

LPI Position Holder Trust
Introductory Webinar

January 27, 2017

The Position Holder Trust

- Life Partners sold more than \$1.3 billion of fractional interests in life-insurance policies to over 22,000 investors, with more than 100,00 positions.
- The TRUSTEE'S THIRD AMENDED PLAN OF REORGANIZATION divides the estate into:
 - the Position Holder Trust; and
 - The Creditors Trust.
- The Position Holder Trust names Eduardo Espinosa as its Trustee.

The Trustee



LPI POSITION HOLDER TRUST
Eduardo Espinosa, Trustee
Dykema Cox Smith
1717 Main Street, Suite 4200
Dallas, Texas 75201

Facsimile: 214-462-6401
Email: trustee@lpi-pht.com
Website: www.LPI-PHT.com

The Portfolio

	Active		Maturities After Effective Date	Maturities Before Effective Date
	<u>Count</u>	<u>Face Value</u>	<u>Face Value</u>	<u>Face Value</u>
Viaticals	2,589	\$265,008,318	\$480,054	\$9,331,049
Life Settlements	<u>652</u>	<u>\$1,948,488,904</u>	<u>\$26,200,000</u>	<u>\$162,338,840</u>
	3,241	\$ 2,213,497,223	\$26,680,054	\$171,669,889

Distributions to Date

	<u>Distributed</u>
Maturities	\$ 108,275,475.11
Maturity Fund Facility (MFF)	\$ 21,171,789.34
MFF Interest	\$ 2,059,502.56
Refunds (Purchase Money/Unused Billings)	<u>\$ 8,195,498.04</u>
	\$ 139,702,265.05

Topic #1 - The December Premium Bills

- Cash Value in the policies was utilized.
- No defaults if paid by February 27, 2017.
- “Past Due Reminder (PDR) Notices” will be sent if not paid by January 27, 2017.
- You can use your Escrow Balance on a position for that position’s premium bills.
- We will refund payments, if there was sufficient escrow in a position to cover the entire amount due on that position.

Topic #2 – What are the Plan's billing cycles

- **Two billing cycles**
 - December: next payment in May-Oct
 - June: next payment in November-April
- **Plan §12.09(a) requires:**
 - 1 bill per policy, per year;
 - Bill 120 days in advance;
 - Can only bill in December and June

Topic #3 – LPI-policies.com

- The information on LPI-Policies.com was out of date and no longer accurate
- The escrow balances that were on LPI-policies are out of date and inaccurate. Refer to your PDR Notice (coming) for accurate information.
- Magna is building a new website.
 - Will provide the same type of information.
 - It will be available after we complete the Post-Effective Date Reconciliation Process, which is scheduled to end on April 24, 2017.

Topic #4 –Election Changes

- The Plan does not provide a mechanism to change your election.
- You can file an Election Dispute.
- Consideration being given to seeking relief from the Court.

Topic #5 – Premiums

- Your policies' premiums may have increased.
- Premiums were billed based on:
 - the Debtor's most recent (pre-effective date) optimizations, or
 - the most recent cost of insurance required by the insurance company to keep the policies in force.
- If you elected Cash Option 2, do not pay the invoices for future premiums.
- Magna is optimizing premiums but that is a continuous, rolling process.

Topic #6 – Selling Positions

- Strict limits on transferability.
 - Federal and State Securities laws
 - Exemption from Investment Company Act
 - Pass through tax status
 - Opinion of Counsel

Topic #7 - IRAs

- If you elected Option 4, you must contact your IRA custodian and request that the positions for which you elected Option 4 be distributed to you.
- The PHT cannot
 - instruct your custodian.
 - provide tax or financial advice.

Topic #8- Distributions

- Continuing Fraction Holder maturities
 - Plan provides for 15 days after receipt of maturity before funds are available to the CFH Agent for distribution
 - Excess escrow post-maturity will be refunded
- Pool Distributions
 - Est. timetable for 1st distribution - December 2017
 - Subject to paying off the Exit Facility,
 - Subject to adequate reserves for: premiums, operations, and CFH defaults.

Topic #9 – Where do I send questions?

- **Magna Customer Service**
 - Primary contact for all account specific inquiries
 - Custsrv@magnaservicing.com
- **The Trustee**
 - Primary contact for all plan and administrative inquiries
 - Trustee@LPI-PHT.com