

Dear LPHI Creditor:

I'm writing today to share some good news with you: the Joint Plan of Reorganization for Life Partners Holdings Inc. (LPHI) became effective on December 9, 2016. As a result, Life Partners has emerged from bankruptcy as a reorganized enterprise designed to maximize recovery for investors.

No one knows better than you what an arduous process this has been over the past two years. But at long last, you and your fellow investors in Life Partners will now begin recovering a substantial amount of your original principal investments.

Please bear in mind there are approximately 120,000 individual investor interests that must be sorted out, so it will take some time to process everything correctly. Within the next two weeks, distributions of more than \$100 million collected from matured policies during the bankruptcy proceedings will be distributed to investors. Going forward, we project that investors will receive roughly 90 percent of the total invested capital over time as a result of the plan we were able to put in place – depending on the option you elected.

The bankruptcy plan created two new entities: the Position Holder Trust and the Creditors' Trust. The Position Holder Trust, which will be headed by Eduardo S. Espinosa, of Dykema Cox Smith in Dallas, will oversee the liquidation of the policy portfolio and distribution of the net proceeds to investors. The Creditors' Trust, which will be headed by Alan M. Jacobs, of AMJ Advisors, will pursue litigation arising from the Life Partners' pre-bankruptcy business activities, for the benefit of Life Partners' investors. In addition, Vida Capital provided the bankruptcy exit financing and will act as servicer for the LPI policy portfolio and investors.

We anticipate a seamless transfer to the new trusts and new servicer, as well as effective oversight from the five-person board of directors comprised of both investors and seasoned industry professionals with expertise in life settlement transactions.

I want to thank you for your patience and for your confidence in the bankruptcy process. It's been a long journey, but we've now reached the finish line and LPHI's assets have been protected for your benefit.

More information regarding your individual investments will be forthcoming from the new management teams that are now in place.

Best Regards,

H. Thomas Moran, II
Chapter 11 Trustee
In Re: Life Partners Holdings, Inc., et al.