

This disclosure document is mandated by the Arkansas Securities Department

Life Settlement Document II

Read Immediately Upon Receipt

You are purchasing a **life settlement contract**. A **life settlement contract** is an agreement for the purchase of the death benefit of life insurance policy. The individual whose life insurance policy is being sold is called **insured**.

Right to Rescind

By law, you have the right to rescind the purchase of this investment by giving written notice of your intention to rescind. To be effective, your written notice of rescission must be postmarked no later than 15 days following the later of:

- a. the date on which you paid for your investment; or
- b. the date on which you received this disclosure document.

It must be mailed, postage prepaid, to:

Name:
Address:

What are you purchasing

You are investing \$ _____ and will receive \$ _____ upon the death of the **insured**.

The life expectancy of the **insured** in whose policy you are investing is _____.

You are purchasing (check one):

- _____% (percent) ownership of a life insurance policy with a \$ _____ death benefit.
- the entire ownership of a life insurance policy with a \$ _____ death benefit.
- _____% (percent) of the death benefit of a life insurance policy with a \$ _____ death benefit.
- the entire death benefit of a life insurance policy with a \$ _____ death benefit.

The insurance policy

The life insurance policy was issued by:

Company:

Address:

Telephone Number:

The policy number is:

The policy was issued on (date):

The policy is (check all that apply):

A term policy; The term of the policy is: _____.

A group policy
Name of the Group:
Address:
Telephone Number:

Contestable; the policy is contestable until (date): _____.

Ownership

After you make your purchase, you will be (check one):

An owner and beneficiary of a life insurance policy.

Other owners of the policy will be: (names and addresses of other investors)

A beneficiary **only** of a life insurance policy.

The owner(s) of the policy will be: (names, addresses and telephone numbers)

Other beneficiaries of the policy will be: (names and address of other investors)

Premiums

Premiums on the policy are (check one):

- Paid up and no additional premium payments will ever be required.
- Required to be paid periodically.

Premiums are:

\$ _____ annually

Payments of \$ _____ are due to be paid:

- Monthly
- Quarterly
- Semi-annually
- Annually

Term of premium payments

- If premium payments are made as required the policy will be fully paid up on (date) _____.
- Premium payments must be made until the death of the insured.

Funding of premium payments (check all that apply)

- A portion of your investment has been set aside to pay premiums. This amount will fund the payment of premiums until (date) _____. These funds have been placed in an escrow account with:

Name of Escrow Agent:

Address:

Telephone Number:

Bank Name and Account Number:

You will be obligated to pay additional money to fund premium payments after (date) _____. Payments of \$ _____ will be due to be paid:

Monthly

Quarterly

Semi-annually

Annually

Before these additional payments are due, you will be notified of when and to whom to make your premium payments.

Use of your investment funds

Of the amount you are investing:

\$ _____ will be used to purchase the policy from the insured.

\$ _____ will be set aside to pay premiums on the policy.

\$ _____ will be used to pay a commission to the person who sold you the policy.

\$ _____ will be used to pay administrative expenses and other transaction costs.

The Arkansas Securities Department is the agency of state government responsible for the licensing of brokerage firms, investment advisers and their employees, the registration of securities and the enforcement of the Arkansas Securities Act. Anyone with questions or concerns about life settlements contracts may contact the Arkansas Securities Department at the address and telephone numbers listed below.

Arkansas Securities Department
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501-324-9260 or 1-800-981-4429