

GENERAL

1. How do I contact the Trustee with questions?

For all questions regarding status of accounts or general inquiries, please contact Magna Servicing first (see Contact Information page). If Magna is not able to answer your question, your inquiry will be forwarded to the Trustee.

For all questions regarding the plan or status of the trust, please contact trustee@lpi-pht.com.

We ask for your patience through the transition process. Magna, the Trustee and his staff are extremely busy with the transition of all 3,400 policies and 100,000 positions from LPI to the PHT. The call volume has been also very high. The customer service staff at Magna is answering as many calls as they can and returning the rest as quickly as possible. All of your questions are important to the Trustee and will be answered.

2. What happened to LPI-Policies.com?

The PHT is transitioning to new software to track the interests created by the Plan and to account for the premium escrows held by the Continuing Fractional Holders. The software change was required because the existing software could not track the new interests. The new system cannot be used to update LPI-Policies.com. As a result, the information on LPI-Policies.com is out of date and no longer accurate. Rather than continuing to make inaccurate information available, the PHT shut down the website.

Magna is in the process of building a new website that will provide the same type of information to Continuing Fractional Holders. When complete, it will be accessible through the "CFH Portal" page. The new website will not be available prior to the completion of the Post-Effective Date Reconciliation process which is scheduled to end on April 24, 2017.

3. Why did the checks I received for the pre-effective maturities differ from the amounts shown on the SOMA I received?

Paragraph 3 of the letter you received with the SOMA stated that the net amount may change. As outlined in the Plan, the SOMAs were prepared and sent at the end of November. However, many transactions were not yet posted to the accounts. If an amount was posted to an account after the SOMA was prepared, it may have adjusted the net amount of the distribution. For example, if your statement included a premium refund or escrow refund, the 5% contribution had not yet been deducted from that amount. The 5% contribution was posted and deducted before the maturity check was issued.

Note: The reports that were available to you at lpi-policies.com did not reflect any premiums that were paid after December 1, 2016 (among other things) and should not be relied upon.

4. What happened to the LPHI stock that we owned? Can we still buy or sell it?

Pursuant to the Plan (Section 4.07(b)), all existing LPHI stock was cancelled on the effective date (November 30, 2016). Any former owners of LPHI stock are no longer shareholders in LPHI and the shares no longer exist. Since there is no longer any stock, there is nothing to buy back and nothing that can be sold.

5. How do I sell my investment - my Continuing Fractional Holder Certificate, my interest in the pool, my interest in the IRA Holders Partnership or my New IRA Note?

The Plan and its supporting documents - the Position Holder Trust Agreement, the IRA Holders Partnership Company Agreement, and the new IRA Note documents - provide very strict limits on the resale of the securities created by the Plan. These restrictions are required by federal securities and tax law. In short, the investments held by the investors are securities and can be transferred only in accordance with federal and state securities laws - just like the original LPI investments that the Texas Supreme Court held to be securities. In addition, the PHT's and IRA Holders Partnership's exemption from the requirements of the Federal Investment Company Act depend in part on maintaining and enforcing strict limits on the transfer of securities. Similarly, the PHT's tax status depends upon maintaining and enforcing these limits. As set forth in the Plan and its supporting documents, sales of interests will require an opinion of counsel from the buyer or seller that is acceptable to the PHT Trustee. Because of these requirements, you should consult with your attorney and have your attorney contact the PHT Trustee before you attempt to sell your investment.

6. How can I authorize my investment advisor to receive information about my account?

In order for Magna or the Trustee's staff to provide information about your account to an advisor, you and your advisor must execute the "Confidentiality and Non-Disclosure Form" and the "Network Resources Access Form". Completed form should be sent to Magna at custsrv@magnaservicing.com. Copies of the forms are located on the "Forms" page.

ELECTIONS

1. May I change my election?

No. Once the plan became effective, the elections on the ballot became final.

2. What if my election was recorded incorrectly or there was some sort of problem with my election?

You will need to file an Election Dispute with the Trustee. After your dispute is filed, the Trustee or his counsel will contact you in order to resolve your issue.

3. How do I file a dispute?

To file a dispute, please send a letter to the Trustee explaining your issue and enclosing any documents that support your position. Disputes should be sent to the Trustee at the following address:

Magna Servicing
204 Woodhew Dr.
Waco, Texas 76712

ESCROW BALANCES

1. Why was I billed when I have a positive escrow balance?

The Plan requires that the PHT follow very specific procedures in billing premium calls. Under the Plan, the PHT must bill holders of a policy when the total cash value in a policy or the total amount in escrow for the policy is insufficient to pay premiums for the next year. The PHT must send invoices to all holders in a given policy even if that holder has a sufficient amount in escrow to pay his or her share of the premium call. It should be noted that escrow amounts are on a per position basis and not a per investor basis.

Future bills (beginning with the June 2017 billing cycle) will include an escrow reconciliation showing transactions in the escrow account as well as the amount of unencumbered escrow available to pay the current premium call. Because of the on-going reconciliation process, we were unable to include the reconciliation on the bills sent out in December.

2. Why are the escrow balances being reconciled and how do I find out what my escrow balance is?

The escrow balances are currently being reconciled. The reconciliation is necessary because the Plan required that we deduct Pre-Petition Default Amounts and Catch-Up Payments owed on or before the 5th business day following the Effective Date in order to make distributions by the 10th business day. Many investors had sent in payments for these amounts that we either did not receive or had not posted prior to the date of deduction. Therefore, we have a “double collection” amount that needs to be reconciled and then returned to the investor. Once the “double collected” amounts have been removed from the escrow accounts and returned, we will be able to provide accurate escrow balances.

3. Can't I just use the escrow balances that were shown on LPI-Policies.com?

No. The PHT is transitioning to new software to track the interests created by the Plan and to account for the premium escrows held by the Continuing Fractional Holders. Accordingly, the escrow balances shown on the website are out of date and inaccurate. Because the information on LPI-Policies.com is no longer current, the PHT has shut down the website. In the coming months, the PHT will replace LPI-Policies.com with a new website that will provide similar information. This change was required by the new securities that were created by the Plan.

4. Will my escrow balance(s) be refunded to me?

No. The Plan does not provide for the return of premium escrows to continuing holders. That money was escrowed to pay the holders' share of the premiums necessary to keep their policies in force. It will be used for that purpose.

We have identified and are the process of segregating the following funds, which will be (or have already been) refunded:

Money deposited to acquire new policies, that were not acquired (This money has been refunded);

Overbillings of premiums that occurred prior to the time that the Court authorized the use of cash value (This money has been refunded); and

Overpayments, if we setoff (withheld) an outstanding PPDA or Catch-up amount from your distribution and you also paid that amount. The process of reconciling and segregating these funds is in process.

5. Can I use my escrow balance to pay the two premium invoices sent in December 2016?

Yes. The PHT has finished reconciling the escrow accounts and escrowed money is now available for use to pay the December premium invoices. Please note that the Plan requires that money escrowed for premiums on a particular position be used only to pay premiums associated with that position. You cannot use money escrowed for one position to pay premium invoices on another position.

During the week of January 30, the PHT will send out reminder notices to all position holders who have not paid. Unlike the invoices, the statements are only for a single position. The invoices aggregated all of your positions in a single policy. If you have more than one position in a policy, you will receive a separate statement for each position.

The statement will reflect the escrow balance associated with a position and shows the net amount due, if any, to the PHT after application of the escrow. You need to pay only the net amount due, if any. If the net amount due is zero, then you do not need to make a payment. If you would like to retain a larger escrow balance, you can always send a check for the full invoice amount as shown on the statement.

Some of the escrow amounts reflect the overpayments that we are in the process of reconciling and segregating for refund.

6. If I paid the premium invoices but I had sufficient funds in escrow to cover the invoices, can I get my money back?

Yes. The PHT will refund payments made where the escrow balance was sufficient to pay the entire invoice. We will not make partial refunds (i.e., there was escrow money to cover only part of the amount due).

PREMIUMS

1. I elected Cash Option 2 (the Pool). Why did I receive invoices for future premiums?

If you elected Cash Option 2, do not pay the invoices for future premiums. You may ignore premium notices on the positions for which you selected Option 2.

There are a several reasons why you may have received invoices in December for future premiums.

At the point in the post-effective reconciliation process that the bills were sent, certain persons electing Option 2 who either (i) owed Catch-Up payments or (ii) had PPDA Disputes filed on their behalf were included on the list of persons to whom invoices were sent regardless of their election. We are resolving this issue.

The PHT sent invoices on all positions on which PPDA was owed because the position holder was not allowed to make an election as of the Effective Date. If you paid off the PPDA that was owed and subsequently elected Cash Option 2, you may ignore the invoice.

A number of persons who believe that they elected Cash Option 2 are shown on our records as having elected Cash Option 1 (Continuing Holder).

During the week of January 30, 2017, the PHT will send a letter to persons who our records show elected Option 2 for a position on which they received an invoice. That letter will inform these holders that the invoices were sent in error and that they invoices should not be paid.

If you received an invoice related to a position on which you believe you elected Cash Option 2 and you did not receive a letter from the PHT informing you that the invoice was sent in error, you should contact Customer Service to confirm your elections. For an inquiry such as this, email will probably result in a quicker response. Please see the FAQs related to Elections if you believe that the PHT has your election recorded incorrectly.

2. Why were the premiums billed in the premium invoices I just received higher than I expected?

The premiums billed in the most recent premium calls were based on the most recent optimizations prepared by the Debtor immediately prior to the effective date or the most recent cost of insurance required by the insurance company to keep the policies in force. Premium increases are attributable to several factors, including:

The premiums included in the most recent premium calls were premiums payable in 2016, 2017 and 2018 because they were based on each policy's annual premium billing cycle. The billing schedule during the bankruptcy was based on the calendar year. Under the Plan, the PHT is required to bill by policy year and not calendar year.

In some cases, cash value had been used to pay past premiums and higher premiums are now due to cover the insurance company's net amount at risk (the difference between the cash value of the policy and the death benefit).

The cost of insurance increases as the insured gets older. These are called "age increases".

You may hold a position in an annual renewable term policy. Annual renewable term premiums are paid every year on the basis of a one-year contract, which means that the premiums will rise over time as the insured person ages. Premiums on these types of policies are subject to large changes and are unpredictable.

You may hold a position in one of the 600+ group policies. Group policy premiums are largely unpredictable because they are based on unpredictable circumstances including, that employers frequently change insurers, which results in changing premium obligations; the premium obligations and coverage may increase or decrease due to the insureds age and salary; and, the policy may be converted from a group policy to an individual policy which will increase the premium cost.

Insurance companies have been increasing the cost of insurance rates for a number of policies. Although, special interest groups are fighting these cost increases, we are still required to pay the increased cost of insurance.

We should note that the premium information that was shown on LPI-Policies.com was not current and should not be relied upon.

3. But I thought that Magna Servicing was going to optimize premiums?

It is and that process is ongoing as outlined in the Plan.

Best practices in the industry, which the PHT has adopted, call for optimized premiums to be reviewed when an annual statement is obtained or to be re-optimized when a grace notice is received. In this manner, all policies are regularly reviewed and premiums paid at an appropriate level. Please understand, however, that premium optimization does not mean that premium payments will be always be reduced. In some cases, premium payments will go up.

4. Did the PHT send premium invoices on policies that had sufficient cash value to pay premiums for the period covered by the premium call?

No. If a policy had sufficient cash value to cover cost of insurance for the policy year, premium invoices were not sent.

SALE OF POSITIONS

1. How do I sell my investment - my Continuing Fractional holder Certificate, my interest in the pool, my interest in the IRA Holders Partnership or my New IRA Note?

The Plan and its supporting documents – the Position Holder Trust Agreement, the IRA Holders Partnership Company Agreement, and the New IRA Note documents – provide very strict limits on the resale of the securities created by the Plan. These restrictions are required by federal securities and tax laws. In short, the investments held by the investors are securities and can transferred only in accordance with federal and state securities laws. In addition, the PHT's and IRA Holders Partnership's exemption from the requirements of the federal Investment Company Act depend in part on maintaining and enforcing strict limits on the transfer of securities. Similarly, the PHT's tax status depends upon maintaining and enforcing these limits.

As set forth in the Plan and its supporting documents, sales of interests will require an opinion of counsel from the buyer or seller that is acceptable to the PHT Trustee. Because of these requirements, you should consult with your attorney before you attempt to sell your investment.

IRAS

1. I am an IRA holder and selected Option 4. How do I complete the transfer of my position to a Continuing Fractional Holder?

Per the Court order, you must instruct your IRA custodian to distribute from your IRA the positions for which you elected Option 4 by 5:00 p.m. Central Time on May 5, 2017. You must contact your IRA custodian. The PHT cannot instruct your custodian on your behalf. Your custodian will have the necessary forms.

Pursuant to its Order Granting Request to Modify Third Amended Plan, the Court has set a deadline of 5:00 p.m. Central Time on May 15, 2017, for the IRA custodians to notify the PHT of the distribution. Please note that the PHT must actually receive the custodian's notice of distribution by 5:00 p.m. Central Time on May 15, 2017.

2. What happens if I and my IRA custodian do not complete the distribution and provide notice to the PHT?

Failure to comply with the May 15, 2017 distribution deadline will void your IRA Option 4 election and you will be deemed to have made an IRA Option 2 (Pool) election.

3. What if I provided notice to my IRA custodian by May 5, 2017 as required, but the custodian does not process my distribution on time?

The PHT Trustee has been granted the discretion to extend the May 15, 2017 distribution deadline for individual investors, but only if the investor requested distribution by May 5, 2017.

4. What documents should I send to the Trustee or his counsel regarding distributions from my IRA?

You do not need to send any documents to the Trustee or his counsel. When your IRA custodian completes the distribution of your investment from your IRA to you, the IRA custodian will send notice to Magna Servicing and to the Trustee's counsel. Sending copies of these documents yourself is not necessary.

TAXES

1. Why am I receiving a 1099-MISC?

Per the Plan, the distributions that you received in 2016 are bankruptcy distributions. Accordingly, you received a 1099-MISC, in lieu of the 1099-R that you might have otherwise received. The 1099-MISC reports the payment amount remitted to you; it does not report your "taxable income." Your bankruptcy claim associated with this distribution arose out of your matured positions. Your basis associated with the corresponding matured position(s) may be

applied to reduce your taxable income. You should speak to your tax advisor about your distribution, your basis in that distribution, the 1099-MISC, and your associated tax obligations.

2. But I thought death benefits were not taxable?

Though the general rule is that life insurance proceeds paid to a beneficiary due to the death of the insured are not includable in gross income; that is not the case for life settlements. See Rev. Rul. 2009-14. If you purchased your interest in the policy (i.e., paid cash or other valuable consideration), then the proceeds' exclusion from gross income is limited to the sum of: (i) the consideration you paid, (ii) additional premiums you paid, and (iii) certain other amounts. There are some exceptions to this rule. Generally, you report the taxable amount based on the type of income document you receive, such as a Form 1099-INT, a Form 1099-R or a 1099-MISC. For additional information, See IRS Publication 525, Taxable and Nontaxable Income. Moreover, any interest you receive is taxable and you should report it as interest received. See Topic 403 for more information about interest.

3. What is my basis in my matured position(s)?

Unfortunately, the PHT is not in a position to advise you regarding your basis. In addition to the amount that you paid to Life Partners to acquire your position and fulfill your premium obligations; you may have capitalized additional allowable expenses such as attorney's fees, advisor fees, and ancillary investment expenses. If you re-valued your position and took a distribution from your IRA, the PHT has no records indicating your basis on that distribution from your IRA. If you took a tax loss or otherwise depreciated the position(s), the PHT has no transparency into those adjustments either. In short, your current basis is unique to you, your personal facts and circumstances, and your prior tax positions. You (and your advisors) should review your financial and tax records to determine your current basis.