.)
- 5. JOINT ACCOUNT HOLDER: N/A
- 6. PENSION COMPANY: Office of Personnel Management
- 7. PENSION COMPANY ADDRESS: 1900 E Street NW, Washington, D.C.
- 8. AMOUNT OF EACH PERIODIC PAYMENT TO BUYER: \$ 300.00
- 9. NUMBER OF PAYMENTS DELIVERED TO BUYER: 60 / FREQUENCY: Monthly
- 10. TERM: 60 months, beginning on August 2, 2016, ending on July 2, 20 21
- 11. TOTAL VALUE OF PURCHASED ASSET FOR TERM: \$ 18,000.00
- 12. PURCHASE PRICE TO SELLER: \$ 3,071.00
(Including \$300 deduction for Set-up Fee)
- 13. DIFFERENCE BETWEEN TOTAL VALUE OF PURCHASED ASSET AND PURCHASE PRICE TO SELLER: \$ 14,929.00

The undersigned Seller certifies that this information is complete and accurate to the best of his or her personal knowledge.

SELLER

Date Signed: 6/30/2016

Full Name:

Signature:



EXHIBIT B

**AUTHORIZATION FOR AUTOMATIC PAYMENT – JOINT ACCOUNT HOLDER
(ELECTRONIC FUNDS TRANSFER / EFT)**

We authorize the Future Income Payments, LLC (and its successors and assignees) and the bank named below to initiate debit entries to my/our checking/savings account as payment for sale of an asset as follows:

LEGAL TITLES ON ACCOUNT (All joint owners): _____

BANK: Navy Federal Credit Union _____

BANK ACCOUNT NUMBER: _____

ABA NUMBER: _____

ACCOUNT TYPE: Checking _____

PAYMENT DUE DATES/FREQUENCY: Every 2nd of the month _____

PAYMENT AMOUNTS: 300.00 _____

EFFECTIVE DATE (Payments start): August 2, 2016 _____

TERMINATION DATE (Last Payment Due): July 2, 2021 _____

This authorization will remain in effect until the Termination Date above or as otherwise provided by law.

SELLER

Date Signed: 6/30/2016 _____

Full Name: _____

Signature: _____

ENDORSEMENTS:

JOINT OWNER¹: _____ SIGNATURE: _____ Date: _____

JOINT OWNER²: _____ SIGNATURE: _____ Date: _____

JOINT OWNER³: _____ SIGNATURE: _____ Date: _____

SELLER: IF THIS ACCOUNT IS DIFFERENT FROM THE ONE FOR WHICH YOU SENT FIP A VOIDED CHECK WITH YOUR APPLICATION, PLEASE INCLUDE A VOIDED CHECK FROM THIS BANK ACCOUNT.

PAY TO THE ORDER OF

[REDACTED]

VOLVED

LEVT.

\$

DOLLARS

NAVY FEDERAL Credit Union



**EXHIBIT C
NAME AFFIDAVIT**

I, _____, with an address at _____, hereby depose and say:

1. I have a contract with Future Income Payments effective 6/30/2016 under the name of _____
2. The contract should be in the name of _____, which is my legal name. _____ refer to one and same person.
4. I am executing this affidavit to attest to the truth of the foregoing and to support my request for a Name acknowledgement in the contract.

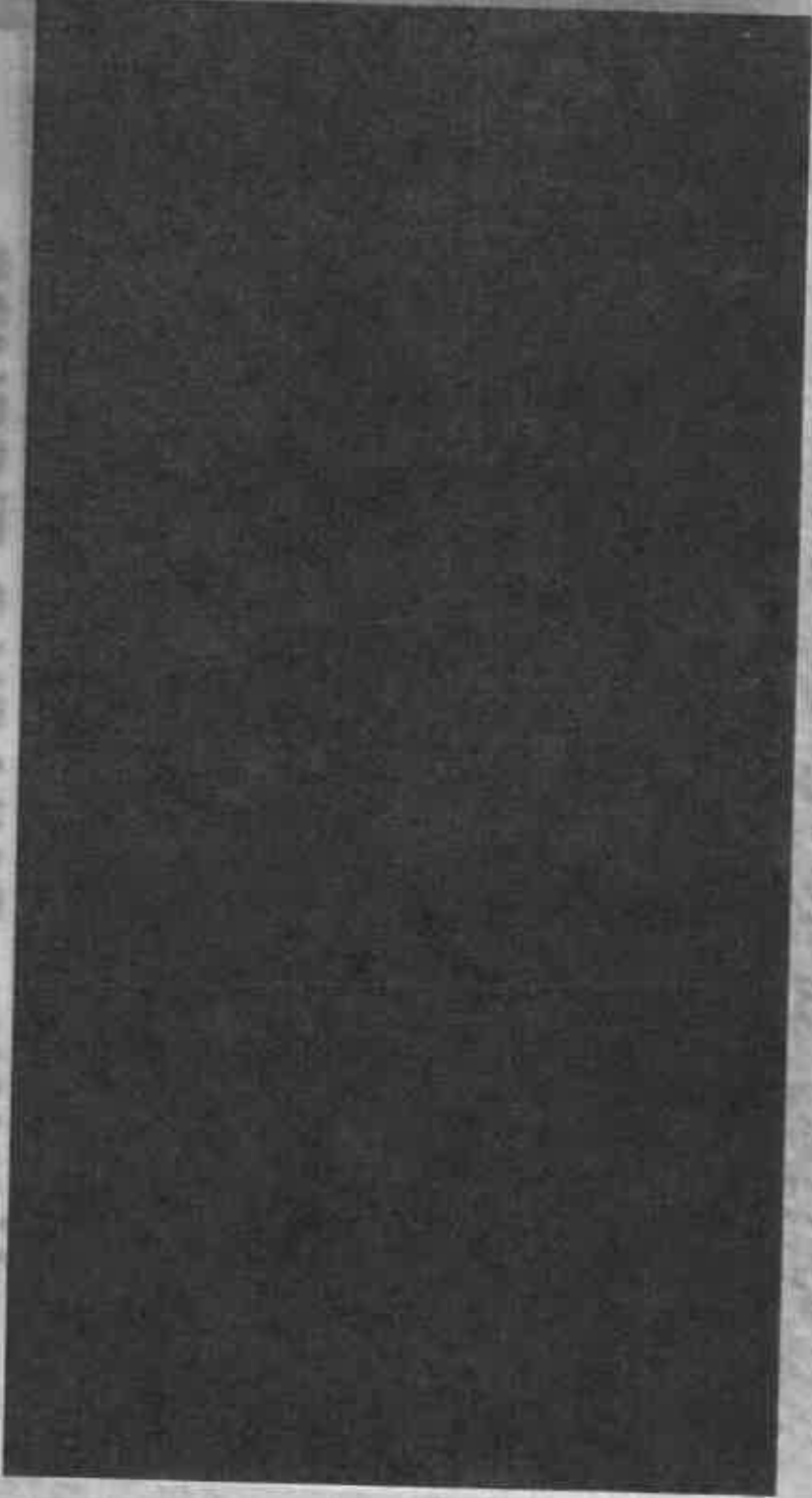
IN WITNESS WHEREOF, I have hereunto set my hand this _____

Manassas, VA 20109

6/30/2016

Affiant

Virginia DRIVER'S LICENSE



Form **W-9**
(Rev. October 2007)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2

Name (as shown on your income tax return) [REDACTED]

Business name, if different from above

Check appropriate box: Individual sole proprietor Corporation Partnership
 Limited Liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) Exempt payee
 Other (see instructions)

Address (number, street and apt. or suite no.)
[REDACTED]

City, state, and ZIP code
[REDACTED]

Line account name (if any) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
[REDACTED]

Or

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement other than interest and dividends, you are not required to sign the Certification, but you must on page 4.

[REDACTED]

Date 6/30/2016

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual, who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

• The U.S. grantor or other owner of a grantor trust and not the trust, and

• The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-9.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details)
3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). Check the "Limited liability company" box only and enter the appropriate code for the tax classification ("D" for disregarded entity, "C" for corporation, and "P" for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

For an LLC classified as a partnership or a corporation, enter the LLC's name on the "Name" line and any business, trade, or DBA name on the "Business name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any (RA), or a custodial account under section 403(b) (7) if the account satisfies the requirements of section 401(f) (2).
 2. The United States or any of its agencies or instrumentalities.
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities.
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation.
 7. A foreign central bank of issue.
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States.
 9. A futures commission merchant registered with the Commodity Futures Trading Commission.
 10. A real estate investment trust.
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940.
 12. A common trust fund operated by a bank under section 584(a).
 13. A financial institution.
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions. However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 645(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box if you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov you may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-9.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees; see *Exempt Payee* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN.
- Ensure your employer is protecting your SSN, and
- be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-368-4484. You can forward suspicious emails to the Federal Trade Commission at spam@ftc.gov or contact them at www.consumer.gov/idtheft or 1-877-IDTHEFT (438-4338).

Visit the IRS website at www.irs.gov to learn more about identity theft and how to reduce your risk.

What Name and Number to Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account (that is not a legal or valid trust under state law)	The grantor-trustee The actual owner
5. Sole proprietorship or disregarded entity owned by an individual	The owner ¹
For this type of account:	Give name and EIN of:
6. Disregarded entity not owned by an individual	The owner
7. A valid trust, estate, or pension trust	Legal entity
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your address name and you may do so under your business or "DBA" name on the account name if no. You may use either your SSN or EIN if you have one. But the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not disregarded as the account file.)¹ See the Special notes for partners type on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 5106 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax returns.

The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to other states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal non-tax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividends, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

FIP LLC PURCHASE AND SALE AGREEMENT

This FIP LLC Purchase and Sale Agreement dated 2/1/2017 (the "Agreement") is by and between FIP LLC, a Nevada limited liability company, located at the address listed on the signature page below ("FIP"), and [REDACTED], an individual residing at the address identified in Exhibit A hereto (the "Seller").

Recitals

1. Seller is entitled under a pension from a government or private enterprise ("Pension Company") to receive an income stream consisting of fixed, periodic payments ("Pension Payments").
2. Seller wants to sell, and FIP wants to buy, a portion of the funds derived from certain of the Pension Payments (the "Purchased Asset").
3. The "Term" means the period of time, set forth in Exhibit A, during which Seller will deliver the Purchased Asset to FIP.
4. As consideration for the irrevocable and final sale of the Purchased Asset to FIP, the Seller will receive a one-time, lump-sum payment (the "Purchase Price").
5. Upon payment of the Purchase Price to Seller, Seller shall thereafter during the Term, upon receipt, deliver the Purchased Asset to FIP.
6. FIP intends to resell the Purchased Asset to a subsequent purchaser ("Subsequent Purchaser") and assign its rights under this Agreement.

Agreement

In consideration of the foregoing recitals, terms, conditions and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Sale of Purchased Asset; Payment of Purchase Price.**
 - 1.1 Pursuant to the terms and conditions of this Agreement, Seller irrevocably sells to FIP all right, title, and interest in the Purchased Asset in return for the Purchase Price set forth in Exhibit A.
 - 1.2 Upon receipt of the Purchase Price, and thereafter for the Term, Seller shall deliver the Purchased Asset and the additional amounts provided for in Section 2, below, from the Seller's bank (the "Seller's Bank" identified in Exhibit B) to FIP's designated account (the "FIP Payment Account" identified in Exhibit B).
 - 1.3 Seller promises FIP the full performance of all the provisions, conditions and covenants in this Agreement.

Form No. FIS001-(Rev. Jan. 2016)
Married Seller – Non-Survivor Benefit



- 1.4 Specifically, and without limitation, upon receipt of the Pension Payments from the Pension Company, Seller will promptly deliver the Purchased Asset and all other amounts set forth in Section 2, below, to FIP or Subsequent Purchaser.
 - 1.5 **FUNDS DELIVERED TO FIP OR SUBSEQUENT PURCHASER ARE TO BE MADE SOLELY FROM THE PURCHASED ASSET AND NOT FROM SELLER'S OTHER ASSETS OR OTHERWISE.**
 - 1.6 If the Pension Company fails to deliver some or all of the Pension Payments (because the Pension Company becomes insolvent, Seller dies, or for other, similar reasons), Seller and Seller's estate are NOT responsible for delivering to FIP or Subsequent Purchaser the portions of the Purchased Asset derived from such undelivered Pension Payments.
 - 1.7 Notwithstanding anything else contained in this Agreement, Seller agrees to cooperate fully if FIP or Subsequent Purchaser must file claims in bankruptcy or take other reasonable steps to ensure that the Pension Company fulfills its obligation to Seller, but in no event will Seller have to file suit or bear any expense in connection with FIP or Subsequent Purchaser making such claims on Seller's behalf as authorized by this Agreement.
2. **Additional Amounts Payable; Setup Fee.** Included in the amounts set forth in Exhibit A, Seller agrees to pay FIP a one-time setup fee to facilitate the performance of this Agreement during its Term ("Setup Fee"). The Setup Fee is \$300.00 and will be deducted from the Purchase Price before payment of the Purchase Price to Seller.
 3. **Representations of Seller.** Seller hereby makes the following representations and acknowledgments to, and for the benefit of, FIP and Subsequent Purchaser, and Seller acknowledges that FIP and Subsequent Purchaser are specifically relying on the accuracy of these representations and acknowledgments in deciding to purchase the Purchased Asset.
 - 3.1 **Entitlement to the Purchased Asset.** Seller represents that Seller owns the Purchased Asset at the times, in the amounts, and from the source described on Exhibit A. Except as otherwise disclosed to FIP in writing, the Purchased Asset is not subject to, and will not at any time, be subject to tax withholding, liens, security interests, or offsets of any kinds or amounts.
 - 3.2 **Income Tax Reporting.** Seller acknowledges that as a result of Seller selling the Purchased Asset to FIP for the Purchase Price, FIP will send an IRS Form 1099 to Seller and to the IRS in connection with this transaction, and Seller is responsible to properly report income derived from this sale to all applicable taxing authorities.

- 3.3 **No Prior or Pending Sale or Assignment.** Seller has not, before the date of this Agreement, sold, assigned, promised, pledged, or transferred Seller's right to the Purchased Asset to any party other than FIP, and Seller is not party to any agreement which could result in the attachment or creation of an encumbrance on the Purchased Asset. Further, Seller acknowledges that, after the date of this Agreement and payment of the Purchase Price, and as further described in Section 4.1, Seller shall have no further right or interest in the Purchased Asset.
- 3.4 **Valid Sale.** Seller understands and agrees that this Agreement constitutes a valid sale, transfer and conveyance of the Purchased Asset as further described in Section 4.1. This agreement is not a loan or other financing transaction, and neither Seller nor FIP intend this agreement to be regarded as a loan or other financing instrument.
- 3.5 **Purchase Price Less Than Value of Pension Payments; Fair Consideration.** Seller understands and acknowledges that the Purchase Price is significantly less than the value the Seller would receive during the Term if the Seller chose not to sell the Purchased Asset under the terms of this Agreement and that No. 11, 12 and 13 in Exhibit A set forth the estimated difference between these values. **SELLER HAS CAREFULLY REVIEWED THE DIFFERENCE BETWEEN THE VALUE OF THE PENSION PAYMENTS SELLER WOULD HAVE KEPT IF SELLER DID NOT ENTER INTO THIS AGREEMENT AND THE PURCHASE PRICE THE SELLER IS RECEIVING UNDER THE TERMS OF THIS AGREEMENT.** After careful consideration, Seller has determined that the Purchase Price is fair consideration for the sale of the Purchased Asset and that Seller wishes to sell the Purchased Asset pursuant to the terms of this Agreement.
- 3.6 **Legal Name.** Seller represents that the name provided in the heading above is Seller's legal name. If the name above is not Seller's legal name or if the Purchased Asset is in a name other than Seller's legal name, Seller shall complete the "Name Affidavit" attached hereto as Exhibit C to establish that the alias used and the legal name identified above or on the Purchased asset are one and the same person.

4. **Seller's Covenants.**

- 4.1 **Seller's Fiduciary Duties.** The Purchased Asset, including such portions of the Purchased Asset not yet received by Seller, are the property of FIP or Subsequent Purchaser, and that the Purchased Asset shall be held by Seller in trust and in a fiduciary capacity for the sole benefit of FIP or such Subsequent Purchaser, and in no event may be treated as part of Seller's estate. Upon receipt of the Purchased Asset, Seller, under its obligation as trustee, shall promptly forward, pursuant to Section 4.3 or otherwise, such portions of the Purchased Asset as are held by Seller's Bank (or other financial institution to which Seller directs such Pension Payments) to the FIP Payment Account or as otherwise directed by FIP. Any

Form No. FIS001-(Rev. Jan. 2016)

Married Seller - Non-Survivor Benefit

failure to transmit any portion of the Purchased Asset promptly to FIP or Subsequent Purchaser will be a material breach of this Agreement, subject to the provisions of Section 6.

- 4.2 **No Changes.** Except with the prior written consent of FIP, Seller shall not amend or alter:
- (i) The payment instructions to the Seller's Bank or financial institution requiring that all portions of the Purchased Asset shall, after receipt by Seller's Bank, be delivered to the FIP Payment Account; or
 - (ii) The levels at which taxes or other amounts are withheld from all Pension Payments from which the Purchased Asset is derived.

Any attempt to make any changes as described in this Section 4.2 without FIP's written consent will be a material breach of this Agreement, subject to the provisions of Section 6.

- 4.3 **Authorization for Electronic Funds Transfers.** By completing and signing Exhibit B, Seller hereby agrees to cause Seller's Bank to initiate an electronic funds transfer ("EFT") from Seller's Bank identified in Exhibit B, to the FIP Payment Account identified in Exhibit B, in an amount equal to the Periodic Payment identified in Exhibit B. During the Term, Seller shall notify FIP before any change in Seller's Bank and shall execute another EFT form satisfactory to FIP, or Subsequent Purchaser, to facilitate the transfer of the Purchased Asset to FIP or Subsequent Purchaser for the Term without interruption. Seller may opt out of EFT upon specific request to that effect. If any EFT is rejected for nonsufficient funds ("NSF"), FIP may do any of the following:

- (i) resubmit the EFT for the same amount;
- (ii) require the Seller to pay any actual additional costs associated with collecting the delinquent amount;
- (iii) declare the Seller in material breach of this Agreement, subject to the provisions of Section 6.

5. **Closing Conditions.** The payment of the Purchase Price to the Seller is contingent on the accuracy of Seller's representations contained herein, including the representation that Seller is entitled to receive the Pension Payments from the income source identified in Exhibit A.

6. **Breach and Remedies.**

- 6.1 **Purchased Asset Delivery Disrupted.** Any disruption, interruption, decrease, or elimination in delivery of the Purchased Asset caused by Seller or Seller's failure

to take reasonable steps to ensure delivery of the Purchased Asset will be a material breach of this Agreement by the Seller. For the avoidance of doubt, Seller's failure to deliver the Purchased Asset for any reason stated in Section 1.6 above—namely the failure of the Pension Company to deliver Pension Payments to Seller, or any substantially similar reason—shall NOT constitute a Seller breach under this Section 6.1.

6.2 Costs to Enforce This Agreement. If the value of the Purchased Asset under this Agreement decreases or ceases to be received by FIP or Subsequent Purchaser as a result of a breach under Section 6.1, Seller shall be responsible for, and pay on demand, all of FIP's and Subsequent Purchaser's costs related to enforcement of this Agreement, including any attorneys' fees. Seller's obligations under this section will survive the termination of this Agreement.

7. Miscellaneous Provisions.

7.1 Refund of Value in Excess of the Purchased Asset. FIP is entering into the purchase transaction contemplated by this Agreement based on information provided by the Seller with respect to the Purchased Asset. If the aggregate funds delivered to FIP or Subsequent Purchaser exceed the total estimated value of the Purchased Asset, as set forth at No. 11 in Exhibit A, the parties hereby agree that there was a mutual mistake of fact, and FIP or the Subsequent Purchaser shall promptly refund all amounts to Seller in excess of the Purchased Asset's value.

7.2 Severability. If any part of this Agreement is for any reason whatsoever held invalid or unenforceable, then such part shall be deemed severable from the remaining terms of this Agreement and will in no way affect the validity or enforceability of those other terms.

7.3 Notices. All notices hereunder shall be in writing and shall be given in person, or sent by registered or certified mail (return receipt requested). Notices that are properly delivered shall be deemed to have been given upon actual delivery. Notices shall be given to Seller at the address set forth in Exhibit A attached hereto. Notices shall be given to FIP at the address indicated for FIP on the signature page hereof. Any party to this Agreement may direct notices to any other address as that party may designate by advance written notice. A copy of any notice to any party shall also be sent to that party's legal counsel, if such party is represented.

7.4 Entire Agreement. This Agreement, including its Exhibits, constitutes the entire and final agreement between parties with respect to the subject matter hereof. No party is entering into this Agreement in reliance on, and this Agreement shall not be contradicted or supplemented by, any prior or contemporaneous condition, discussion, promise, statement, understanding, or undertaking, commitment or other agreement or document.

- 7.5 **Resale and Assignment.** FIP intends to resell the Purchased Asset to Subsequent Purchaser without further notice to Seller. FIP may also assign and transfer freely all rights granted to it under the terms of this Agreement. Except as otherwise provided in this Agreement, FIP shall have no obligation to notify the Seller of any resale or assignment or transfer of FIP's rights under the terms of this Agreement.
- 7.6 **Amendments/Modifications Binding; No Beneficiaries.** All amendments to, or modifications of, this Agreement shall be binding upon the parties, despite any lack of separate or additional consideration therefore, so long as such amendments or modifications are in writing and signed by Seller and FIP. The parties acknowledge and agree that, except for Subsequent Purchasers, which are specifically intended to be third-party beneficiaries under the terms of this Agreement, this Agreement has no other third-party beneficiaries.
- 7.7 **Governing Law.** In all respects, including all matters of construction, validity and performance, this Agreement and the obligations arising hereunder shall be governed by the laws of the State of California (without regard to the principles thereof regarding conflict of laws).
- 7.8 **Arbitration and Class Action Waiver.** Any controversy or claim arising out of or relating to this Agreement, or its breach, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Consumer Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Arbitration shall proceed solely on an individual basis without the right for any Claims to be arbitrated on a class action basis or on bases involving claims brought in a purported representative capacity on behalf of others.
- 7.9 **Waiver.** Any party's failure to insist, in any one or more instances, upon strict performance by another party of any of the terms of this Agreement shall not be construed as a waiver of any continuing or subsequent failure to perform or a delay in performance of any term hereof.
- 7.10 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first written above.

SELLER



FIP LLC

A handwritten signature in cursive script, appearing to read "Glorilyn Cusi", written over a horizontal line.

Name: Glorilyn Cusi
Title:

FIP LLC
2505 Anthem Village Drive, #E-578
Henderson, NV 89052

EXHIBIT A

TRANSACTION DETAILS

- 1. **SELLER'S ADDRESS:** [REDACTED]
- 2. **SELLER'S PHONE NUMBER:** [REDACTED]
- 3. **SELLER'S EMAIL ADDRESS:** [REDACTED]
- 4. **NAME OF SELLER'S SPOUSE:** N/A
(Please note: "Spouse" means Seller's legally married husband or wife, domestic partner, or cohabitant as defined under applicable Family Law. If this field is applicable, Seller's Spouse must complete EXHIBIT D).
- 5. **PENSION COMPANY:** Department of Veterans Affairs
- 6. **PENSION COMPANY ADDRESS:** 810 Vermont Avenue, NW Washington DC 20420
- 7. **TRACKING NO. OF PENSION:** _____
- 8. **AMOUNT OF EACH PERIODIC PAYMENT TO FIP:** \$ 350
- 9. **NUMBER OF PAYMENTS DELIVERED TO FIP:** 60 / **FREQUENCY:** monthly
- 10. **TERM:** 60 months, beginning on date 3/2/17 ending on 2/2 20 22
- 11. **TOTAL ESTIMATED VALUE OF PURCHASED ASSET FOR TERM:** \$ 21000
- 12. **PURCHASE PRICE TO SELLER:** \$ 2100
(including \$300 deduction for Set-up Fee)
- 13. **DIFFERENCE BETWEEN TOTAL VALUE OF PURCHASED ASSET AND PURCHASE PRICE TO SELLER:** \$ 18900

The undersigned Seller certifies that this information is complete and accurate to the best of his or her personal knowledge.

SELLER:

Date Signed: 2/1/2017

Full Name: [REDACTED]

Signature: [REDACTED]

EXHIBIT B

**AUTHORIZATION FOR AUTOMATIC PAYMENT – JOINT ACCOUNT HOLDER
(ELECTRONIC FUNDS TRANSFER / EFT)**

I/we authorize FIP (and any Subsequent Purchasers or assignees) and the bank named below to initiate debit entries to my/our checking/savings account as payment for sale of an asset as follows:

SELLER'S NAME: [REDACTED]

JOINT ACCOUNT HOLDER'S NAME: N/A

SELLER'S BANK: Navy Federal Credit Union

SELLER'S BANK ACCOUNT NUMBER: [REDACTED]

ABA NUMBER: [REDACTED]

ACCOUNT TYPE: checking

PAYMENT DELIVERY DATES/FREQUENCY: Every 2nd of the month

PAYMENT AMOUNTS: \$ 350

EFFECTIVE DATE (Payments Start): 3/2/17

TERMINATION DATE (Last Payment Due): 2/2/22

This authorization will remain in effect until the Termination Date above or as otherwise provided by law.

[Remainder of page left blank]

SELLER

Date Signed: 2/1/2017

Full Name: _____

Signature: _____

ENDORSEMENTS:

JOINT OWNER ¹ :	_____	SIGNATURE: _____	DATE: _____
JOINT OWNER ² :	_____	SIGNATURE: _____	DATE: _____
JOINT OWNER ³ :	_____	SIGNATURE: _____	DATE: _____

SELLER: IF THIS ACCOUNT IS DIFFERENT FROM THE ONE FOR WHICH YOU SENT FIP A VOIDED CHECK WITH YOUR APPLICATION, PLEASE INCLUDE A VOIDED CHECK FROM THIS BANK ACCOUNT.



8-11-2014

DATE

\$ 131.30

DOLLARS

Virginia Cash Accounts #18

One hundred and thirty one and 30/100

NAVY FEDERAL Credit Union



FIP-VA0000057

EXHIBIT C

NAME AFFIDAVIT

I, _____, with an address at _____
_____ hereby depose and say:

1. I have a contract with FIP LLC effective 2/1/2017
under the name of _____
2. The contract should be in the name of _____ which is my
legal name. _____
_____ refer to one and same person.
4. I am executing this affidavit to attest to the truth of the foregoing and to support my request
for a Name acknowledgement in the contract.

IN WITNESS WHEREOF, I have hereunto set my hand this 2/1/2017, 20__ in
Norfolk, VA 23509

Affiant

State of _____

County of _____

I hereby certify that the foregoing instrument was acknowledged before me this _____
day of _____, 20__, by _____ (*Affiant's name*), who is personally known to me or
who produced appropriate identification.

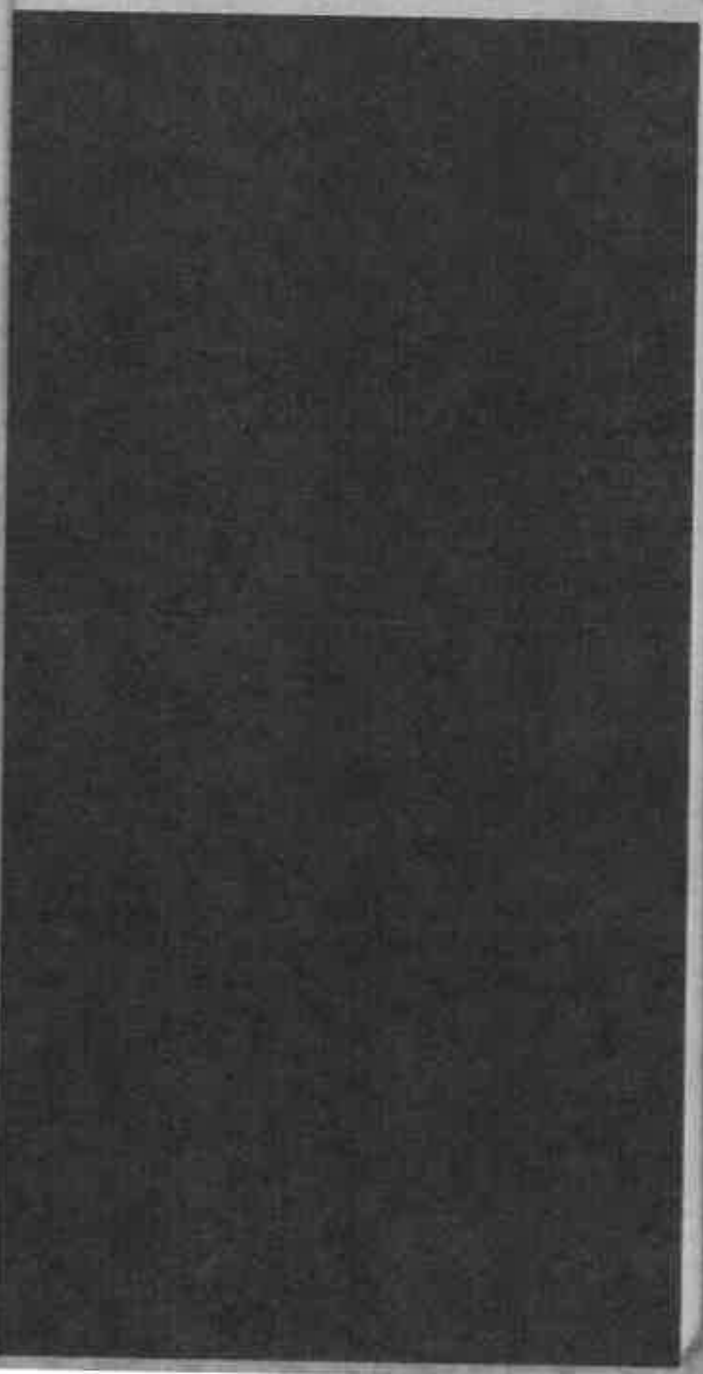
Name of Notary Public:

Notary Public Signature

Notary Public Telephone Number

(NOTARIAL SEAL)

Virginia DRIVER'S LICENSE



FIP-VA0000058

Form **W-9**
(Rev. October 2007)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type
See specific instructions on page 2

Name (last, first, middle initial)
[Redacted]

Business name, if different from above
[Redacted]

Check appropriate to Individual/sole proprietor Corporation Partnership
 Limited Liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) Exempt payee
 Other (see instructions)

Requester's name and address (optional)
[Redacted]

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN) if you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Employer identification number
[Redacted]

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person [Redacted]

Date 2/1/2017

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual, who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partners' share of income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

• The U.S. grantor or other owner of a grantor trust and not the trust, and

• The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-9.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details)
3. The IRS tells the requester that you furnished an incorrect TIN;

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first and then circle the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). Check the "Limited liability company" box only and enter the appropriate code for the tax classification ("D" for disregarded entity, "C" for corporation, and "P" for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

For an LLC classified as a partnership or a corporation, enter the LLC's name on the "Name" line and any business, trade, or DBA name on the "Business name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (Individual/sole proprietor, corporation, etc.).

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b) (7) if the account satisfies the requirements of section 401(f) (2).
 2. The United States or any of its agencies or instrumentalities.
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities.
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation.
 7. A foreign central bank of issue.
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States.
 9. A futures commission merchant registered with the Commodity Futures Trading Commission.
 10. A real estate investment trust.
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940.
 12. A common trust fund operated by a bank under section 584(a).
 13. A financial institution.
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions. However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6845(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box if you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov you may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees; see *Exempt Payees* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN.
- Ensure your employer is protecting your SSN, and
- be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-368-4484. You can forward suspicious emails to the Federal Trade Commission at ftc@uce.gov or contact them at www.consumer.gov/idtheft or 1-877-IDTHEFT (438-4338).

Visit the IRS website at www.irs.gov to learn more about identity theft and how to reduce your risk.

What Name and Number to Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee
b. So-called trust account that is not a legal or valid trust under state law	The actual owner
5. Sole proprietorship or disregarded entity owned by an individual	The owner
For this type of account:	Give name and EIN of:
6. Disregarded entity not owned by an individual	The owner
7. A trust, estate, or pension trust	Legal entity
8. Corporate or LLC electing corporate status on Form 9832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

Let that not circle the name of the person whose number you furnish. If only one person, On a joint account list an SSN; that person's number must be furnished.

Circle the minor's name and furnish the minor's SSN

You must show your retirement name and you may if so order your business or "DBA" name on the special name line. You may use either your SSN or EIN if you have one. But the IRS encourages you to use your SSN.

Let that not circle the name of the trust, estate, or pension trust. Do not furnish the TIN of the personal representative or trustee unless the trust only that is not designated in the account title. Also see Special rules for partners list on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax returns.

The IRS may also provide this income information to the Department of Justice for civil and criminal litigation, and to other states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal non-tax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payors must generally withhold 28% of taxable interest, dividends, and certain other payments to a payee who does not give a TIN to a payor. Certain penalties may also apply.

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

FUTURE INCOME STREAM PURCHASE AND SALE AGREEMENT

This Future Income Stream Purchase and Sale Agreement dated SEPTEMBER 19, 2012 (the "Agreement") is by and between Pensions, Annuities and Settlements, LLC and its successors and assigns ("PAS"), a Delaware Limited Liability Company, and an individual resident in the State of VIRGINIA (the "Seller") and, if applicable, the Beneficiary listed on Exhibit A hereto (the "Beneficiary").

WHEREAS, Seller is entitled to receive over time an income stream comprised of fixed pre-determined payments, made monthly (the "Purchased Asset");

WHEREAS, in the event of the Seller's death the Beneficiary would be entitled to the income stream comprising the Purchased Asset;

WHEREAS, Seller desires to sell and PAS desires to purchase the income stream comprising the Purchased Asset;

WHEREAS, the Beneficiary desires to assist Seller in the sale of the Purchased Asset to PAS by agreeing to be bound by the terms of this Agreement and executing the Beneficiary's Agreement and Acknowledgements attached hereto as Exhibit D;

WHEREAS, as consideration for the irrevocable and final sale of the Purchased Asset, the Seller and Beneficiary shall accept a one-time, lump sum payment (the "Purchase Price");

WHEREAS, upon receipt of the Purchase Price, and for the term of this Agreement, Seller, or in the event of Seller's death, Beneficiary, shall thereafter remit the payments comprising the Purchased Asset to an account established for the benefit of PAS or any Subsequent Purchaser (as defined below) designated by PAS; and

WHEREAS, PAS intends to and will re-sell the Purchased Asset and assign its rights under this Agreement to a subsequent purchaser (the "Subsequent Purchaser").

NOW, THEREFORE, in consideration of the foregoing recitals, and terms, conditions and covenants hereinafter set forth, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Sale of Purchased Asset; Payment of Purchase Price.** Pursuant to the terms and conditions of this Agreement, and for the Term (as set forth on Exhibit A, attached hereto), Seller does hereby irrevocably sell, transfer and convey all right, title and interest in and to the Purchased Asset to PAS in return for the Purchase Price, as set forth on Exhibit A, attached hereto.
2. **Establishment of Payment Account; Remittance of Purchased Asset.** Upon receipt of the Purchase Price, and thereafter for the Term, the Seller shall instruct the bank or financial institution



PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

to which the payments comprising the Purchased Asset are paid to forward all such payments to an account established by PAS (the "Payment Account"), identified on Exhibit A attached hereto.

3. **Life Insurance Policy: Collateral Assignment.** If the Seller is required to obtain a life insurance policy on his or her life in connection with the sale of the Purchased Asset, the provisions of this Section 3 shall apply. If the Seller is not required to obtain a policy on his or her life, the provisions of this Section 3 shall be of no force or effect.

3.1. **Life Insurance Policy.**

- 3.1.1. **Obligation to Obtain Policy.** In order to secure the Seller's obligations under the terms of this Agreement in the event of the Seller's death prior to the end of the Term, Seller shall obtain a life insurance policy with a face amount of no less than \$30,000 which shall remain in effect for a period of no less than the Term (the "Policy").
- 3.1.2. **Use of Existing Policy.** Seller may, with PAS' prior review and approval, elect to utilize an existing life insurance policy insuring the Seller's life as the Policy, so long as such Policy permits a Collateral Assignment (as defined below) in favor of PAS or the Subsequent Purchaser to be filed with the issuing insurance carrier. If the Policy is provided by Seller's employer or in connection with Seller's employment, and the Seller's employment conditions change, or the terms of the Policy change in a way that makes it unsuitable for use as the Policy under the terms of this Agreement, then Seller will obtain a new or replacement Policy.
- 3.1.3. **Payment of Premium.** During the Term, the Seller shall pay all premiums due and take all other actions necessary to keep the Policy in full force and effect. At the expiration of the Term, Seller may choose to keep or lapse the Policy and neither PAS nor the Subsequent Purchaser shall have any obligation or responsibility in connection therewith.
- 3.1.4. **Death of Seller Prior to Term.** If Seller dies prior to the end of the Term, pursuant to the terms of the Collateral Assignment (as defined below), the full remaining amount of any payments comprising the Purchased Asset shall be paid to PAS or a Subsequent Purchaser out of the proceeds of the Policy. If there are proceeds from the Policy in excess of the amount to satisfy the Seller's obligations under this Agreement, all such excess funds will be returned to Seller's estate for the benefit of Seller's beneficiaries.

3.2. **Collateral Assignment: Release.**

- 3.2.1. **Filing.** The Seller shall file a collateral assignment on the Policy (the "**Collateral Assignment**") with the issuing insurance carrier naming PAS or a Subsequent Purchaser, as directed by PAS, as the collateral assignee of such amount of the Policy's death benefit as is determined necessary and appropriate by PAS in its absolute discretion.
- 3.2.2. **Release.** At the end of the Term, and assuming all payments comprising the Purchased Asset have been made as required under the terms of this Agreement, PAS or a Subsequent Purchaser, as the case may be, shall release the Collateral Assignment by direct notice to the issuing insurance company.

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

- 3.3. Failure to Maintain Policy.** If the Seller fails to pay premiums, or otherwise take any action necessary to keep the Policy or Collateral Assignment in full force and effect during the Term, PAS shall have the right to maintain the Policy, and/or acquire a new life insurance policy insuring the life of the Seller and naming a Subsequent Purchaser, or such other party as PAS deems appropriate, the collateral assignee thereunder, and the Seller shall fully cooperate in all reasonable requests of PAS in connection therewith. Seller shall be liable for, and shall reimburse PAS for, all costs and expenses of PAS associated with any expenditure incurred by it in connection with this Section 3.3.
- 4. Representations and Warranties of Seller.** Seller hereby makes the following representations, warranties and acknowledgements to and for the benefit of PAS and any Subsequent Purchaser, and Seller acknowledges that PAS and any Subsequent Purchaser are specifically relying up the accuracy of each such representation, warranty and acknowledgement in their decision to purchase the Purchased Asset.
- 4.1. Entitlement to Purchased Asset.** Seller represents and warrants that Seller is irrevocably and unconditionally entitled to receive the payments comprising the Purchased Asset at the times, in the amounts, and from the source described on Exhibit A, attached hereto. Except as otherwise disclosed to PAS in writing, the Purchased Asset is not subject to, and will not at any time, be subject to tax withholding or offsets of any kinds or amounts.
- 4.2. Seller's Financial Condition.** Seller has delivered accurate financial statement(s) for such time periods and as of such dates as requested. All such financial information provided by Seller is true and complete, and does not fail to state any material fact which would render the information contained therein false or materially inaccurate. Seller is not aware of any information not already disclosed that could materially affect the Seller's financial status.
- 4.3. Previous Bankruptcy of Seller.** Unless otherwise disclosed in writing to PAS, neither Seller nor any business enterprise of which Seller was an owner has ever declared bankruptcy or otherwise sought protection from creditors under any federal or state law. In addition, Seller is not in the process of or contemplating bankruptcy or seeking protection from creditors under any federal or state law. Seller has sufficient income to meet all of Seller's obligations as they come due and has no liabilities, contingent or otherwise, which have not previously been disclosed.
- 4.4. Income Tax Withholding.** Seller acknowledges the payments to Seller may be subject to federal income tax withholding. The amount of such withholding, if any, is set forth on Exhibit A, attached hereto.
- 4.5. No Withholdings or Offsets.** Seller represents and warrants, except as disclosed to PAS in writing, there is not currently, and will not be in the future, any withholdings or offsets against the Purchased Asset.
- 4.6. No Prior Sale or Assignment.** Seller has not, prior to the date hereof, sold, assigned, promised, pledged or transferred Seller's right to receive any of the payments comprising the Purchased Asset being sold under the terms of this Agreement to any party other than PAS, and Seller is not party to any agreement which could result in the attachment or creation of an encumbrance on the Purchased Asset. Further, Seller acknowledges subsequent to the date of this Agreement

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

and payment of the Purchase Price that Seller shall have no further right or interest in the payments comprising the Purchased Asset until the expiration of the Term.

- 4.7. No Encumbrances. Other than as created under the terms of this Agreement in favor of PAS, the right of PAS or any Subsequent Purchaser to receive the Purchased Asset is not subject to any mortgage, lien, pledge, charge, security interest, encumbrance, restriction, or adverse claim of any nature whatsoever.
- 4.8. Seller's Financial Affairs. As of the date of this Agreement, the Seller is solvent and the fair value of Seller's assets are and will be in excess of all of the Seller's debts. Further, the consummation of the transactions contemplated herein and the sale of the Purchased Asset will not prevent the Seller from satisfying the Seller's financial obligations as they come due, and will not unduly burden the Seller, his or her spouse, children or dependents.
- 4.9. Valid Sale. Seller agrees that this Agreement constitutes a valid sale, transfer and conveyance of the Purchased Asset and is not a loan or other financing transaction or intended to be regarded as a loan or other financing transaction. If a court ever finds that the sale of the Purchased Asset was ineffective or that this Agreement created a loan rather than an absolute sale of the Purchased Asset, then this Agreement will serve as a security agreement under the Uniform Commercial Code or similar law of the state in which Seller resides.
- 4.10. Purchase Price Less than Value of Purchased Asset; Fair Consideration. Seller understands and acknowledges that the Purchase Price is significantly less than the sum the Seller would receive during the Term if the Seller chose not to sell the Purchased Asset under the terms of this Agreement. Seller has carefully considered the pros and cons of selling the Purchased Asset and has determined that the Purchase Price is fair consideration for the sale of the Purchased Asset.
- 4.11. Competency and Consent. Seller is competent to enter into this Agreement and has voluntarily entered into this Agreement as an act of free will and with full capacity to understand the terms and conditions contained herein.
- 4.12. Complete Understanding. Seller has received and, prior to signing, read a complete copy of this Agreement, including all exhibits and schedules and any documents incorporated by reference herein; and has carefully considered the advantages and disadvantages of a sale of the Purchased Asset by consulting Seller's own independently retained advisors, and the Seller has a full and complete understanding of: (i) this Agreement; and (ii) the value of the Purchased Asset Seller is selling and transferring to PAS pursuant to the terms of this Agreement.
- 4.13. Professional Advice and Counsel. Seller, prior to signing this Agreement, has been advised or has had the opportunity to consult with, to obtain advice and assistance from legal, financial and tax professionals, and to be represented by counsel in the negotiation and execution of this Agreement; and, prior to signing this Agreement, Seller has reviewed, or had the opportunity to review, this Agreement with independent financial and legal counsel of their own choosing, and Seller has not relied on PAS or PAS' counsel, employees, agents or representatives for any review or interpretation of the terms of this Agreement.

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

4.14. No Intent to Defraud Creditors. The execution and delivery of this Agreement and the other documents delivered by Seller in connection with this Agreement, and the consummation of the transactions contemplated herein, have not been intentionally concealed from, and will not hinder, delay, or defraud any creditor of the Seller.

5. Seller's Covenants.

5.1. No Changes. Except with the prior written consent of PAS, Seller shall not amend or alter:

- (i) The payment instructions to the Seller's bank or financial institution requiring that all payments comprising the Purchased Asset and sold to PAS under the terms of this Agreement shall be transferred to the account designated by PAS;
- (ii) If applicable pursuant to the terms of Section 3 of this Agreement, the Collateral Assignment on the Policy naming PAS or a Subsequent Purchaser as the collateral assignee with the issuing insurance company; or
- (iii) The levels at which taxes or other amounts are withheld from the gross amount of the Purchased Asset otherwise payable to Seller; or
- (iv) If applicable pursuant to the terms of this Agreement, the person designated as the beneficiary of the income stream comprising the Purchased Asset to any person other than the Beneficiary, and only if, in addition to the prior written consent of PAS, such person agrees to be bound by the terms of this Agreement pursuant to an amendment hereto and the execution of the Beneficiary's Agreement and Acknowledgements in the form attached hereto as Exhibit D. Any attempt to designate a new beneficiary in violation of this Section 4.1(iii) shall be a material breach of this Agreement entitling PAS to seek all remedies available to it under law.

5.2. Authorization for Electronic Funds Transfers. By completing and signing Exhibit B hereto, Seller hereby agrees to cause the bank or financial institution to which the payments comprising the Purchased Asset are sent to initiate an electronic funds transfer (each, an "EFT") from Seller's bank account as set forth on Exhibit B to PAS's bank account as set forth on Exhibit A in an amount equal to the corresponding monthly instalment of the Purchased Asset, plus the Management Fee as set forth in Section 5.8 herein. If the EFT is rejected for lack of sufficient funds, PAS may: i) resubmit the EFT for the same amount; ii) require the Seller to pay the shortfall amount by cashier's check or other form of guaranteed payment; or iii) declare the Seller in breach of its obligations under this Agreement and pursue all remedies available under law.

5.3. Delivery of Documents. Seller shall provide PAS with copies of all information and documents concerning Seller's right to receive the payments comprising the Purchased Asset. This obligation includes all documentation concerning the Purchased Asset which Seller receives after the date of this Agreement, including, but not limited to, any correspondence relating to claims of others to garnish or otherwise place a lien on such payments and any correspondence relating to any change in the amount, frequency, or manner of payments of the payments comprising the Purchased Asset.

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

- 5.4. **No Conflicting Agreements.** Seller shall not enter into any agreement, or incur any obligation, which is in any way inconsistent with Seller's obligations hereunder. Seller shall not take any action, or omit to take any action, which will or may cause a breach of Seller's obligation to allocate the payments comprising the Purchased Asset to PAS or a Subsequent Purchaser as contemplated herein.
- 5.5. **Payment of Taxes.** During the term of this Agreement, Seller shall timely pay all federal and state income taxes, and any and all other taxes which Seller is required to pay, both in connection with all payments contemplated by this Agreement and otherwise.
- 5.6. **Liens and Encumbrances.** Seller will not take any action which could result in the creation of a lien or other encumbrance with respect to the Purchased Asset or the Policy, or which could in any way adversely affect Seller's ability to allocate the payments comprising the Purchased Asset to PAS or a Subsequent Purchaser as required by this Agreement.
- 5.7. **Further Assurances; Cooperation.** Seller agrees to execute and deliver any and all other documents that may be required for the Purchaser to secure its rights under this Agreement. Seller further agrees to take any and all other actions as may be necessary or appropriate to fully give effect to the intentions of the parties under this Agreement.
- 5.8. **Payment of Management Fee.** Seller agrees to pay PAS a management fee for services rendered in connection with the collection of cash flows constituting the Purchased Asset and other services required in connection with this Agreement (the "Management Fee"). The Management Fee shall be in an amount equal to \$10 monthly for the Term of this Agreement (\$120 annually). Seller shall pay the Management Fee in addition to and not as part of the payments comprising the Purchased Asset sold under the terms of this Agreement.
- 5.9. **Payment of Account Setup and Servicing Fee.** Pensioner agrees to pay PAS a one-time setup fee to establish and setup this program and to service this agreement during its term. The fee is \$300.00 and will be deducted from your advance.
6. **Grant of Security Interest in Purchased Asset.** Seller hereby grants to PAS a perfected, first priority security interest in the Purchased Asset and any other account in which the payment comprising the Purchased Asset may at any time be deposited in order to secure the performance of Seller's obligations under this Agreement. Seller agrees to execute any and all documents and agreements, and to take any and all actions with respect thereto, as may be necessary or desirable in order to maintain the security interest as an enforceable, first priority perfected security interest in the favor of PAS or any Subsequent Purchaser.
7. **Closing Conditions.** The payment of the Purchase Price to the Seller is contingent upon the occurrence of all of the following conditions:
- 7.1. **Accuracy of Representations and Warranties.** The accuracy of Seller's representations and warranties contained herein, including the representation and warranty that Seller is entitled to receive the payments comprising the Purchased Assets from the income source described on Exhibit A attached hereto.

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

- 7.2. Documents. Seller must provide complete and executed originals of all documents requested by PAS.
- 7.3. Collateral Assignment. If applicable pursuant to the terms of Section 3, filing with and acceptance of the Collateral Assignment on the Policy in favor of PAS or a Subsequent Purchaser, as directed by PAS, with the issuing insurance company.
- 7.4. Disclosures and Acknowledgements. Seller shall have individually reviewed and initialed each of the disclosures set forth on Exhibit C attached hereto.
- 7.5. Cooperation of Beneficiary. If applicable under the terms of this Agreement, the Beneficiary shall have executed this Agreement and the Beneficiary's Agreement and Acknowledgements attached hereto as Exhibit D.
8. Guarantees. The Seller makes the following guarantees in order to induce PAS to enter into this Agreement:
- 8.1. Personal Guarantee. The Seller personally guarantees to PAS and any Subsequent Purchaser and its successors and assigns, full and complete performance of all the provisions, conditions, warranties, covenants, and agreements contained herein, including full and complete payment of the payments comprising the Purchase Agreement. This guarantee shall extend to any obligations under this Agreement as modified or amended. The Seller acknowledges and understands that this guarantee will continue despite any insolvency or bankruptcy proceeding until all of the provisions in this Agreement have been satisfied and the payments comprising the Purchased Asset paid to PAS or any Subsequent Purchaser in full.
- 8.2. Business Guarantee. In the event Seller intends to use the Purchase Price to fund any business conducted as a corporation, partnership or limited liability company in which Seller will have an ownership interest, Seller shall cause such corporation, partnership or limited liability company to execute the Secured Guaranty and Indemnification Agreement in the form attached as Exhibit H hereto. Execution of such secured guaranty and indemnification agreement shall be a condition precedent to any payment of the Purchase Price.
- 8.3. Additional Guarantees. The guarantees set forth in this Section 8 shall be in addition to, and not in lieu of, any other guarantees which the Seller may now or hereafter make in respect of Seller's obligations under the terms of this Agreement. The guarantees in this Section 8 shall not be discharged or otherwise released by the Seller's death. PAS and any Subsequent Purchaser shall have a guarantee binding upon the Beneficiary, Seller's heirs, executors, administrators, successors, or assigns.
9. Indemnification; Survival.
- 9.1. Indemnification. Seller hereby agrees to indemnify PAS and any Subsequent Purchaser and their respective officers, directors, managers, partners, members, employees and agents, and any assignees, designees or successors of same (the "Indemnified Parties") against and agree to hold the Indemnified Parties harmless from any and all damages, losses, liabilities and expenses

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

(including, without limitation, reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding), incurred or suffered by the Indemnified Parties arising out of, resulting from, or related to: (i) any misrepresentation or breach of any representation or warranty made by Seller pursuant to this Agreement or any document executed in connection with the transactions contemplated by this Agreement; (ii) any breach of a covenant or agreement made or to be performed by Seller pursuant to this Agreement, (iii) any breach or violation of any applicable federal or state law by Seller in connection with this Agreement.

9.2. **Survival.** Seller's obligation to indemnify the Indemnified Parties shall survive the termination of this Agreement.

10. Breach and Remedies.

10.1. **Disruption of Purchased Asset Payments.** If there is any disruption, interruption, decrease or elimination of the payments comprising the Purchased Asset caused by the Seller during the Term, or by Seller's failure to take reasonable steps to ensure the delivery of such payments, such interruption or disruption shall be deemed to be a material breach of this Agreement by the Seller. In the event of such a breach, the Seller agrees all remaining and unpaid future periodic payments comprising the Purchased Asset shall be immediately due and payable in full to PAS or any Subsequent Purchaser upon demand.

10.2. **Seller Ineligibility.** If the Seller engages in any act that causes the Seller to be ineligible or unable to receive payments comprising the Purchased Asset, PAS may require Seller to return the Purchase Price plus an amount equal to one year's payment of the Purchased Asset.

10.3. **Attorneys' Fees.** In the event that the payments comprising the Purchased Asset are decreased or ceases to be received by PAS or the Subsequent Purchaser, Seller agrees to be responsible for and to pay on demand all of PAS' and Purchaser's collection and legal costs. This includes, but is not limited to, any litigation, dispute resolution, or other proceeding concerning the enforcement or the interpretation of this Agreement and the interpretation of any agreement associated with this Agreement.

11. Miscellaneous Provisions.

11.1. **Refund of Excess Payments.** PAS is entering into the transactions contemplated by this Agreement based on information provided by the Seller with respect to the Purchased Asset. In the event the aggregate amount of the Purchased Asset received by PAS or any Subsequent Purchaser exceeds the amount calculated to be due to Purchaser, the parties have agreed that there was a mutual mistake of fact and that this Agreement shall require PAS or the Subsequent Purchaser to promptly refund such excess to Seller.

11.2. **Severability** If any one or more of the covenants, agreements, provisions or terms of this Agreement shall for any reason whatsoever be held invalid or unenforceable, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions and terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement. If this Agreement relates to

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

periodic payments received from the Department of Defense or the Department of Veterans' Affairs, and in the event any term or provision of this Agreement is determined to be void, voidable, invalid or unenforceable for any reason by one of these Departments, or by codes or regulations related to one of the Departments, such determination shall not affect the validity or enforceability of such term or provision with respect to the remainder of the Agreement.

- 11.3. Notices. All notices hereunder shall be in writing and shall be given in person, or sent by registered or certified mail (return receipt requested). Notices that are properly delivered shall be deemed to have been given upon actual delivery. Notices shall be given to Seller at the respective addresses set forth on Exhibit A attached hereto. Notices shall be given to PAS at the address indicated for PAS on the signature page hereof. Any party to this Agreement may direct notices to any other address as that party may designate by advance written notice. A copy of any notice to any party, shall also be sent to that party's legal counsel if such party is represented.
- 11.4. Entire Agreement. This Agreement and the exhibits hereto constitute the entire and final agreement between parties with respect to the subject matter hereof. No party is entering into this Agreement in reliance on, and this Agreement shall not be contradicted or supplemented by, any prior or contemporaneous condition, discussion, promise, statement, understanding, or undertaking, commitment or other agreement or document.
- 11.5. Exclusion From Bankruptcy Estate. The obligations created by this Agreement and the security interest granted herein shall be excluded from Seller's bankruptcy estate should Seller file for bankruptcy during the Term of the Agreement.
- 11.6. Assignment. Without the consent of the Seller, PAS shall be entitled to assign and transfer freely either or both of the Purchased Asset and all rights granted to it under the terms of this Agreement, including the right of a Subsequent Purchaser to proceed directly against Seller for any breach of the terms of this Agreement. Except as otherwise provided in this Agreement, PAS shall have no obligation to notify the Seller of any assignment or transfer of the Purchased Asset or PAS' rights under the terms of this Agreement.
- 11.7. Amendments/Modifications Binding; No Beneficiaries. All amendments to or modifications of this Agreement shall be binding upon the parties, despite any lack of separate or additional consideration therefore, so long as such amendments or modifications shall be in writing and signed by Seller and PAS. The parties acknowledge and agree that, except for Subsequent Purchasers, which are specifically intended to be third-party beneficiaries under the terms of this Agreement, there are no other third party beneficiaries of any promises, obligations or representations made herein.
- 11.8. Governing Law; Jurisdiction and Venue. In all respects, including all matters of construction, validity and performance, this agreement and the obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of California applicable to contracts made and performed in such state, (without regard to the principles thereof regarding conflict of laws). Seller hereby consents and agrees that the state or federal courts located in California shall have non-exclusive jurisdiction to hear and determine any claims or disputes pertaining to this Agreement and/or any related agreement, to any matter

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

arising out of, or related to, this Agreement and/or any related agreements; and further provided, that nothing in this Agreement shall be deemed or operate to preclude PAS from bringing suit or taking other legal action in any other jurisdiction to enforce its right under this Agreement, or to enforce a judgment or other court order in favor of PAS. Seller expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Seller hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court.

- 11.9. **JURY TRIAL WAIVER.** THE PARTIES HERETO WAIVE TRIAL BY JURY IN ANY COURT IN ANY SUIT, ACTION, CONTROVERSY OR PROCEEDING OF ANY KIND ON ANY MATTER ARISING OUT OF, RELATING TO, IN CONNECTION WITH, OR INCIDENT TO THIS AGREEMENT OR ANY TRANSACTIONS IT CONTEMPLATES OR THE ENFORCEMENT HEREOF, EXCEPT WHERE SUCH WAIVER IS PROHIBITED BY LAW OR DEEMED BY A COURT OF LAW TO BE AGAINST PUBLIC POLICY. THE PARTIES HERETO ACKNOWLEDGE THAT EACH MAKES THIS WAIVER KNOWINGLY, WILLINGLY AND VOLUNTARILY AND WITHOUT DURESS.
- 11.10. **Waiver.** Any parties' failure to insist in any one or more instances upon strict performance by another party of any of the terms of this Agreement shall not be construed as a waiver of any continuing or subsequent failure to perform or a delay in performance of any term hereof.
- 11.11. **No Construction Against Drafter.** Seller has been or has had the opportunity to be represented by counsel throughout the negotiation and signing of this Agreement and all ancillary documents to this Agreement and, therefore, while this Agreement is effective or after its termination, Seller shall not claim or assert that any provision of this Agreement or ancillary documents should be construed against the drafter of this Agreement and ancillary documents.
- 11.12. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first written above.



SELLER'S SIGNATURE MUST BE NOTARIZED

State of Virginia

County of Norfolk

Subscribed and affirmed to before me this 2nd day of October, 2012

[Signature]
Notary Public Signature

My commission expires: Aug 31, 2015

(NOTARIAL SEAL)



BENEFICIARY'S SIGNATURE MUST BE NOTARIZED (ONLY)

State of Virginia

County of Norfolk

Subscribed and affirmed to before me this 2nd day of October, 2012

[Signature]
Notary Public Signature

My commission expires: Aug 31, 2015

(NOTARIAL SEAL)



PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

By: _____

Dated: _____

Address: 4500 Campus Drive, Suite 650
Newport Beach, CA 92660

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

EXHIBIT A

TRANSACTION DETAILS

1. **NAME OF SELLER:** _____
2. **SELLER'S SOCIAL SECURITY:** _____
3. **ADDRESS OF SELLER:** _____

4. **PHONE NUMBER OF SELLER:** _____
5. **EMAIL ADDRESS OF SELLER:** _____
6. **NAME OF SELLER'S SPOUSE:** _____
 (Please note, Spouse is understood to be a legally married husband or wife, domestic partner, or co-habitant as defined under applicable Family Law. If this field is applicable, then the Participant must fill out EXHIBIT F).
7. **SELLER'S SPOUSE'S SOCIAL SECURITY:** _____
8. **PAYOR OF THE PAYMENTS:** _____
9. **FREQUENCY OF THE PAYMENTS:** Monthly
10. **TOTAL NUMBER OF REGULAR PAYMENTS TO BE MADE:** 60
11. **SELLER INTENDS TO USE THE LUMP SUM PAYMENT FOR THE FOLLOWING PURPOSE.**
 (Please note, that if the intent to use the Lump Sum Payment is for a business, corporation, partnership or other business entity, then Participant must complete EXHIBIT H):
PAY OFF BILLS / MORTGAGE
12. **STATE THE NAME AND ADDRESS OF THE GUARANTOR:**

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

EXHIBIT B

**AUTHORIZATION FOR AUTOMATIC PAYMENT
(ELECTRONIC FUNDS TRANSFER / EFT)**

I/we authorize the Pensions, Annuities and Settlements, LLC (and its successors and assigns) and the bank named below to initiate debit entries to my/our checking/savings account as payment for sale of an asset as follows:

SELLER'S NAME: 

PAS TRANSACTION NUMBER: _____

PAYMENT DUE DATE: every first of the month

PAYMENT AMOUNT: \$552

EFFECTIVE DATE (Once payment starts): 11/1/2012

TERMINATION DATE (Last payment): 10/1/2017

NAME OF FINANCIAL INSTITUTION: Woodforest National Bank

ADDRESS OF FINANCIAL INSTITUTION: 1170 N. Military Hwy
Norfolk, Va. 23502

SELLER'S BANK ACCOUNT NUMBER: 

ABA NUMBER: 

ACCOUNT TYPE: Checking

This authorization will remain in effect until the Termination Date above; or, if I change financial institutions, until I notify you in writing of my request to change this automatic payment in such time as to afford Pensions, Annuities & Settlements, LLC a reasonable

SELLER

By:

Signature



L)

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

EXHIBIT C

DISCLOSURES AND ACKNOWLEDGEMENTS

1) Damages Seller May Have to Pay in Event of Breach.

Seller understands and acknowledges that in event Seller breaches the Agreement, or fails to satisfy any obligation contained therein, Seller could be liable for damages in an amount equal to the aggregate amount of the unpaid portion of the payments comprising the Purchased Asset, plus fees and costs including the legal fees of PAS or any Subsequent Purchaser in pursuing a claim against the Seller.

SELLER'S INITIALS: X DS
BLA

2) Representation by Counsel.

Seller acknowledges that Seller has obtained, or has had the opportunity to obtain, independent legal and financial advisors to provide legal advice and financial advice with respect to the appropriateness of the Seller entering into this transaction. Seller is not relying on PAS' legal or financial advisors for legal or financial advice in connection with the advisability or appropriateness of the sale of the Purchased Asset by the Seller to the Seller to PAS. If Seller has chosen not to consult with Seller's own legal counsel in connection with the sale of the Purchased Asset then Seller has executed the Legal Representation Waiver Form attached hereto as Exhibit E. If Seller has chosen not consult with Seller's own financial advisor in connection with the sale of the Purchased Asset then Seller has executed the Financial Advisor Waiver Form attached hereto as Exhibit F.

SELLER'S INITIALS: X DS
BLA

3) Acknowledgement of Tax Consequences.

Seller has obtained, or had the opportunity to obtain, independent professional advice concerning the tax consequences of this agreement. Seller has specifically inquired and received advice as to the tax ramifications of the amounts which are payable by Seller as a result of receiving the Purchase Price for the sale of the Purchased Asset.

SELLER'S INITIALS: X DS
BLA

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

4) Acknowledgement of Discount.

Seller acknowledges that, by accepting the Purchase Price in exchange for the Purchased Asset as set forth in the Agreement, **SELLER WILL RECEIVE SUBSTANTIALLY LESS MONEY THAN IF SELLER WERE TO RETAIN THE PERIODIC PAYMENTS COMPRISING THE PURCHASED ASSET.** If Seller were to elect to receive the full amount of the Purchased Asset over the Term, Seller would receive the sum of \$ 32,520. Because, however, Seller is entering into the Agreement Seller will receive the Purchase Price, of \$ 15,000. The difference between the payments comprising the Purchased Asset and the Purchase Price is \$ 17,520. Seller understands that the Purchase Price represents a significant discount of the payments comprising the Purchased Asset.

SELLER'S INITIALS: X DS
BLA

5) No Coercion.

Seller is entering into the Agreement freely and without coercion, undue influence or duress of any kind. Seller's decision to enter into the Agreement is based on Seller's independent determination that immediate access to the Purchase Price is of equal or greater value to Seller than retaining the payments comprising the Purchased Asset for the Term.

SELLER'S INITIALS: X DS
BLA

6) Class Action Waiver

Seller waives any right to assert any claims against PAS or any Subsequent Purchaser as a representative or member in any class or representative action, except where such waiver is prohibited by law as against public policy. To the extent the Seller is permitted by law or court of law to proceed with a class or representative action against PAS or any Subsequent Purchaser, the Seller hereby agrees that: (1) the prevailing party shall not be entitled to recover attorneys' fees or costs associated with pursuing the class or representative action (notwithstanding any other provision in the Agreement); and (2) the party who initiates or participates as a member of the class will not submit a claim or otherwise participate in any recovery secured through the class or representative action.

SELLER'S INITIALS: X DS
BLA

EXHIBIT D

BENEFICIARY'S AGREEMENT AND ACKNOWLEDGEMENTS

This Beneficiary's Agreement and Acknowledgements dated 9/19/2012 (the "Beneficiary's Agreement") is by and between Pensions, Annuities and Settlements, LLC, and its designees, successors and assigns ("PAS"), a Delaware Limited Liability Company and [REDACTED] an individual resident in the State of VA (the "Beneficiary").

WHEREAS, pursuant to that certain Future Income Stream Purchase and Sale Agreement (the "Sale Agreement") by and among PAS, the Seller and the Beneficiary, the Seller has sold its rights to receive for a set period of time an income stream comprised of fixed pre-determined payments made monthly (the "Purchased Asset");

WHEREAS, in the event of the Seller's death the Beneficiary would be entitled to the income stream comprising the Purchased Asset;

WHEREAS, the Beneficiary desires to assist Seller in the sale of the Purchased Asset to PAS by agreeing to be bound by the terms of the Sale Agreement and executing this Beneficiary's Agreement;

WHEREAS, executing the Sale Agreement and the Beneficiary's Agreement will result in direct and indirect benefits to the Beneficiary;

WHEREAS, in the event of Seller's death, Beneficiary shall thereafter remit the payments comprising the Purchased Asset to an account established for the benefit of PAS or any Subsequent Purchaser designated by PAS; and

WHEREAS, any term not otherwise defined in this Beneficiary's Agreement shall have the meaning assigned to such term in the Sale Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, and terms, conditions and covenants hereinafter set forth, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Sale of Purchased Asset; Consideration to Beneficiary.** Pursuant to the terms and conditions of the Sale Agreement, and for the Term, Seller has agreed to sell, transfer and convey all right, title and interest in and to the Purchased Asset to PAS in return for the Purchase Price, and the Beneficiary agrees to abide by and honor the terms of the Sale Agreement in the event of Seller's death prior to the end of the Term. In addition to the direct and indirect benefits the Beneficiary will receive as the result of Seller's sale of the Purchased Asset, PAS has agreed to pay Beneficiary the sum of ten dollars (\$10.00) as further consideration for Beneficiary's execution of the Sale Agreement and this Beneficiary's Agreement.
2. **Establishment of Payment Account; Remittance of Purchased Asset.** In the event of Seller's death prior to the expiration of the Term, the Beneficiary shall instruct the bank or financial institution to which the payments comprising the Purchased Asset are paid to forward all such

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

payments to an account established by PAS (the "Payment Account") on Exhibit A to the Sale Agreement.

3. **Representations and Warranties of Beneficiary.** Beneficiary hereby makes the following representations, warranties and acknowledgements to and for the benefit of PAS and any Subsequent Purchaser, and Beneficiary acknowledges that PAS and any Subsequent Purchaser are specifically relying up the accuracy of each such representation, warranty and acknowledgement in their decision to purchase the Purchased Asset.

3.1. **Complete Understanding.** I have read and understand the Sale Agreement, and, in the event of the Seller's death, that I am bound by all terms and conditions set forth therein as if I was the Seller of the Purchased Asset.

3.2. **Professional Advice and Counsel.** Beneficiary, prior to signing the Sale Agreement and this Beneficiary's Agreement, has been advised or has had the opportunity to consult with, to obtain advice and assistance from legal, financial and tax professionals, and to be represented by counsel in the negotiation and execution of the Sale Agreement and this Beneficiary's Agreement; and, prior to signing the Sale Agreement and this Beneficiary's Agreement, Beneficiary has reviewed, or had the opportunity to review, the Sale Agreement and this Beneficiary's Agreement with independent financial and legal counsel of their own choosing, and Beneficiary has not relied on PAS or PAS' counsel, employees, agents or representatives for any review or interpretation of the terms of the Sale Agreement or this Beneficiary's Agreement.

4. **Beneficiary Not Guarantor Under Sale Agreement.** The parties hereto acknowledge that unless the Seller passes prior to the end of the Term, the Beneficiary is not a guarantor of the payment of the income stream comprising the Purchased Asset; and, unless the income stream comprising the Purchased Asset is not delivered to PAS as a result of the action or inaction of the Beneficiary, that PAS shall have no recourse against the Beneficiary for failure of delivery of the Purchased Asset.

5. **Acknowledgments and Waivers of Beneficiary.** By placing my initials next to each statement below, I am confirming that I have read and understand the impact of each such statement and am agreeing to be bound thereby:



I understand that Seller, as owner of the Purchased Asset, is selling, conveying and transferring all of Seller's rights, title and interest in and to the Purchased Asset for the Term to PAS.



I understand that, as a result of the Seller's sale, conveyance and transfer of all the Seller's right, title and interest in the Purchased Asset during the Term, the Seller has relinquished all rights to the Purchased Asset and, in the event the Seller passes before the expiration of the Term, that I will be bound by the terms of the Sale Agreement and this Beneficiary's Agreement as if I was the Seller and will not receive any of the payments comprising the Purchased Asset until the expiration of the Term.

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

PAS I forever waive, release and discharge any and all actions, claims, causes of action, damages, demands and remedies of whatever kind and character, without limitation, against PAS arising out of or in connection with the Seller's sale, conveyance and transfer of the Purchased Asset to PAS.

PAS I acknowledge that PAS and any Subsequent Purchaser will rely upon this Beneficiary's Agreement in its decision to purchase the Purchased Asset, and that my execution of this Beneficiary's Agreement is a material inducement to PAS to enter into the Sale Agreement and purchase the Purchased Asset.

PAS I agree that I will not elect to have any taxes withheld from the survivor benefits which comprise and portion of the Purchased Asset.

PAS I further agree, upon request, to execute any additional or further releases, documents or instruments necessary or desirable more fully to vest all right, title and interest in and to the Purchased Asset in PAS or any Subsequent Purchaser.

6. Miscellaneous

- 6.1. Entire Agreement. The Sale Agreement and the exhibits hereto and this Beneficiary's Agreement constitute the entire and final agreement between the parties with respect to the subject matter hereof. And, except as set forth in the Sale Agreement, no party is entering into this Beneficiary's Agreement in reliance on, and this Beneficiary's Agreement shall not be contradicted or supplemented by, any prior or contemporaneous condition, discussion, promise, statement, understanding, or undertaking, commitment or other agreement or document.
- 6.2. Exclusion From Bankruptcy Estate. The obligations created by the Sale Agreement and this Beneficiary's Agreement shall be excluded from Beneficiary's bankruptcy estate should Beneficiary file for bankruptcy during the Term.
- 6.3. Assignment. Without the consent of the Beneficiary, PAS shall be entitled to assign and transfer freely the Purchased Asset and all rights granted to it under the terms of the Sale Agreement and this Beneficiary's Agreement, including the right of a Subsequent Purchaser to proceed directly against Beneficiary for any breach of the terms of the Sale Agreement or this Beneficiary's Agreement.
- 6.4. Amendments/Modifications Binding: No Beneficiaries. All amendments to or modifications of this Beneficiary's Agreement shall be binding upon the parties, despite any lack of separate or additional consideration therefore, so long as such amendments or modifications shall be in writing and signed by the Beneficiary and PAS. The parties acknowledge and agree that, except for Subsequent Purchasers, which are specifically intended to be third-party beneficiaries under

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

the terms of this the Sale Agreement and this Beneficiary's Agreement, there are no other third party beneficiaries of any promises, obligations or representations made herein.

- 6.5. **Governing Law; Jurisdiction and Venue.** In all respects, including all matters of construction, validity and performance, this agreement and the obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of California applicable to contracts made and performed in such state, (without regard to the principles thereof regarding conflict of laws). Beneficiary hereby consents and agrees that the state or federal courts located in California shall have non-exclusive jurisdiction to hear and determine any claims or disputes pertaining to this Beneficiary's Agreement and/or any related agreement, to any matter arising out of, or related to, this Beneficiary's Agreement and/or any related agreements; and further provided, that nothing in this Beneficiary's Agreement shall be deemed or operate to preclude PAS from bringing suit or taking other legal action in any other jurisdiction to enforce its right under this Beneficiary's Agreement, or to enforce a judgment or other court order in favor of PAS. Beneficiary expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Beneficiary hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court.
- 6.6. **JURY TRIAL WAIVER.** THE PARTIES HERETO WAIVE TRIAL BY JURY IN ANY COURT IN ANY SUIT, ACTION, CONTROVERSY OR PROCEEDING OF ANY KIND ON ANY MATTER ARISING OUT OF, RELATING TO, IN CONNECTION WITH, OR INCIDENT TO THIS BENEFICIARY'S AGREEMENT OR ANY TRANSACTIONS IT CONTEMPLATES OR THE ENFORCEMENT HEREOF, EXCEPT WHERE SUCH WAIVER IS PROHIBITED BY LAW OR DEEMED BY A COURT OF LAW TO BE AGAINST PUBLIC POLICY. THE PARTIES HERETO ACKNOWLEDGE THAT EACH MAKES THIS WAIVER KNOWINGLY, WILLINGLY AND VOLUNTARILY AND WITHOUT DURESS.
- 6.7. **Waiver.** Any parties' failure to insist in any one or more instances upon strict performance by another party of any of the terms of this Beneficiary's Agreement shall not be construed as a waiver of any continuing or subsequent failure to perform or a delay in performance of any term hereof.
- 6.8. **No Construction Against Drafter.** Beneficiary has been or has had the opportunity to be represented by counsel throughout the negotiation and signing of this Beneficiary's Agreement and all ancillary documents to this Beneficiary's Agreement and, therefore, while this Beneficiary's Agreement is effective or after its termination, Beneficiary shall not claim or assert that any provision of this Beneficiary's Agreement or ancillary documents should be construed against the drafter of this Beneficiary's Agreement and ancillary documents.
- 6.9. **Counterparts.** This Beneficiary's Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M



Beneficiary: [signature]


Dated: 10/2/2012

BENEFICIARY'S SIGNATURE MUST BE NOTARIZED

State of Virginia

County of Norfolk

Subscribed and affirmed to before me this 2nd day of October, 2012


Notary Public Signature

My commission expires: Aug 31 2012

(NOTARIAL SEAL)



PENSIONS, ANNUITIES AND SETTLEMENTS

By: _____

Dated: _____

Address: 4500 Campus Drive, Suite 650
Newport Beach, CA 92660

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

EXHIBIT E

SPOUSAL CONSENT FORM

NOTE: Your spouse must sign this form if your spouse is named as a primary beneficiary. Your spouse's signature must be witnessed by a Notary Public.

I hereby certify that I am the spouse of [redacted] I have read the Future Income Stream Purchase and Sale Agreement (hereinafter the "Basic Agreement") as completed and signed by my spouse, and I hereby freely and knowingly consent to the designations and obligations made therein. I understand that should Pensions, Annuities and Settlements, LLC be successful in marketing my spouse's income stream, payment will be directed to a third party beneficiary.

I acknowledge that by this consent I am specifically waiving my right to receive any share of my spouse's [pension or defined benefit] UNITED STATES OFFICE OF PERSONNEL MANAGEMENT pursuant to the laws of the State or Commonwealth of [STATE] VA

I may not revoke this consent. This consent shall only be revoked if my spouse revokes the original Basic Agreement before execution, or if my spouse's obligations under the Basic

[redacted]

Name of Pensioner's Spouse

287 66-6637

Spouse's Social Security

[redacted]

Name of Pensioner

[redacted]

Signature of Pensioner's Spouse

10/2/2012

Date

[redacted]

Pensioner's Social Security

STATE or COMMONWEALTH

Virginia

OF: COUNTY or PARISH OF:

Norfolk

FOR THE NOTARY PUBLIC:

I HEREBY CERTIFY that the foregoing instrument was acknowledged before me this 2nd day of October, 2012 by [redacted], who is personally known to me or who produced appropriate identification.

Notary Public, State of Virginia At large

Notary Seal with Notary Signature:



PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

EXHIBIT F

NOTE: To be filled out and completed if the Pensioner under the Basic Agreement is married, in a domestic partnership, or co-habituating as defined under relevant Family Law Codes.

SPOUSE'S SECURED GUARANTY AND INDEMNIFICATION AGREEMENT

This Spouse's Secured Guaranty and Indemnification Agreement (hereinafter the "Spousal Guaranty"), dated as of 9/19/2012 is made in favour and for the benefit of Buyer, by [REDACTED] Pensioner's spouse, domestic partner, or co-habitant (hereinafter, in this separate agreement, referred to as "Spouse").

WHEREAS, Spouse wishes to assure that [REDACTED] (Pensioner) complies with the responsibilities and obligations required under the terms of the Buyer And Pensioner Purchase Agreement For Purchase Of Future Income Stream Agreement (hereinafter the "Basic Agreement").

WHEREAS, Spouse is a person who acknowledges that he or she has received sufficient consideration to induce Spouse to guarantee all of the obligations of Pensioner.

WHEREAS, Buyer has agreed, pursuant to the terms of the Basic Agreement, to pay to Pensioner a one-time payment (hereinafter the "Lump Sum Payment") in exchange for Pensioner's promise to remit to Buyer certain periodic payments which Pensioner is entitled to receive in the future (hereinafter the "Purchased Payments").

WHEREAS, defined terms used in this Spousal Guaranty which are not defined herein shall have the meanings given to such terms in the Basic Agreement.

WHEREAS, Spouse will derive substantial economic benefit either directly or indirectly from the payment by Buyer to Pensioner as governed by the Basic Agreement.

WHEREAS, Spouse is willing to guarantee Pensioner's obligations to Buyer under the Basic Agreement.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and to induce Buyer to enter into the Basic Agreement, it is agreed as follows:

1. **The Guaranty.** The Spouse hereby unconditionally and irrevocably guarantees to the Buyer and each of the Buyer's permitted endorsees, transferees, and assigns the prompt and complete payment and performance by Pensioner under the Pensioner's obligations as set forth in the Basic Agreement when due, whether by acceleration or otherwise.

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

- 1.1. **Guaranty of the Obligations.** In consideration of Buyer's agreement to pay the Lump Sum Payment to Pensioner under the Basic Agreement, Spouse hereby unconditionally and irrevocably guarantees to Buyer and its successors, endorsees, transferees, and assigns, the timely performance of all Pensioner's obligations under the Basic Agreement. Without limitation or restriction upon any of the other covenants, warranties, or representations in either this Spousal Guaranty or the Basic Agreement, the Spouse unconditionally guarantees, as primary obligor, and not merely as a surety, the due and punctual payment of the Purchased Payments as set forth in the Basic Agreement.
- 1.2. **Scope of Guaranty.** The Spouse shall remain liable for the Pensioner's obligation under the Basic Agreement until the Pensioner's obligations under the Basic Agreement are satisfied and paid in full. No payment or payments made by Spouse or Pensioner, or any other person, or entity by virtue of any action or proceeding, set-off, appropriation or application at any time in reduction of or in payment of the Pensioner's obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Spouse hereunder. This Spousal Guaranty shall not be affected and will not be subject to avoidance under the Bankruptcy Code if the Spouse or the Pensioner seeks protection from creditors under any federal or state law. In the event any or all rights to receive the Purchased Payment, as authorized under the Basic Agreement, is transferred or assigned by Buyer to any person or persons, or in the event any person or person shall become the legal successor to Buyer, then any reference to "Buyer" herein shall be deemed to refer equally to such person or persons.
- 1.3. **Guaranty of Punctual Payments.** The Spouse acknowledges that Buyer shall have the sole discretion to call upon either Pensioner or Spouse with respect to the amount then due and punctual payments by the Pensioner of the Purchased Payments, any interest that may have accrued, and any other amounts as granted by the Basic Agreement. Spouse specifically agrees that he or she shall not necessitate or require that Buyer or any of its successors, endorsees, transferees, or assigns assert any claim or demand or enforce any remedy whatsoever against Pensioner as a condition to the obligations of Spouse under this Spousal Guaranty.
- 1.4. **Absolute Guaranty.** The obligations created in this Spousal Guaranty will not be affected by the unenforceability of any term or provision of the Basic Agreement, or the illegality or invalidity of the Basic Agreement. This Spousal Guaranty shall remain in full force and effect for the term of the Basic Agreement, unless otherwise released by Buyer. For the purpose of example only, the obligations created by the Spousal Guaranty shall continue despite the possible rise of the following events:
 - (i) Buyer's exercise or enforcement of any of its rights under the Basic Agreement, or the Buyer's failure or delay in exercising such rights. These rights include, but are not limited to:
 - a. Any action or inaction of Buyer to perfect, protect or enforce any lien; or

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

- b. Any impairment or invalidity of any security interest:
 - (ii) Any claim, defense, counterclaim, or setoff, other than a defense of prior performance;
 - (iii) Any other action or circumstances that might otherwise constitute a defense, whether legal or equitable, which may cause discharge of any surety, Spouse, or pledge; or
 - (iv) The fact that the rights to receive the Purchased Payment by the Buyer may be determined to be illegal, invalid, or unenforceable, in whole or in part.

The Spouse shall not be exonerated, discharged, or release by any of the above described events shall they occur.

1.5. **Guaranty of Fees and Costs.** The Spouse further agrees to pay any and all expenses, including, but not limited to, all reasonable attorney fees and disbursements which may be paid or incurred by the Buyer in enforcing any rights with respect to, or collecting, any or all of the Pensioner's obligations and/or enforcing any rights with respect to, or collecting against, the Spouse under this Spousal Guaranty. This Spousal Guaranty shall remain in full force and effect until the Pensioner's obligations under the Basic Agreement are paid in full, notwithstanding that prior thereto there may not be any outstanding obligations.

2. **Grant of Security Interest.** It is the mutual intention of the Spouse and Buyer that no other external debt shall have any priority over the Spousal Guaranty by way of a lien on the assets of the Spouse. To that end, Spouse hereby grants to Buyer a perfected, first priority security interest in all of Spouse's assets, tangible and intangible, including all property, real and personal, and other assets to secure the performance of Spouse's obligations under this Spousal Guaranty. Spouse expressly acknowledges that Buyer may file an appropriate financing statement with the appropriate state authority following the execution of this Spousal Guaranty.

Spouse further agrees to execute any and all other documents and agreements, and to take any and all other actions, as may be necessary or desirable in order to maintain Buyer's security interest as an enforceable, first priority perfected security interest.

3. **Spouse Waivers.**

3.1 **Waivers to Basic Agreement.** Spouse waives, to the fullest extent permitted by applicable laws: presentment; demand and protest; notice of presentment; dishonour; protest; default for non-payment; release; compromise; settlement; extension; or renewal of the Basic Agreement. Spouse acknowledges that he or she has been advised by counsel of his or her choice, or has been provided a reasonable opportunity to obtain counsel, with respect to this Spousal Guaranty and the Basic Agreement and the transactions evidenced hereby and thereby.

3.2 **Waiver of Defenses:** Spouse waives any defenses based upon or arising by reason of:

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

- (i) Any disability or other defense of Pensioner or any other person to the Basic Agreement;
- (ii) Any lack of authority of any agent or other person acting or purporting to act on behalf of Pensioner;
- (iii) The application by Pensioner of the Lump Sum Payment for purposes other than the purposes represented to, or intended or understood by, Buyer or Spouse; or
- (iv) Any act or omission by Buyer that directly or indirectly results in or aids the discharge of Pensioner of all or any portion of the obligation to remit the Purchased Payments to Buyer.

4. **Benefits of Guaranty.** The provisions of this Spousal Guaranty are for the benefit of Buyer and its successors, transferees, and assigns. Buyer may transfer or assign its rights under this Spousal Guaranty without the consent of, or notice to, Spouse and may engage in any merger, consolidation, or similar transaction without the consent of, or notice to Spouse. This Spousal Guaranty binds Spouse, and Spouse may not assign, transfer, or endorse this Spousal Guaranty.

5. **Continuing Guaranty.** Spouse agrees that this is a continuing Spousal Guaranty, and that this Spousal Guaranty shall remain in full force and effect until all of Pensioner's obligations as set forth in the Basic Agreement are satisfied. No action in Family Law, whether annulment, dissolution, or other termination of the marriage shall discharge the Spouse's obligations under this Spousal Guaranty or the Basic Agreement.

6. **No Setoff, Defense or Counterclaim.** Spouse represents, warrants and agrees that, as of the date of this Spousal Guaranty, the Spouse's obligations hereunder are not subject to any setoff or defense of any kind against Buyer. Spouse specifically waives his or her right to assert any such defense or right of setoff. Spouse further agrees that the obligations under this Spousal Guaranty shall not be subject to any counterclaim, setoffs or defenses against Buyer that may arise in the future, except for any defense of prior performance or payment.

7. **Further Guaranty.**

7.1 **Execution of Further Documents and Further Acts.** Spouse agrees that he or she will, at his or her own expense and upon written request from Buyer, promptly execute and deliver to Buyer any additional instruments or documents reasonably considered necessary by Buyer to cause this Spousal Guaranty to be, become, or remain valid and effective in accordance with its terms.

7.2 **Production of Documents.** The Spouse shall furnish, or cause to be furnished, to Buyer all such reports and information as Buyer shall reasonably request concerning the financial and economic condition of the Spouse and any other documents relating to the transaction of the Basic Agreement.

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

- 7.3 **Non-Interference**. The Spouse shall not take any action, or permit any of his or her employees, agents, affiliates, or subsidiaries to take any action, which would prevent or interfere with the successful completion of the Basic Agreement or the performance by the Pensioner of his or her obligations under the Basic Agreement.
- 7.4 **Further Guaranty**. The Spouse shall from time to time take such action as may be necessary or appropriate on his or her part to ensure prompt performance by the Pensioner of the Pensioner's obligations under the Basic Agreement.

8. **Reinstatement**. This Spousal Guaranty shall continue to be effective, or be reinstated, as the case may be, if at any time the Purchased Payments, or any part thereof, or any of the Pensioner's obligations are rescinded or must otherwise be restored or returned by Buyer upon the result of insolvency, bankruptcy, dissolution, reorganization or liquidation of assets, or upon the result of the appointment of a receiver, intervenor, trustee, conservator, or similar officer for, Pensioner or the Spouse.

In addition, this Spousal Guaranty shall remain in full force and effect and continue to be effective, as the case may be, if at any time payment or performance of Pensioner's obligations or the obligations under this Spousal Guaranty, or any part thereof, pursuant to applicable law is avoided, rescinded or reduced in any amount, or must otherwise be restored or returned by Buyer, or any other obligee of any of Pensioner's obligations or the obligations under this Spousal Guaranty. This clause shall remain in effect whether such event is categorized as a "voidable preference," "fraudulent conveyance," or otherwise.

In the event that any payment, or any part thereof, is avoided, rescinded, reduced, restored, or returned, than in such event any of Pensioner's obligations or the obligations under this Spousal Guaranty, as the case may be, shall be reinstated and deemed reduced only by such amount paid and not so avoided, rescinded, reduced, restored, or returned.

9. **Indemnification**. Spouse shall indemnify and hold harmless Buyer and its affiliates, officers, directors, employees, attorneys and agents (each hereinafter an "Indemnified Person") from and against any and all suits, actions, fines, deficiencies, penalties, proceedings, claims, damages, losses, liabilities, expenses and taxes (including attorney's fees and disbursements and other out-of-pocket costs of investigations or defense, including those incurred upon any appeal) that may be instituted or asserted against or incurred by such Indemnified Person. Spouse shall hold the Indemnified Person harmless from any actions at law or equity:

- (i) As a result of the transaction contemplated by the Basic Agreement;
- (ii) In connection with or arising out of the transactions contemplated hereunder and thereunder; or
- (iii) In connection with any action to enforce Pensioner's Obligations.

10. **Change in Locations, Names, ect.** If the Spouse shall change the location of his or her residence, change his or her name, identity, or change the location where he or she maintains records with respect to the Spouse's assets, he or she shall give the Buyer written notice thereof not later than ten (10) days

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

after such event occurs, and shall deliver to the Buyer all financing statements and amendments as the Buyer shall request and take all other actions deemed reasonably necessary by the Buyer to continue its perfected status under this Spousal Guaranty.

11. **Release of Guaranty.** Upon termination of this Spousal Guaranty and repayment to the Buyer of all the obligations and the performance by Pensioner of all obligations under the Basic Agreement, the Buyer shall release its interest in any remaining assets of the Spouse; provided that if any payment, or any part thereof, of any of the obligations is rescinded or must otherwise be restored or returned by the Buyer upon the insolvency or bankruptcy of the related Spouse or Pensioner, or upon a result of the appointment of a receiver, intervenor, trustee, conservator, or similar officer for Spouse or any substantial part of his/her property, or otherwise, this Spousal Guaranty, all rights hereunder and the liens created hereby shall continue to be effective, or be reinstated, until such payments have been made.

12. **Miscellaneous.**

12.1 **Section Titles.** The section titles contained in this Spousal Guaranty are included for the convenience of the parties only and do not affect the interpretation of this agreement.

12.2 **Severability.** The parties intend this Spousal Guaranty to be fully valid and enforceable. In the event any term or provision of this Spousal Guaranty is determined to be void, voidable, invalid or unenforceable for any reason, such determination shall not effect the validity or enforceability of any other provision of this Spousal Guaranty, and this Spousal Guaranty shall be construed in such manner as may be valid and enforceable and shall preserve for the parties the economic benefits and obligations intended by this Spousal Guaranty.

12.3 **Conflict of Terms.** If any provision of this Spousal Guaranty is inconsistent with any provision of the Basic Agreement, the provision of the Basic Agreement shall govern and control.

12.4 **Amendments.** No amendments or modification of this Spousal Guaranty shall be effective unless set forth in writing and signed by Spouse and approved by Buyer.

12.5 **Joint and Several Liability.** Spouse hereby acknowledges and agrees that the Spouse is jointly and severally liable to the Buyer for all representations, warranties, covenants, obligations and liabilities of the Spouse and the Pensioner under this Spousal Guaranty and the Basic Agreement. The Spouse hereby further acknowledges and agrees that any default, or breach of a representation, warranty or covenant by the Spouse or Pensioner is hereby considered a default or breach by both Spouse and Pensioner. The Buyer shall have no obligation to proceed against the Spouse before proceeding against the Pensioner.

12.6 **Limitation of Liability.** Neither Buyer nor any of its officers, directors, employees, agents, or counsel shall be liable for any action taken or omitted to be taken by it or them hereunder or in connection herewith.

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

12.7 **GOVERNING LAW.** IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE, (WITHOUT REGARD TO THE PRINCIPLES THEREOF REGARDING CONFLICT OF LAWS UNDER DELAWARE LAW). SPOUSE HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN ORANGE COUNTY, CALIFORNIA SHALL HAVE NON-EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES PERTAINING TO THIS AGREEMENT AND/OR ANY RELATED AGREEMENT, TO ANY MATTER ARISING OUT OF, OR RELATED TO, THIS AGREEMENT AND/OR ANY RELATED AGREEMENTS; PROVIDED, THAT SPOUSE ACKNOWLEDGES THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF ORANGE COUNTY, CALIFORNIA; AND FURTHER PROVIDED, THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE BUYER FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO ENFORCE ITS RIGHT UNDER THIS AGREEMENT, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF BUYER. SPOUSE EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND SPOUSE HEREBY WAIVES ANY OBJECTION THAT IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENTS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

IN WITNESS WHEREOF, Spouse has caused this Spousal Guaranty to be executed and

[Redacted Name of Spouse]

[Redacted Signature]

By:

Signature of Spouse

FOR THE NOTARY PUBLIC:

I HEREBY CERTIFY that the foregoing instrument was acknowledged before me this 2nd day of October, 2012 by Randolph F. Austin Sr., who is personally known to me or who produced appropriate identification.

Notary Public, State of Virginia At large

Notary Seal and Notary Signature:







\$

Pay to the order of

VOID

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SB - M

EXHIBIT I

PURCHASE AGREEMENT:
FOR PURCHASE OF FUTURE INCOME STREAM

I, (hereinafter the "Pensioner") hereby authorizes Pensions, Annuities and Settlements, LLC. (hereinafter "PAS") as my authorized selling agent and I hereby empower PAS to submit a contingent offer (hereinafter the "Offer") to sell my stream of future income on a monthly basis, quarterly or annual basis as described below, to a third party on my behalf. By executing below, I hereby acknowledge my duties under the Purchase Agreement executed by me on SEPTEMBER 19, 2012

I hereby expressly direct PAS to sell for my benefit the income stream described below. I further understand that should PAS be successful in selling the income stream, it will do so for my benefit as set forth in the Investor and Pensioner Agreement for Purchase of Future Income Stream and PAS shall receive a commission from the transaction which shall be paid at closing. Pensioner shall have no obligation to pay to PAS any additional fees or commissions

This is an agreement through which Pensioner is entitled to receive periodic payments over a period of time and shall, in exchange, for a one-time payment, remit a specified number of periodic payments to a beneficial third party. Such exchange shall occur immediately upon receipt of the Lump Sum Payment.

Description of Periodic Payment and signature page following.

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

SB - M

This agreement is not a loan or assignment.

Except as provided for in the accompanying documents, there are no early termination permitted.

Payee Name: _____

Annuity Issuer: UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Annuity Policy Number: N/A

Structured Settlement Obligor: N/A

Purchased Payments: \$ 552

Purchase Price: \$ 15,000

X _____
Signature of Pensioner: **[**NAME OF PENSIONER**]**

9/27/2012
Date

PENSIONS, ANNUITIES AND SETTLEMENTS, LLC

BY: _____
Signature of PAS Representative

Date

Form **W-9**
(Rev. October 2007)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)
 Business name, if different from above

Check appropriate box: Individual/Sole proprietor Corporation Partnership
 Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ Exempt payee
 Other (see instructions) ▶

Address (number, street, and apt. or suite no.)
 City, state, and ZIP code

List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

or
 Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶

Date ▶ 9/27/2012

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515: Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1993 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). Check the "Limited liability company" box only and enter the appropriate code for the tax classification ("D" for disregarded entity, "C" for corporation, "P" for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

For an LLC classified as a partnership or a corporation, enter the LLC's name on the "Name" line and any business, trade, or DBA name on the "Business name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Notes. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).
2. The United States or any of its agencies or instrumentalities.
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities.
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000	Generally, exempt payees 1 through 7

¹See Form 1099-MISC, Miscellaneous Income, and its instructions. However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 8045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees, see *Exempt Payee* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out Item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services; payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN.
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-828-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-828-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or contact them at www.consumer.gov/idtheft or 1-877-IDTHEFT(438-4338).

Visit the IRS website at www.irs.gov to learn more about identity theft and how to reduce your risk.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account The minor ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The grantor-trustee ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The actual owner ³
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
For this type of account:	Give name and EIN of:
6. Disregarded entity not owned by an individual	The owner
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person or a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation; and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.