

Eduardo S. Espinosa, Trustee
Life Partners Position Holder Trust

April 17, 2017

On April 6, 2017, the Court heard the joint motion of the PHT Trustee and the Creditors' Trustee to modify the Third Amended Plan of Reorganization. After the motion was filed, some investors objected to the motion and other parties expressed concerns about some of the Trustees' proposals. After significant negotiations, the Trustees and the objecting investors agreed to slightly change the proposed modifications to the Plan. After hearing evidence regarding the modified proposals and considering the statements of the investors and parties attending the hearing, the Court granted the Trustees' motion. The Court ordered that the Plan be modified as follows:

- The Plan is modified to require the Trustees to withhold cash distributions to those who have not provided properly executed IRS Forms W-9 or W-8BEN to the Trustees. If the investor whose distribution is held does not provide the appropriate tax forms within one year, then he or she will not be entitled to receive that distribution. The Trustees are required to request tax forms from creditors from whom they have not received a W-8 or W-8BEN after November 2016. In order to minimize the burden on the investors, however, the

We are now asking you to send us a fully executed Form W-9 or Form W-8BEN. Copies of the forms are posted on the Forms page of the PHT's website (www.lpi-pht.com). Please send the completed forms to

Magna Servicing, LLC
P.O. Box 23226
Waco, TX 76702

If you are an IRA Holder or sent us a Form W-9 or W-8BEN after November 1, 2016, you do NOT need to send in another form.

- The schedule for sending premium bills is modified to eliminate the requirement that the PHT bill only in June or December. Instead, the PHT Trustee is to bill each policy one time per year, but on a schedule that he devises. The current plan is to divide the policies into twelve groups so that only a limited number of policies are billed in any given month.
- The PHT Trustee will accept as timely any payment for the December premium invoices that was in his possession as of the close of business on April 6, 2017.

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- The Plan provides that a Continuing Fractional Holder who fails to pay a premium call is deemed to have contributed that position to the PHT at a 20% discount. This penalty is waived for (i) payment defaults on premiums billed in December 2016 and due on February 27, 2017; and (ii) the next premium bill for each position. The failure to pay any other future premium call will result in the deemed contribution of the position at the discount.
- Imposing a deadline for the completion of IRA Option 4 conversions. In order to retain the Option 4 election, the investor must deliver a request to distribute the position to his or her IRA custodian by **May 5, 2017**. The IRA custodians are, in turn, required to honor the request (upon filing of the appropriate forms and payment of any required fees), by **May 15, 2017**. If the PHT Trustee does not receive notice that the required distribution has occurred by May 15, 2017, the election shall be deemed to be void and the investor deemed to have elected IRA Option 2 (Pool), which is the default IRA election. The PHT Trustee may extend the May 15, 2017 deadline, but only if the IRA holder delivered instructions to distribute to the IRA custodian by May 5, 2017.

A copy of the Court's order is available on the PHT's website.

The Court's order does not allow Continuing Holders, or any other investors, to change their elections. Accordingly, the PHT Trustee cannot accept the notices provided by Continuing Holders in anticipation of the hearing. Continuing Holders who wish to convert to the pool can now do so by failing to pay the next premium bill they receive. If they do so, their positions will convert into a pool interest, without discount or penalty. Please note that this forgiveness of the 20% discount shall only apply to the next round of invoices for each position. After the next round of premium calls, the penalty will apply to all subsequent premium payment defaults.

Sincerely,



Eduardo Espinosa,
PHT Trustee